
Entrepreneurship, Small Business Creation and Economic Development: Business Education Perspective

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ABSTRACT

Descriptively, entrepreneurship is noted as that aspect of education which acknowledges that society is here and now and not something in the future. Entrepreneurship education curriculum exact in the trainees sense of industry that will integrate them into the society and elicit in them the responsibility to appreciate that wealth is never from the blues but something worked for and accumulated in free but limited social participation in the society of work. Consequently there exist inextricable linkage between entrepreneurship education, small business creation and economic development. The core concept of entrepreneurial education is to fit trainees into the world of work that would, in concrete terms, translate into meaningful relationship between the trainee's self-worth, and robust social relationship. All of these are critical precursors to the trainees' socio-economic and socio-political impetus in the society. This in effect prevents alienation of the trainees from the society and alienation is the crux to social and economic dislocation that thwarts peace, social and economic development of any given society. However there exist litanies of challenges that impede the development of entrepreneurial education which need to be surmounted. These include among others; government policies, environmental and social factors as well as lack of adequate skilled manpower in our various educational institutions. This paper proffers ideas considered appropriate to mitigate these challenges and subsequently concludes that entrepreneurship, small business creation are critical to economic development of any society.

Keywords: Entrepreneurship, Small Business Creation, Economic Development.

Introduction

Nigeria is noted and classified as one of the richest third world countries in terms of natural and human resources yet poverty, unemployment and corruption rudely stare on the faces of majority of its citizens. Violent crimes such as political thuggery, kidnapping, ritual killings, armed robbery and unprecedented loot of government treasury are on the increase. The people feel alienated. Alienation as viewed by Morton Kaplan in Nyong and Jenkwe (1992) is the absence of meaningful relationship between ones' status, ones' identification, ones' social relationships, ones' style of life and ones' work. Put differently, alienation describes the feeling of estrangement, disharmony and lack of fulfillment within an individual.

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The society's decayed ethical and social values and the lift of all of our colonial master's philosophy of education into our system further promote the multi valence of crime and corruption in the society. No adequate attention in our educational system was paid to vocational, technical and entrepreneurship education to the extent that the society had deep seated apocalyptic perception about graduates of these branches of education. The society saw the products of these branches of education as mere artisans that can hardly add values to the economic development of the society. The low economic development of Nigeria is indeed the result of a combination of these vices and negligence.

This paper therefore attempts to find out how entrepreneurship and small business creation can exert positive influence on the economic development of the society. Economic development is simply improved standard of living of the people. The paper further identified the many challenges confronting entrepreneurship and small business creation and then made recommendations considered appropriate to mitigate the challenges. The paper then concluded that entrepreneurship and small business creation is sine qua non to economic development of any given society.

Theoretical Frame Work

Entrepreneurship: According to Hisrich, Peters and Sheperd (2009) is the process of creating something new and assuming the risk and reward. It is a dynamic process of creating wealth and the most effective method for bridging the gap between science and the market place, creating new enterprises and bringing new products and services to the market. Timmos and Spinelli (2009) corroborate Hisrich *et al* but emphasized that entrepreneurship is a pathway that leads to innumerable ideas, opportunities and open visions of what young people can become. This simply means that entrepreneurship is not an end in itself rather a means to an end. The subtle emphasis that could be gleaned from these definitions is that it emphasizes creation process, unparallel commitment and reward. To create something requires considerable thinking, imaginations and intellectual prowess to harness these thoughts and add value to both the entrepreneur's economic and psychological self-worth as well as add value to the end users of the products. Assumption of risk connotes actions or behavioural pattern in response to a judgmental decision under uncertainty about possible opportunity for profit (Pandey (1999); Block and Hirt (1999). As noted by Timmos *et al* and corroborated by Pandey, Block and Hirt, the world of entrepreneurship is not neat, tidy, linear, consistent and predictable no matter how much we might like it to be that way. They went on to note that it is from the collisions inherent in these paradoxes that value is created. One sure fact

is that entrepreneurship according to Timmos *et al* (2009) has metamorphosed from the primordial concept of start-up notion to contemporary concept that embraces all forms of business to include older and new forms, small and large business outfits, fast and slow growing business outfits and public sectors, in all geographic points and in all stages in a nation's development regardless of politics. From this analogy, entrepreneurship education becomes a sure panacea to uplifting the worth of entrepreneurs in the world of work and industry.

Entrepreneurship Education: Is that aspect of education that acknowledges and makes the trainees acknowledge that the society is here and now and not something in the future or out there. Deductively entrepreneurship education elicits in the trainees that responsibility to create their essence and freedom that presupposes commitment to themselves and the larger society. It therefore makes the trainees acquire "true knowledge". Within Plato's construct (Schofield 1978), true knowledge exact in the trainees things that would be both intrinsically and extrinsically valuable. What this means is that it develops in the trainees requisite skills that will fit them in the world of work and make them to flourish economically and also make them develop insight into fundamental principles (i.e. cognitive perspective). Skill development according to Nelson (1997) is the mastery of abilities essential to successful functioning in the society. This however requires structured learning and feedback. Thus entrepreneurship education educates the trainees for conformity and originality (Nyong 1992). Invariably the trainees are educated for originality, creativity, responsibility and for spontaneity. These facts are corroborated by Timmos *et al* (2009) when they noted that entrepreneurship education significantly assist students to improve the quality of decision they make and further help them to improve the fit between what they aspire to do and the requirements of the particular opportunity. These choices often lead to self-employment and meaningful careers.

A cursory look at the course content of entrepreneurship education as approved by National Council of Colleges of Education (NCCE 2012 Edition) corroborates above facts and further affirms that it will inculcate in the trainees (students) what Plato called "true knowledge". The course content on entrepreneurship education include: the study of risk in business, feasibility study and business plan, business windows, marketing strategies, e-marketing, funding institutions in Nigeria, regulatory and supervisory laws in Nigeria, all help develop the trainees' insight into cognitive perspectives or fundamental principles in the world of work or business. A graduate of entrepreneurship education vested with the basics of feasibility study and business plan and desires to start up a business will be very well disposed to success than an illiterate business man. The young graduate entrepreneur would be able to develop

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a sound business plan that will bring in creativity and technology involves in the new business and clearly articulates what the venture is all about. This is so because the graduate would have recognized that effective plan will help him determine the viability of the venture in the designated market and environment, provide guidance in organizing, monitoring and evaluating his activities and serve as an important tool in procurement of finances. Similarly the young graduate entrepreneur would bring to bear on the business objectivity and ideas. Planning is a basic strategy that answers fundamental questions critical to the success of any given venture. Questions such as:

Where am I now? Where am I going to? How do I get there? Are variables inherent at the planning stage? It is at the planning stage one defines his purpose (SWOT) within the construct of the environment. Canfield, Hansen and Hewitt (2000) corroborate these facts but term them as Life's Fundamentals and express them thus:

*"Know what you want
Know why you want it
Discover your talents
Use them daily
Work hard, work smart
Find your purpose; live your purpose".*

These facts are corroborated by Thompson and Strickland (2000); Hisrich, Peters and Shepherd (2009). These entrepreneurial processes would help the young graduate entrepreneur to find, evaluate and develop an opportunity that would make him overcome the forces that resist the creation of something new. With this mind set, the young graduate entrepreneur injects imagination, commitment, passion, tenacity, integrity vision and indeed motivation in the execution of the chosen business. Put differently, the core concept of entrepreneurship education is to produce enterprising youth population that would be innovative, goal oriented, willing to take personal risk in initiating change and having a degree of freedom to pursue their ideas. It also trains people who would have confidence in what they are doing and could clearly articulate what venture they are to undertake is all about, organize and re-organize social and economic mechanisms and turn resources and situations to practical account that will infuse value in the product(s) and service(s) put forward to the end users (Weihric, Cannice and Koontz (2008), Hisrich *et al* (2009). It could therefore be stated rather eloquently that entrepreneurship education stimulates and enhances a person's residual pool of knowledge and skills to be selectively applied later in life. It further inculcate in the trainees leadership skills, interpersonal skills, team

building and team playing, creativity and ingenuity, motivation, persistence and determination, values, ethics honesty and integrity.

Entrepreneurship and Economic Development: The dynamic influence of entrepreneurship on economic development arises from increase investment which is the consequence of changes in the economic environment, increased dissemination of technology, exposure to new and different products and changes in institutional framework. In other words, there is basically a change in economic structure and factorial distribution of income. This inextricable link between entrepreneurship and economic development could be gleaned from the basic attributes of an entrepreneur. They are calculated thinkers that live with and manage chaos and change, innovation driven, opportunity and customer focused, principled and value based managers, creativity and ingenuity oriented. Entrepreneurship is now practiced both in private and corporate sectors of the economy as against the primordial and apocalyptic perceptions captains of industries and the society held against entrepreneurship. It was indeed consigned to artisans. In educational sector, teachers have introduced creativity and innovations in the teaching-learning processes to enhance the absorption and comprehension capacity of the learners. For instance the now student-centred method of teaching has improved the participatory and discovery technique that substantially improve the perceptual screen of the students on the taught subjects. The use of technologically oriented learning equipments/materials such as computers, projectors et al add impetus to the development of the cognitive, affective and psychomotor domains of the students. Training and retraining of teachers are innovations to update their knowledge horizon and competitiveness and to induce novelty, creativity in teachers and evolve technology-driven approach in teacher-students learning environment for increased productivity and wholesome development of the students.

In the corporate world of works, there has been unprecedented competition that has as a consequent engendered entrepreneurship spirit. This gives credence to Kauffman's powerful insight as expressed in Timmos (2009) that "People want to be led not managed, manipulated or forced to do things only because they need pay cheque". This also informs the changes in corporate management. In contemporary corporate management we witness entrepreneurship leaders who now inject imaginations, motivation, commitment, passion, tenacity, integrity, team work and vision into the work-force. These have invariably increased productivity and cause them to have sovereignty of their clients. For instance banks have improved customers services of varied nature such as P.O.S machines in their various branch offices, e-payments, E-commerce, E-transfers etc. All of these are entrepreneurial innovations and creativities that have improved their productivity and radically

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enhance commerce, production frontiers vis-à-vis gross domestic product (GDP) of the nation.

In the private sector, entrepreneurship effect on economic development could be typified by the activities of Alh. Alieko Dangote – a small business entrepreneur that metamorphosed into a world class business magnet. The entrepreneur effectively applied the basic concept and processes of entrepreneurship by asking these questions: who am I?, where am I now?, where am I going to? The entrepreneur exhibits basic entrepreneurship spirit, process to conquer domestic economic frontier to now venture into internationally competitive market with consequent enlargement and depending of his production capacity. The resultant effect is reduction in unemployment labour force, effective human capacity building and utilization, utilization of modern technologies and capital (finances). All of these culminate into improvement in the standard of living of the citizens and gross domestic product vis-à-vis the country's economic development. The artisans also contribute to economic development through their utilization of patchwork quilt principles. This principle involves the creation of something new with existing means rather than discovering new ways to achieve given goals. (Hisrich *et al* 2009). Though the products of the artisans constitute a leakage in the economy they never the less add value to the standard of living of the artisans, their families and consumers. The work and product of a computer centre (business centre) set up by a young unemployed graduate reduces unemployment and add value to the life of the self employed graduate. With the business centre he articulates all his learnt entrepreneurship skills, cognitive prowess and adaptability and other such entrepreneurship mind set to add value to the economy.

Economic development, as explained by Anyanwuocha (2003), is the process of increasing real per capita income and engineering substantial positive transformations of the economy that would engender change that result in the improvement of the general well-being of the people, ensure sustained rise in the standard of living of the masses. These facts are corroborated by Appleyard and Field (1998); Slavin (1996); Timmos *et al* (2009); Begg, Fischer and Dornbusch (1984). Entrepreneurship, small businesses are therefore perfect agents of economic development while entrepreneurship education exact to inculcate in trainees the core concepts, process of entrepreneurship that would permeate and enhance the cognitive, affective and psychomotor domains of the trainees for a sustained livelihood in the world of works.

Challenges of Entrepreneurship, Small Business Creation & Economic Development: The many challenges of entrepreneurship,

small business creation and economic development could be classified under four broad headings:

- i. Institutional factors
- ii. The society
- iii. Socio-Political factors and
- iv. Environment.

Institutions' Factors: Involve the policies of government, banks and other institutions responsible for training and development of entrepreneurship. Government policies tend to favour economic growth and not economic development. For instance, the massive urban road constructions and white elephant projects at the expense of rural roads where majority of the people reside and major economic factors (labour, mineral resources) of production reside. The road constructions and white elephant projects are basically carried out by foreign nationals. This result in huge capital flight even though some of the white elephant projects have no bearing on the natives but circulate among few carbals.

In our academic institutions we talk (politicize) of free and compulsory education but without quality, without expert teachers, without quality learning materials/equipments, without implementing basic motivational tools for effective learning. This resulted in the marathon strikes by academic unions. The lack of political will by government to sort out grey areas of their differences with academic unions truncates continuity and commitment of teachers to their duties. It also results in brain-drain. All of these are at the expense of our teaming youth population who now feel alienated. Alienation is anti-thesis to economic development and creation of small businesses.

Society: Tends to applaud people that have acquiesced easy virtues and criminality as a road map to wealth. Values and ethics no longer hold sway as a pivot for social and cultural standard and justice. These in effect have midwives corruption, alienation, low productivity, lack of motivation for creativity, innovation and industry, fear and uncertainties. Besides the society's flare (or greed) and passion for foreign products directly scuttle domestic production of good and services, swells up unemployment of our youths and engendered capital flight. These in effect have direct negative consequences on our domestic industries, entrepreneurs and economic development.

Social-Political Factor: Involves our political class and actors. Politics are now not played by the rules of the game rather it is a do or die affairs. Politicians see politics as a fast lane to wealth and affluence. With this perception, people employ lethal means to secure party tickets for election. The unemployed youths become ready pawns for use by politicians to effectuate unwholesome practices – ritual killings, thuggery

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and kidnapping etc. These affect entrepreneurship, small business creation and economic development. Most devastating is that civil servants compromise integrity, ethics, and rules of engagement. Civil servants teach and align themselves with corrupt politicians to loot government treasury else how one can explain how civil servants (junior or senior) outrageously live above their means. All of these acts kill wholesome initiative, creativity and entrepreneurship spirit – a vehicle for small business creation and economic development.

Conclusion and Recommendations

In the light of the foregoing, it could be asserted here that entrepreneurship, small business creation are perfect agents of economic development while entrepreneurship education inculcate in the trainees the core concepts, skills and process of entrepreneurship for a wholesome development of healthy values, cognitive, affective and psychomotor domains of the trainees for a sustained livelihood in the world of works.

Entrepreneurship and economic development though challenged with litany of problems, the following are recommended with intent that they will mitigate the problems:

- i) Government should engage our indigenous contractors in road constructions in order to stop capital flight and for the development of the economy vis-à-vis the standard of living of the people.
- ii) Government should as a priority embark on integrated rural development. This is where the bulk of our economic resources and factor of production reside.
- iii) Our politicians and civil servants particularly the permanent secretaries should religiously uphold their oath of offices and rules of engagement. Government reserves are derivatives of the people's sweat and should be utilized for the benefit of all and not for the carbals alone.
- iv) Our traditional rules, clergies and elites need to embark upon wholesome ethical cultural and social renaissance in the society. This will bring about creativity, innovations, industry, certainty, peace in the society and subsequently economic development.
- v) Government should not politicize education but provide for effective and qualitative education that would guarantee sustained economic development.

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