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Impact of Entrepreneurship and International Trade on Economic Growth and Development in Nigeria

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ABSTRACT: *This study empirically investigates the impact of entrepreneurship and international trade on economic growth and development in Nigeria from 1990 to 2022. Domestic credit to private sector (DCPS), Exchange rate (EXR), Self-employment (SEEM), Total exports ((TEX), Total imports (TIM) and inflation rate (INFR)were used as dimensions of the independent variable while Real gross domestic product (RGDP) as the dependent variable. Annual time series data were obtained from secondary sources including the CBN annual statistical bulletin, World Bank development indicators. The Eview9 Statistical Software was employed to analyze the data empirically. The Unit root test shows that real gross domestic product, domestic credit to private sector, exchange rate, self-employment, total exports and total imports are all stationary after first difference I(1) while inflation rate was stationary at level I(0). The data were analyzed using the Autoregressive distributed lag (ARDL). The results of the ARDL estimates indicate that in the long run self-employment and total exports coefficients were positively signed and statistically significant which means that increase in self-employment and total exports in Nigeria will increase real gross domestic product (Economic growth) while total imports turned up with a negative sign and also statistically significant. It portends that total import has a negative impact on economic growth and development in Nigeria in the long run. The study recommends amongst others that government should promote entrepreneurship by providing credit and grants to encourage self-employment. Government should also encourage import substitution, promote exportation of locally made goods as this has positive impact on economic growth and development in Nigeria.*

KEY WORDS: entrepreneurship, international trade, economic growth, development, Nigeria.

INTRODUCTION

Entrepreneurship is a concept commonly used in different ways to mean different things depending on the context of concern. To the economists, entrepreneurship, alongside land, labour, natural

resources and capital is considered as a factor of production. In other words, when combined with other factors of production (land, labour, natural resources and capital) produce profit. In the context of education, it provides students with knowledge, skills and motivation to encourage entrepreneurial success in a variety of settings. Variations of entrepreneurial education are offered at all levels of school; Primary, Secondary and Tertiary alike. It focuses on realization of opportunity. Social entrepreneurship, as an entirely different context is the process of pursuing innovative solutions to social problems. It's all about adopting a mission or purpose to create and sustain social value. However, whatever context of entrepreneurship that exists, evolves around making good with available resources for a desirable output which could be profit, self-development, expansion etc.

Economists and policy makers have taken international trade as an area of interest. The importance of international trade lies in the ability to obtain goods which cannot be locally produced in the country or which can only be produced at a greater expense. It also enables a nation to sell its domestically produced goods to other countries of the world. However, the performance of an economy in terms of growth rates of output and income per capita has not only been based on the domestic production and consumption activities but also on international transportation of goods and services. The classical and neo-classical economists attached so much importance to international trade in a country's development in that they regarded it as an engine of growth (Jhingan, 2006). It is necessary to note that trade globally is recognized as an important catalyst for economic growth and development. For a developing country like Nigeria, the contribution of trade to her overall economic growth is immensely enormous owning largely to the obvious fact that most of the essential elements for development such as raw materials, capital goods and technical know-how, are mostly imported because of inadequate domestic supply. However, it is very necessary to note that internal trade complements external trade, since domestically produced goods are collected for export whereas imported goods are distributed within the country, sometimes into interior areas of the country. Ngige (2018) citing Anyanwuocha (1993) inferred that the higher the level of internal trade the greater the level of specialization which raised the level of efficiency and productivity of the people in their various economic units, which enhance rapid economic growth. Nigeria's economic growth is measured by the gross domestic product (GDP). Therefore, GDP is perceived as a sum total of the market value of a country's output of goods and services, which are exchanged for money or trade in a market system over certain period. This indicates that trade is an important aspect of economic growth. It was observed that the gross domestic product (GDP) of Nigeria is $186 billion in 2017. This indicates that the economy has over dependence on the capital intensive oil sector, which provides 45 per cent of GDP, 95 per cent of foreign exchange earnings and about 65 percent of government revenue for 2017. The largely subsistence agricultural sector was unable to meet up with the rapid population growth of the nation, and Nigeria which was once a large net exporter of food now imports some of its food products. The over dependence on oil produce by Nigerians not only lead to unbalanced trade but has resulted in economic fluctuations. Nigeria was severely affected by the global

economic meltdown partly due to the collapse of global oil price from (2014-2016), and two consecutive recessions in Nigeria oil prices set by the Organization of Petroleum Exporting Countries (OPEC) can be influenced by political reasons that might not be favorable to Nigerian economy and the recent Niger Delta crisis which had a big role to play in slowing down Nigeria's economic growth. Economic and trade diversification may serve as a strategy for reducing the exposure of Nigeria's economy to external shock associated with commodity production and trade. Furthermore, it must be established that before any significant benefits from trade can be gained, the domestic economy will have to diversify away from overdependence on oil produce and concentrate on the production and exportation of primary commodities

However, the impact of entrepreneurship and international trade on economic growth and development in Nigeria can be measured with several proxies. On this premise, this paper seeks to empirically investigate the impact of entrepreneurship and international trade on economic growth and development in Nigeria. Interestingly, no study has investigated the impact of entrepreneurship and international trade on economic growth and development in Nigeria.

LITERAURE REVIEW

Conceptual Clarifications

The Concept of International Trade: Ngige (2018) stated that international trade has been and is still today an economic force that has spurred commerce, promoted technology and growth, spread cultural pattern across the global village, which stimulates exploration, colonization and frequently fanned the flames of war. The history of international trade has gone hand in hand with the development of civilization. From ancient times, international trade brought about the exchange of products and raw materials between one nation and another. However, such trade was often conducted in barter form and was of small volume when compared to today's standard. This interchange of products was very critical in economic and historical development of every nation. International trade in it early beginnings was very important, not just because it provided one society or country with products it does not have, e.g cowries from West Africa were taken to other areas. International trade also led to cultural interchange, thus diversifying trading not only on product, but also on lifestyles, customs and technology. Yakubu & Akanegbu (2018) are of the view that international trade can promote the development of monetary systems of record keeping and accounting and the entire vocation of commerce. One can safely say that the economic and political development of the entire western world was spurred and enhanced by international trade. Idemobi (2011) defines external/international trade or international business as a term used collectively to describe all commercial transactions (private and government, sales, investments, logistics and transportation) that take place between two or more nations. Usually, private companies undertake such transactions for profit; governments undertake them for profit and

political reasons. It refers to all those business activities which involve cross border transactions of goods, services, resources between two or more nations. Adeleye, et al. (2015) is of the view that, international trade which is also referred to as foreign or external trade is defined as a business activity existing between two or more countries. When exchange of goods and serves take place between two countries that international trade has taken place. Bakari (2017) defines international trade as the exchange of capital, goods, and services across international borders or territories. In most countries, such trade represents a significant share of gross domestic product (GDP). Egbulonu (2015) citing other economic scholars infer that external trade or exports is a function of international trade whereby goods produced in one country are supplied to another country for future sale or trade.

The Concept of Entrepreneurship: Entrepreneurship has been widely linked to economic growth by several literatures. According to Godlin, et al. (2008), there is no general consensus on the definition of entrepreneurship. However, understanding entrepreneurship revolves round theories of Schumpeter (1942) on the premise of innovation, Knight (1921) on the premise of risk taking and discovery. Theories of Creative Destruction, Discovery and Risk-Taking Twentieth – century economists; Joseph Schumpeter, Israel Kirzner and Frank Knight in further refining the academic understanding of entrepreneurship, came up with two theories. Schumpeter, in his creative destruction theory of 1942, views entrepreneurship as a process of introducing new goods and new methods of production (innovation). The creative destruction or what is known as the disruptive force applies to the fact that the introduction of new products displaces the old ones. It results in the obsolescence or failure of these old products. Still on this theory, an entrepreneur is seen as one who implements change in the economy. Previously unnoticed profit opportunities are discovered in this case. This discovery initiates a process whereby these newly discovered profit opportunities are then acted on in the marketplace until market competition eliminates the profit opportunity. Knight (1921) reflected entrepreneurship as an embodiment of risk. For them, an entrepreneur is one who is willing to put his or her career and financial security on the line and take risks in the name of an idea, spending much time as well as capital on an uncertain venture. Entrepreneurship involves bringing something into the world whose market never exists. Measuring Entrepreneurship There are different measures of entrepreneurship. This study attempts to explore the most widely cited or used measures. Different literatures have adopted these measures as proxy for entrepreneurship. However, Godlin, Clemens and Veldhuis (2008), states that these measures focus on only one aspect and as such, are not well connected to the aspects of entrepreneurship as postulated by Schumpeter, Knight and Kirzner. This can be anchored on the fact that there is no general consensus on the definition of entrepreneurship. Some of these measures are outlined below; - Total Entrepreneurial Activity (TEA) Index - Self-Employment Rates - World Bank Entrepreneurship Survey - Global Entrepreneurship Index (GEI) - Global Innovation Index (GII) The study employed the self-employment rate as a proxy for entrepreneurship owing to the paucity of data with regards to other measures.

The Concept of Economic Growth: Economic growth can be defined as an increase in value of goods and services produced in a country. Growth implies an increase in real GNP per unit of labor input. This refers to changes in labor productivity over time. Economic Growth is conventionally measured as the rate of increase in Gross Domestic Product (GDP). Growth is usually calculated in real terms (netting out the effect of inflation on the price of the goods and services product). Growth improved the standard of living of the people in that particular country. Economic growth is measured by the Gross Domestic Product (GDP) in Nigeria, economic growth is the rise in the gross domestic product (GDP) as the major quantitative measure of production for one year, whereas economic development includes both quantitative and qualitative improvements in a country's economic position **(**Ivic, 2015). Acemoglu and Robinson (2010), defined economic growth as a society's ability to enhance its human capital, physical capital, and technological capital over a certain period. Economic growth, as it is often and interchangeably used for sustainable development, is defined as economic development that feeds the hunger of the present generation without jeopardizing the yearnings of future generations. Ite (2003), sees it as a catalytic engine in which the direction of investments, institutional reform, resource exploitation, and technical development orientation is made relevant to future as well as existing demands. It is also an alternate development mechanism for improving human living standards without jeopardizing society's worth. Economic growth is defined in the context of this study as a sustainable increase of the production of a country over time.

The Concept of Economic Development

Development is a contested concept. It is relative and multidimensional, as such should be applied contextually. When the concept of development is applied to contemporary societies, it is usually dichotomized. Some countries are qualified as more – developed while others are less-developed. The qualification reveals the level of development a country has attained, in time, relative to another (or others).

Longman Dictionary of Contemporary English defines development as “a gradual unfolding”, which implies “passing through stages” each of which appears for the next. Akpakpan (2007), argued that when the above definition is applied to countries, which exist in time, it shows that development must be dealt with in a historical context. The historical experience will condition the stage in which a country finds itself, and the degree to which development has unfolded. An unfolding, in this context, implies the “stripping off of overlays”, which are hiding the true nature of the subject; it suggests the gradual emergence of the nature of the subject which, for some reasons, has been hidden but which reveals itself with the passage of time (Akpakpan, 2007). Generally, development is a process of growing gradually from embryo to a larger, more advanced, more complex and more organized form. On this note, Todaro& Smith (2015), conceptualized development as “the sustained elevation of an entire society and social system toward a “better” or “more humane” life.

In the same vein, Burkey (1993), defined economic development as a process by which people, through their own individual and/or collective efforts, given their level of technology, boost production for direct consumption and/or for sale. Rodney (1972), expressed economic development to imply increased skill and capacity, greater freedom, creativity, increased self-discipline and responsibility, and improved material well - being. Economic development, everywhere, has at least three core values: (a) life sustenance: the ability to meet the basic needs of food, shelter, and clothing; (b) self-esteem: to be a person, to have self-worth; and (c) freedom from servitude: to be able to choose. Premised on the core values of development, every society that desires and seeks economic development will have:

(i) to increase the availability and widen the distribution of basic life-sustaining goods such as food, shelter, clothing, health and protection.

(ii) to raise levels of living through the provision of more jobs, better education, greater attention to cultural and human values, all of which will serve not only to enhance material well-being but also to generate greater individual and national self-esteem.

(iii) to expand the range of economic and social choices available to the people by freeing them from servitude and dependence not only in relation to other people and nation states, but also to the forces of ignorance and human misery (Todaro and Smith, 2015).

THEORETICAL FRAMEWORK

Factor Endowment Theory by Eli Heckscher (1919) and Bertil Ohlin (1933). Hecksher-Ohlin Theory The theoretical foundation of this study is anchored on the Factor Endowments Theory, profound by Heckscher –Ohlin. This theory carries along the three major trade theories such as; theory of Absolute Advantage, theory of Comparative Advantage and the Factor Endowment theory by Eli Heckscher (1919) and Bertil Ohlin (1933). This theory known as the Heckscher-Ohlin theory of Factor Endowment postulate that countries will export those goods that make intensive use of those factors that are locally abundant, while importing goods that make intensive use of factors that are locally scarce. The H.O theory also known as (the factor proportions) model, is recognized as one of the most important models of international trade. It was developed upon the Richardian model largely by introducing a second factor of production. In its two-by-two-by two variant, meaning two goods two factors, and two countries, it represents, one of the simplest general equilibrium models that allows for interactions across factor markets, goods markets and national markets simultaneously. These interactions across markets are one of the important business lessons displayed in the results of this model. With the H.O model, we learn how changes in supply or demand in one market can feed their way through the factor markets and with trade, the national markets can influence both goods and factor markets at home and abroad. In other words all markets are everywhere interconnected. Therefore, since the H.O theory is of the view that all the markets are interconnected, that means that the trade relationship between Nigeria and

other countries of the world in one way or the other adds value to the world's economic growth through market activities.

Theory of Comparative Cost was propounded by David Ricardo (1817). Comparative cost assumes that trade will be beneficial to a country if it concentrates in the production of those goods in which it has the greatest relative advantages over its trading partners. The law is how ever an extension of the absolute paradigm in industry. That is gain will be available to a given country so long as it transfers resources towards the industry in which its absolute or comparative advantages is greater. The country then sells the surplus to other countries that in their turn channel resources towards those industries in which their deficiency is least. The theory discussed above depends on the existence of certain conditions for international trade, and complications arise if these conditions are not met. These conditions include; Existence of free trading environment that enables a country to concentrate on the production of the good or goods for which its comparative advantage is greatest. There should be free movement of factors from one industry to another. The production opportunity cost ratios in different countries must differ. The exchange rate of currency must lie between the limits set by the international (non-trading), price ratio for different product. Transport cost should not be so high to out reign the price advantage enjoyed by exporter over domestic producers. Trade should not be seriously inhibited by artificial barrier to trade (Dereck, 1974).

EMPIRICAL LITERATURE

. Salgado-Banda (2005) proposed a new variable based on patent data to proxy for productive entrepreneurship. Data on self-employment was used as an alternative proxy. In particular, the paper studied the impact of entrepreneurship on economic growth by using these two measures. The study considers 22 OECD countries and finds a positive relationship between the proposed measure of productive entrepreneurship — degree of innovativeness of different nations — and economic growth, while the alternative measure, based on self-employment, showed negative correlation with economic growth.

Savrul (2017) consolidated entrepreneurship as an intermediate variable to the Cobb-Douglas growth model beside the basic variables of labour, gross capital formation, and gross domestic product per capita. The data of 35 countries covering 2006-2015 period was used in the study. The study showed that although the changes in the entrepreneurial variables don't effect economic growth immediately, they present a significant and positive effect in the long run. Oladimeji and Muhammed (2017) investigated the effect of international business on SMEs growth in a competitive environment particularly Nigeria. It was also revealed that the exchange rate has a significant effect on SMEs growth in Nigeria, and the level at which exchange rate affects SMEs growth is relatively high.

Okeowo and Aregbeshola (2018) reviewed a study on trade liberalization and performance of the Nigerian textile industry. Findings revealed that the effect of simple tariff rate on textile industry is negative and statistically significant in the long-run while trade liberalization policy measure through simple tariff rate has a lag effect before it can be effective in the textile industry. In both short and long run, real effective exchange rate depreciation worsens the performance of the textile industry in Nigeria. Agbo, et al (2018) reviewed the impact of international trade on the economic growth of Nigeria in Enugu, Nigeria. The results of the study showed that there is a significant impact of export trade on the Nigerian economic growth. The study also revealed that there is no significant impact of import trade on the Nigerian economic growth. Onuorah (2018) examined trade liberalization and economic growth in Nigeria. The results/findings revealed that the independent variables: DOP. INF. FDI. BOT and NEXP have positive significant impact on GDP while EXR and BOP shows a negative impact. Osidipe (2018) assessed the impact of Trade Liberalization on some selected manufacturing sectoral groups: The results of analysis led to the conclusion that trade liberalization does not have significant impact on FBT, CKM, and BM in Nigeria. FDI is positively signed and thus have direct impact on the three- sub-sectors.

Osabohien (2019) investigated the impact of agricultural export on Nigeria's economic growth. The results from the ARDL technique revealed that agricultural exports significantly affect Nigeria's economic growth this suggests that, a 1percent increase in - agricultural export will boost economic growth in Nigeria by approximately 25percent. Elijah and Ahmed (2019) examined trade liberalization as one of the drivers of economic development between 1986-2016, according to World Development Report, irrespective of under unfavourable or favourable environment open economies perform better compared with closed economy. The study findings revealed that trade liberalization did not cause growth during the period of the study.

Babatunde (2020) empirically examine the effect of FDI inflows into Nigeria on real gross domestic product (RGDP) growth and how these external inflows can bring about achieving Goal-17.3 of mobilizing additional financial resources for developing countries from multiple sources. The study found that labour quality has a positive and significant effect on RGDP in line with theory.

METHODOLOGY

Model Design

The researcher adopted the quasi-experimental design called correlational research design which according to Hassan (1995), aims at establishing relationships between variables and to know if the relationship that exist is significant. Another justification for the use of quasi-experimental research design is that the study is descriptive and analytical.

Model Specification

The mathematical form of the model is expressed as

RGDP = F(DCPS,EXR, SEEM,TEX,TIM,INFR) 1

Where RGDP = Real Gross Domestic Product

DCPS = Domestic Credit to Private Sector

EXR = Exchange Rate

SEEM = Self-Employment

TEX = Total Exports

TIM = Total Imports

INFR = Inflation Rate

RGDP is the dependent variable

The linear regression model based on the above functional relation is expressed as:

$RGDP = \beta_0 + \beta_1 DCPS + \beta_2 EXR + \beta_3 SEEM + \beta_4 TEX + \beta_5 TIM + \beta_6 INFR$ 2

$\Delta RGDP_t = \alpha_{0i} + \beta_{1i} RGDP_{t-1} + \beta_{2i} DCPS_{t-1} + \beta_{3i} EXR_{t-1} + \beta_{4i} SEEM_{t-1} + \beta_{5i} TEX_{t-1} + \beta_{6i} TIM_{t-1} + \beta_{7i} INFR_{t-1} + \sum^{q}_{i=1} \alpha_1 \Delta RGDP_{t-1} + \sum^{p1}_{i=1}\alpha_2 \Delta DCPS_{t-1} + \sum^{p2}_{i=1}\alpha_3 \Delta EXR_{t-1} + \sum^{p3}_{i=1}\alpha_4 \Delta SEEM_{t-1} + \sum^{p4}_{i=1}\alpha_4 \Delta TEX_{t-1} + \sum^{p5}_{i=1}\alpha_5 \Delta TIM_{t-1} + \sum^{p6}_{i=1}\alpha_6 \Delta INFR_{t-1} + et$ 3

ECM

$\Delta RGDP_t = \alpha_{0i} + \sum^{q}_{i=1} \alpha_{1i} \Delta RGDP_{t-1} + \sum^{p1}_{i=1} \alpha_{2i} \Delta PCDS_{t-1} + \sum^{p2}_{i=1} \alpha_{3i} \Delta EXR_{t-1} + \sum^{p3}_{i=1} \alpha_{4i} \Delta SEEM_{t-1} + \sum^{p4}_{i=1} \alpha_{5i} \Delta TEM_{t-1} + \sum^{p5}_{i=1} \alpha_{6i} \Delta TIM_{t-1} + \sum^{p6}_{i=1} \alpha_{7i} \Delta INFR_{t-1} + \lambda ECT_{t-1} + et$ 4

$B_1 \geq 0, \beta_2 \geq 0, \beta_3 \geq 0, \beta_4 \geq 0, \beta_5 \geq 0, \beta_6 \geq 0, \beta_7 \geq 0$

Where β_0 is the regression constant or intercept, β_1, β_2, β_3, β_4, β_5, β_6 and β_7 are the regression coefficients or parameters and U is the random variable. All other terms are as earlier defined.

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EMPIRICAL RESULTS AND DISCUSSIONS

Table 1. Augmented Dickey Fuller and Philips Perron Unit Root Test

Variable	ADF					PP				
	Level		1st Diff		I(.)	Level		1st Diff		I(.)
	Coeff.	5% CV	Coeff.	5% CV		Coeff.	5% CV	Coeff.	5% CV	
RGDP	-2.231	-1.953	-2.413	-3.558	I(1)	-3.563	-3.530	-4.032	-3.568	I(1)
DCPS	-2.245	-2.960	-5.015	-2.968	I(1)	-1.814	-2.957	-6.644	-2.960	I(1)
EXR	-0.111	-2.957	-4.676	-2.960	I(1)	-0.020	-2.957	-4.735	-2.960	I(1)
SEEM	-0.455	-2.957	-3.952	-2.960	I(1)	-0.281	-2.957	-3.832	-2.960	I(1)
TEX	-1.710	-2.957	-6.378	-2.960	I(1)	-1.698	-2.957	-6.423	-2,960	I(1)
TIM	-0.024	-2.957	-3.187	-2.928	I(1)	-0.442	-2.957	-6.818	-2.960	I(0)
INFR	-3.817	-2.972	---	---	I(0)	-2.983	-2.939	---	---	I(0)

Source: Computed from E-view

Table 1, shows the result of unit root test conducted with both Augmented Dicky Fuller Test (ADF) and Philips Perron Test (PP). To get a robust result for this empirical study, we adopted the outcome of Philip Perron statistics due to the robustness of the result in point of structural breaks. In line with the prepositions of Jenkins and Box (1970). Variable that are not stationary at levels would be made stationary after first difference. The following variables in the model were made stationary after first difference, RGDP, DCPS, EXR, SEEM, TEM, and TIM while INFR was stationary at level.

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The ARDL Bound Test, Short-run and Long-run Results for the Model

Table 2: Bound Test for the Model

ARDL Bounds Test
Date: 03/30/23 Time: 15:54
Sample: 1992 2021
Included observations: 30
Null Hypothesis: No long-run relationships exist

Test Statistic	Value	k
F-statistic	10.22989	6

Critical Value Bounds

Significance	I0 Bound	I1 Bound
10%	2.12	3.23
5%	2.45	3.61
2.5%	2.75	3.99
1%	3.15	4.43

Source: Computed from E-view

The result presented in table 2 shows that the calculated F-statistics of 10.22989 is higher than the upper bound critical value of 3.61 at 5% significant level. Based on this result, it is concluded that a long run relationship exists among the variables in the model. So, there is a long run co-integration amongst the variables in the model.

Table 3: ARDL-ECM Short-run Results for the model

ARDL Cointegrating And Long Run Form
Dependent Variable: RGDP
Selected Model: ARDL(1, 2, 1, 0, 0, 2, 2)
Date: 03/30/23 Time: 15:42
Sample: 1990 2022
Included observations: 30

Cointegrating Form				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(DCPS)	-2.728379	1.779397	-1.533317	0.1460
D(DCPS(-1))	3.223804	1.813069	1.778092	0.0957
D(EXR)	0.315563	0.115994	2.720515	0.0158
D(INFR)	-0.085913	0.203986	-0.421172	0.6796
D(SEEM)	-24.328576	6.532555	-3.724205	0.0020
D(TEX)	0.074340	0.271695	0.273616	0.7881
D(TEX(-1))	-1.660490	0.259995	-6.386629	0.0000
D(TIM)	1.026951	0.295526	3.474997	0.0034
D(TIM(-1))	2.147797	0.418433	5.132950	0.0001
CointEq(-1)	-0.697435	0.104200	-6.693241	0.0000

Cointeq = RGDP - (-9.2790*DCPS + 0.1048*EXR -0.1232*INFR -34.8829
*SEEM + 3.6750*TEX -2.0899*TIM + 3202.8379)

Source:ComputedfromE-view

Explanation of estimated short run for the model

The result of the short – run dynamic regression for the model is presented in table 3, the regression result indicates that in the short run, the variables of domestic credit to private sector coefficient, inflation rate coefficient, self-employment coefficient and total exports coefficients have negative relationship with real gross domestic product. It thus means that domestic credit to private sector, inflation rate, self-employment and total exports coefficients impact real gross domestic product (Economic growth and development) in Nigeria all things being equal. The coefficients of exchange rate, self-employment and total imports are all statistically significant while the

coefficient of self-employment has negative impact on real gross domestic but that of exchange rate and total imports coefficients have positive impact on real gross domestic product in the short-run ceteris paribus. The results indicate that increase in self-employment would increase real gross domestic product (Economic growth and development) in Nigeria. Also, increase in import of capital goods that would aid those who are self-employed to produce finished goods for consumption and export would bring about increase in real gross domestic product in Nigeria in the short run. Increase in exchange rate would bring about a reduction in real gross domestic product in Nigeria.

The ECM turned up with a negative value of -0.697435 as the ECM coefficient which suggests 69% speed of adjustment. This means that approximately 69% of discrepancy in the previous year is adjusted for the current year.

Table 4: ARDL Long Run Regression for the Model

Long Run Coefficients

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DCPS	-9.278986	2.862674	-3.241371	0.0055
EXR	0.104795	0.131132	0.799160	0.4367
INFR	-0.123184	0.291007	-0.423303	0.6781
SEEM	-34.882906	6.923094	-5.038630	0.0001
TEX	3.674972	0.528984	6.947233	0.0000
TIM	-2.089871	0.748966	-2.790340	0.0137
C	3202.837913	633.056026	5.059328	0.0001

Source: Computed from E-view

Explanation of the Estimated Long-run for the Model

The result of the long run regression estimates for the model is presented in table 4 The regression estimates indicate that domestic credit to private sector and self-employment coefficients are negatively signed but statistically significant. What does this portend? It means that increase in domestic credit to private sector to boost self-employment does not increase real gross domestic product in Nigeria. This findings is in a variance with the study by Oyebisi (2018). What could be the cause of this development? The credit provided most especially by the government to the private sector are not given those it is met for but embezzled as a result of the endemic corruption in the system. Some other times, domestic credit given to the private sector are channeled to private use as against the purpose it is met for. The coefficient of total imports turned up with a negative sign and statistically significant in the long run; what this portend is, in the long run total imports

in Nigeria reduces real gross domestic product (Economic growth and development) while the coefficient of exports turned up with a positive sign and statistically significant in the long run. It means that total exports in Nigeria increase real gross domestic product (Economic growth and development) which is in line with the study of Agbo, et al (2018).

Residual Diagnostics Test for the Model

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	0.702208	Prob. F(14,15)	0.7428
Obs*R-squared	11.87743	Prob. Chi-Square(14)	0.6161
Scaled explained SS	1.535549	Prob. Chi-Square(14)	1.0000

Source: Computed from E-view

The null hypothesis states that there is no heteroskedasticity. Since each of the F-statistics probability value is greater than five percentage we cannot reject the null hypothesis of no heteroskedasticity. It thus mean that the result of the model can be taken seriously, that is the result is good.

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	1.323882	Prob. F(2,13)	0.2997
Obs*R-squared	5.076312	Prob. Chi-Square(2)	0.0790

Source: Computed from E-view

The null hypothesis states that there is no serial correlation. Since each of the F-statistics probability value is greater than five percentage we cannot reject the null hypothesis of no serial correlation. It means that the result is good.

Stability Tests for the Model

The test is meant to test the appropriateness and stability of the estimated ECM model. This is to check if the coefficient of the model are stable and can be used for prediction. The stability test was conducted using the cumulative sum (CUSUM) and cumulative sum of square (CUSUMSQ) tests. If the plot of the CUSUM and CUSUMSQ for the model lies within the 5 percent critical bound it is suggestive that the model is stable. From our results, the model is stable.

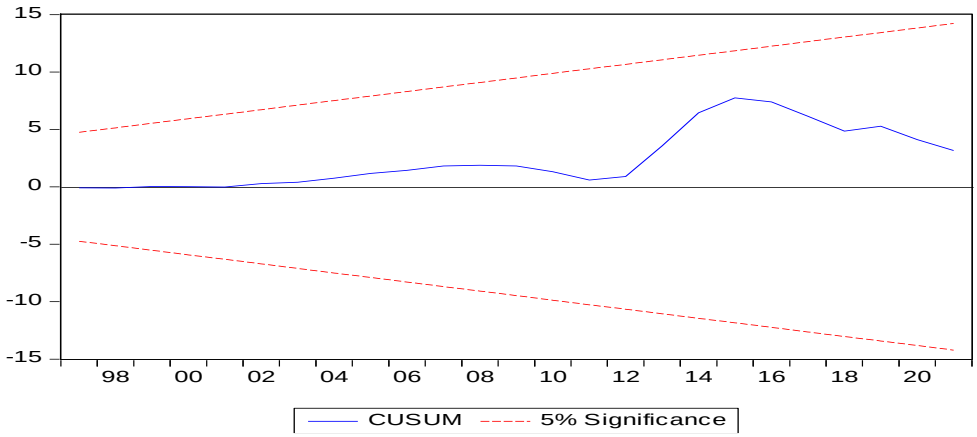

Figure 1. Cumulative sum for LIR Model

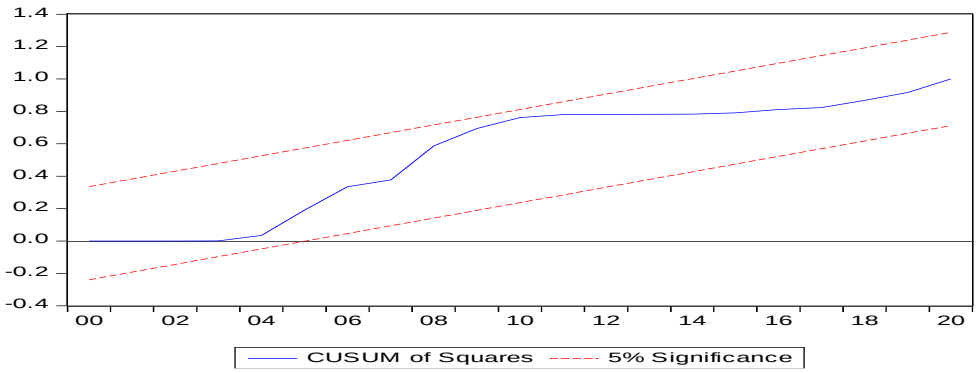

Figure 2. Cumulative sum of Square for LITR Model

CONCLUSION/ RECOMMENDATIONS

This study examined the impact of entrepreneurship and international trade on economic growth and development in Nigeria from the period 1990 – 2022. The study investigated the long run and short run relationship between the variables by using Autoregressive distributed lag (ARDL). The empirical results show that real gross domestic product has a negative relationship with self-employment and total imports coefficients and statistically significant both in the long run and short run. Total imports are negatively signed in the long run. Total exports coefficient is positively signed in both the short run and long run but it is only significant in the long run. Domestic credit to private sector coefficient has a negative relationship with real gross domestic product in both the long run and short run but it was found to be statistically significant only in the long run. Based on the findings, the study makes the following recommendations: - That government should promote entrepreneurship by providing credit and grants to encourage self-employment. Banks

and other financial institutions should also review their policies on granting loan facilities and credit to entrepreneurs. Financial institutions should reduce the bottlenecks and also make it easy for entrepreneurs to access loans. Also, the Nigerian government should ensure that the credit/grants provided for medium and small-scale businesses are devoid of embezzlement. Government should encourage import substitution as well promote exportation of locally made goods as this has positive impact on economic growth and development in Nigeria.

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