

THE RELEVANCE OF ENTREPRENEURSHIP EDUCATION TO THE DEVELOPMENT OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES) IN NIGERIA

Oseni, Elizabeth Funmi, Ph. D

Department of Public Administration, Veronica Adeleke School of Social Sciences, Babcock University, Ilishan Remo, Ogun state, Nigeria.

ABSTRACT: *Incorporation of entrepreneurship education as a course and subject into the educational curricular of vocational studies, secondary, tertiary institutions and entrepreneurship agencies has become a globally accepted initiative to address the increasing unemployment rates. This study assessed the state of entrepreneurship education and the impact on the development of Micro, Small and Medium Enterprises (MSMEs) in Nigeria. The study observed an insignificant correlation between the existing Nigerian educational system where entrepreneurship education is optional and restricted to only tertiary institutions and entrepreneurship development. It also observed that the withdrawal of entrepreneurship education from the nation's tertiary educational curriculum would be of little or no effect on the efforts in curbing employment in Nigeria. The paper puts to test, the preceding assertions with the aid of Kruskal Wallis test. From the test, the paper refutes the former assertions on the reasoning that their P-values were less than 5% level of being deemed to be significant. Based on its findings, the study therefore concludes that for entrepreneurship education to be effective in addressing unemployment in Nigeria, it should be incorporated into the nation's educational system right from secondary school.*

KEYWORDS: Educational Curricular, Entrepreneurship Education, Bank of Industry (BOI), Small and Medium Enterprises Development Agency of Nigeria (SMEDAN).

JEL Classifications: A20, E24, E60, I25, I28, I30, J08, J60, J68, O15,

INTRODUCTION

Unemployment especially among the youths has become a global challenge. There appears to be no country of the world that is not affected directly or indirectly by the challenges of unemployment. The peaceful and prosperous nations suffer from illegal migration and terrorism from nations that are plagued by high unemployment rates and terrorism. Education has always been canvassed as one of the most visible ways out of poverty but this assertion is becoming invalid with the increasing number of unemployed university graduates. It is now obvious that except the citizenry is exposed to the right education, unemployment would remain unabated. One of the ways of ensuring that education assists in addressing national and global unemployment is by incorporating entrepreneurship education in to the curriculum.

Some scholars have provided insights into the concept of entrepreneurship education (Gautam and Singh, 2015; Ramanigopal, Palaniappan and Hemalatha, 2012; Raposo and Paco, 2011; Lee, Chang and Lim, 2005). In their study of the concept, characteristics and implications of entrepreneurship education for teachers, Gautam and Singh (2015) described entrepreneurship

education as the process of professional application of knowledge, attitude, skills and competences that involve creativity, innovation and risk taking.

According to Raposo and Paco (2011), entrepreneurship education prepares the youths to be responsible and enterprising. In similar vein, UNESCO (2008) viewed educational entrepreneurship as all kinds of experiences that give students the ability and vision of how to access and transform opportunities of different kinds.

In essence, educational entrepreneurship provides a platform for youths to transform opportunities to business ventures and to manage those ventures to become a medium for job creation for themselves and others. Enu (2012) argues that the ultimate goal of educational entrepreneurship is all about increasing the student's ability to anticipate and respond to societal changes. In other words, through educational entrepreneurship, students are equipped to deploy their creativity ability for their good and benefits of the larger society. They are also empowered to take initiatives, responsibilities and risks.

Nigeria, arguably the largest and most populous African nation is not exempted from the global challenge of unemployment especially among the youths. It has been battling with increasing rate of unemployment with resultant effects of poverty, terrorism, kidnappings, prostitution and other vices (Adegoke, 2015; Usman, 2015; Nwagwu, 2014; Uddin and Uddin, 2013, Ayansina, 2013). A number of scholars have canvassed for entrepreneurship education as the panacea for curbing unemployment especially among the youths (Okon and Friday, 2015, Efe, 2014; Olorumolu and Agbede, 2012).

This study was therefore aimed at examining the relevance of entrepreneurship education to the development of micro, small and medium enterprises in Nigeria. The study used the Bank of Industry and Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) as case studies.

LITERATURE REVIEW

Entrepreneurship education is a catalyst for economic development and job creation in any society and it involves rebranding the education culture to the end of guaranteeing a comprehensive educational system re-engineering arising from the obvious deficiencies of the existing educational system (Lee and Wong, 2008). Entrepreneurship education's main focus is to provide the students with requisite skills and capacities needed in the world of work.

A broader definition of entrepreneurship education was provided by Obinna (2014) as the process through which individuals acquire a broad set of competencies that can produce greater social and economic benefits to the individuals. According to Enu (2012), Entrepreneurship education is a form of education that seeks to provide knowledge, skills, attitude and motivation to students for entrepreneurial success in any facet of human endeavours. Enu (2012) further argues that entrepreneurship education equips individuals with the ability to seek investment opportunities and maximize returns from those investments.

According to Brush (2014) and Kuratko (2005), entrepreneurship education within a school generally consists of a nested set of activities, including curriculum, co-curricular activities, and research efforts. In other words, the decisions around entrepreneurship education include everything from learning objectives, topics covered, selection of materials (including cases,

exercises, and concepts), pedagogy, and delivery mechanisms Patricia et al (2010). In most economies of the world and especially in developed economies, the entrepreneur is the driving force behind the productive activities and in turn the entrepreneur is expected to be driven by relevant education. Therefore, a sound and effective entrepreneurship education that would impact on the larger society evidenced in reduction of unemployment rate would be a function of innovations and risks. Entrepreneurship education has been found to be a vital tool in addressing unemployment where policies are designed appropriately and effectively implemented. For instance, entrepreneurship education was observed by scholars like Álvaro et al., 2008 and, Iyiola, and Azuh, 2014 to assist in creating new businesses, resuscitating challenged businesses and as well as encouraging innovations, competency and improving the standard of living of the generality of the people.

Akhuemonkhan et al (2013) examined the entrepreneurship education and employment stimulation in Nigeria. They discovered that entrepreneurship development could be an effective tool for poverty reduction, stimulating employment as well as fast-tracking the realization of universal primary education and promoting gender equality. Despite the prospect of entrepreneurship education, it is faced by challenges such as paucity of funds, ineffective teaching methods, paucity of text-books, and lack of experienced lecturers and a host of other factors. In a similar vein, Olorundare and Kayode (2014) came up with a model of how public and private partnership can be enhanced through entrepreneurship education in Nigerian universities towards national transformation and stressed out that challenges of entrepreneurship education which include inadequate trainers or little knowledge of entrepreneurship by the universities' lecturers, inadequate fund for the program by the universities administrators as well as challenges in the area of curriculum development and implementation.

Self-reliance, self-sufficiency, self-sustainability, self-support culture and self-employment are the end point or the main point of entrepreneurship education and entrepreneurship development to release the government's unfulfilled responsibility of creating and providing employment to its citizenry. It was because of this that Evans-Obinna (2016) examined the relationship among entrepreneurship, entrepreneurship education and self-reliance in the attainment of economic development and highlighted the challenges such as inadequate funding, lack of materials, entrepreneurship teachers among others facing entrepreneurship education in Nigeria. He recommended that the Nigeria government should not only embrace the policy of setting aside 26% of its annual budget for education as suggested by UNESCO but also try and mandate its implementation.

Adeoye (2015) and Adebayo and Kolawole (2013) discussed the evolution and current development of principles and practice of entrepreneurship in Nigeria. They found that entrepreneurship can enhance economic growth and development primarily by generating employment and foster the growth of Micro, Small and Medium Enterprises (MSMEs) in Nigeria. They further stressed that there should be proper policy coordination and policy stability; reforms in the educational curriculum to prepare students for self-reliance; and fixing the power sector-Nigeria's basic infrastructure because 95% of enterprises depend on constant supply of electricity, such that many vibrant Micro, Small and Medium Enterprises (MSMEs) that would aid gainful employment among the populace would be created leading further to wealth creation and poverty alleviation.

In view of the high prevailing unemployment rate in Nigeria, this study has therefore aimed at examining the relevance of entrepreneurship education to the development of MSMEs and reduction of unemployment rate in Nigeria.

RESEARCH METHODOLOGY AND EMPIRICAL DISCUSSIONS

The case study for this research work was the Bank of Industry and Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). The Bank of Industry is the oldest and highest foreign rated development finance institution in Nigeria. Though it is owned by the Federal Government of Nigeria through the Ministry of Finance Incorporated and the Central Bank of Nigeria, it is a limited liability company operating under the provisions of the Company Allied Matters Act, 1990. The Bank's mandate is to promote industrialization and entrepreneurship development by funding easy to access and cheap funds to MSMEs and large enterprises across the nation. On the other hand, SMEDAN is a government agency charged with the provision of entrepreneurship education to existing and potential MSMEs in Nigeria.

Therefore, the population of interest in this study is the MSMEs of 961 respondents of Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) and the Bank of Industry (BOI) located in the six geo-political zones of Nigeria.

The research instrument used was a questionnaire, it was designed and copies of it were administered, the copies of questionnaires were collated and data extracted from them. Due to the Ordinal and non-stringent assumptions nature of the data, Non-parametric test of Kruskal-Wallis of K-Independent sample test was used to test the independency of each hypothesis formulated.

Analysis of Findings and Interpretation

Table 1 below shows that 11 respondents representing 1.15 percent and 43 respondents representing 4.48 percent strongly disagreed and disagreed respectively with the view that the Nigerian educational system is relevant to entrepreneurship development of MSMEs in Nigeria. It can be observed that a total number of 68 respondents were undecided as to the relevance of the Nigerian educational system to entrepreneurship development in Nigeria.

Table 1: Relevance of the Nigerian educational system to entrepreneurship development of MSMEs in Nigeria

Relevance of Educational System	Frequency	Valid Percentage	Cumulative Percentage
SD	11	1.15	1.15
D	43	4.48	5.63
U	68	7.076	12.706
A	409	42.56	55.27
SA	430	44.72	100
Total	961	100	

Source: Field Survey (2016)

SD = Strongly Disagree, D = Disagree, U = Undecided, A = Agree, SA = Strongly Agree.

However, 409 (42.56per cent) and 430 (44.72per cent) of the respondents believed that the Nigerian educational system is relevant to entrepreneurship development in Nigeria.

Table 2; Result of Chi-Square Tests from the Kruskal Wallis Test

Kruskal Wallis Test	Value	Asymptotic. Sig. (2-sided)
Chi-Square	26.908	0.00351**
N of Valid Cases	961	

Source: Field Survey (2016)

* **0.05 = Level of significant**

Also, testing the assertion formulated that Nigerian educational system has not been contributing towards entrepreneurship development with the P-value of the Pearson chi-square gotten from 3 independent sample Kruskal Wallis test in table 2 above. Since the P-value = 0.00351 estimated from the test-statistic is less than 0.05 (5% level of significant), the decision rule indicated that the proposed assertion that Nigerian educational system have not been contributing towards entrepreneurship development is invalid. The study shows that the Nigerian educational system has contributed positively to the development of entrepreneurship in Nigeria and this is in consonance with the findings of Raposo and Paco (2011) which shows that entrepreneurship education impacts positively and significantly on entrepreneurial activities.

Table 3 below reveals that only three respondents representing 0.31 percent of the respondents and nine respondents representing 0.94 percent of the respondents strongly disagreed and disagreed respectively unsubscribed to the opinion of introducing and enforcing entrepreneurship as a compulsory subject at both secondary school level and as a compulsory course at tertiary level. The undecided was 3.02 percent of the respondents.

Table 3: Government inclusion of entrepreneurship education in the nation's educational curriculum

Inclusion of Entrepreneurship Education	Frequency	Valid Percentage	Cumulative Percentage
SD	3	0.31	0.31
D	9	0.94	1.25
U	29	3.02	4.27
A	436	45.37	49.64
SA	484	50.36	100
Total	961	100	

Source: Field Survey (2016)

SD=Strongly Disagree, D= Disagree, U=Undecided, A=Agree, SA=Strongly Agree.

On the other hand, 436 respondents (45.37 percent) and 484 respondents (50.36 percent) agreed and strongly agreed that government should introduce and also enforce the inclusion of entrepreneurship education into the nation's education curricular from the secondary school level to the tertiary level. This implies that majority of the respondents representing 95.37 percent at least agreed to the introduction and enforcement of entrepreneurship education into the nation's education curriculum.

Table 4; Result of Chi-Square Tests from the Kruskal Wallis Test

Kruskal Wallis Test	Value	Asymptotic. Sig. (2-sided)
Chi-Square	33.678	0.0021**
N of Valid Cases	961	

Source: Field Survey (2016)

* 0.05= Level of significant

The Kruskal Wallis test of the inclusion or of entrepreneurship education at the secondary school level as against the current practice where it is being taught optionally at the tertiary education level shows a P-value of the Pearson chi-square gotten from the independent sample of 0.0021 is less than 0.05 (5% level of significant) decision rule. This implies that the impact of entrepreneurship education would be more significant if the youths had earlier exposure to it from secondary and all through to their tertiary education.

CONCLUSION

The study has revealed that the relevance of entrepreneurship education to the development of the nation's MSMEs and creation of employment opportunities cannot be undermined. The study has shown that there is a direct and indirect relationship between entrepreneurship education, development of MSMEs and job creation in Nigeria. The findings agreed with the position of Awogbenle & Iwuamadi (2010) who had persuasively argued that entrepreneurship education is a positive intervention for resolving youth unemployment in Nigeria. The findings in this study is also in line with Alabi et 'al (2014); Oladele et 'al (2011) and Arogundade (2011) submissions that entrepreneurship education is a panacea for sustainable employment in Nigeria. Furthermore, this study observed that the ability to be employed by the MSMES in Nigeria depends to some extent on the entrepreneurship skill acquired.

Finally, the study recommends that the government through the National University Commission (NUC) and in collaboration with the Ministry of Education at the federal and state levels should ensure that entrepreneurship education is made a compulsory subject to be taught, learnt and passed as one of the subjects required to seek and gain admission to higher institutions.

REFERENCES

- Adebayo, O. & Kolawole, J. A. (2013): The historical background of entrepreneurial development in Nigeria: Its gains, shortcomings and needful. *Journal of Emerging Trends in Economics and Management Sciences (JETEMS)*, Vol.4 (5) pp. 493-500
- Adegoke, B.A. (2015). An assessment of the role of basic science education in poverty reduction in the sub-saharan Africa: Nigeria as a case study. *International Journal of Humanities and Social Science Vol. 5, 8(1): 15 -20*
- Adeoye, F. (2015): The Effect of Entrepreneurship on Economy Growth and Development in Nigeria. *International Journal of Development and Economic Sustainability*, Vol.3 (2), pp.49-65.
- Akhuemonkhan, I. A, Raimi, & L. Sofoluwe, A. O (2013): Entrepreneurship Education and Employment Stimulation in Nigeria. *Afro Asian Journal of Social Sciences*, Vol.4 (1)

pp. 2229 – 5313.

- Alabi, T; Alanana O. O. & Bahal, M. (2014): Entrepreneurship education: A panacea to graduate unemployment in Nigeria. *Journal of Sustainable Development in Africa*, Vol. 16 (4):35 – 43.
- Alvaro C., Domingo R., & Salvador, R. (2008). Entrepreneurship: Concepts, Theory and Perspective. Introduction, Madrid: Universitat de València..
- Arogundade, B. B. (2011): Entrepreneurship education: An imperative for sustainable development in Nigeria. *Journal of Emerging Trends in Educational Research and Policy Studies (JETERAPS)*, Vol. 2 (1) pp.26-29.
- Awogbenle, A. C. & Iwuamadi, K. C. (2010): Youth unemployment: Entrepreneurship development programme as an intervention mechanism. *African Journal of Business Management*, Vol. 4 (6) pp.831-835.
- Ayansina, C. (2013): *Behold the NYSC entrepreneurs*.
<http://www.vanguardngr.com/2013/06/behold-the-nysc-entrepreneurs/>. (Downloaded 11/10/2015).
- Brush, C.G. (2014): Exploring the Concept of an Entrepreneurship Education Ecosystem
Alberti, F., Sciascia, S. & Poli, A. 2004. Entrepreneurship education: Notes on an ongoing debate. Proceedings of the 14th Annual International Entrepreneurship Conference. Naples, Italy.
- Efe, A. J. (2014). Entrepreneurship education: A panacea for unemployment, poverty reduction and national insecurity in developing and underdeveloped countries. *American International Journal of Contemporary Research*, Vol. 4 (3): 124 - 136
- Enu, D.B. (2012): Enhancing the Entrepreneurship Education in Nigeria. *American Journal of Social Issues & Humanities*. Vol.2 (4) pp.232-239.
- Evans-Obinna, R. N. (2014): Entrepreneurship Education for Self-Reliance and Economic Development in Nigeria. *International Journal of Vocational and Technical Education Research*, Vol.2 (2) pp.9-14.
- Gautam, M.K. and Singh, S. K (2015). Entrepreneurship education: concept, characteristics and implications for teacher education. *Shaikshik Parisamvad (An International Journal of Education) SPIJE*, Vol. 5 (1): 21-35
- Kuratko, D.F. (2005): The Emergence of Entrepreneurship Education: Development, Trends, and Challenges. *Entrepreneurship Theory and Practice*, Vol.2 (5) pp.577-598.
- Iyiola, O., Azuh, D. (2014): Women Entrepreneurs as Small-Medium Enterprise (SME) Operators and their Roles in Socio-Economic Development In Ota, Nigeria. *International Journal of Economics, Business and Finance*, Vol. 2 (1) pp. 1-10.
- Lee, S.M., Chang, D. and Lim, S. (2005). Impact of Entrepreneurship Education: A Comparative Study of the U.S. and Korea. *International Entrepreneurship and Management Journal*, Vol.1 27–43
- Lee, L. and Wong, P. K. (2004). Entrepreneurship education. A compendium of Related Issues, <http://www.thefreelibrary.com>. (Downloaded 18/07/2017)
- Nwagwu, N. A. (2009). The development and management of records in the Nigerian education system. *Data Management in Schools and Other Issues*. 2(3), 1 – 10.
- Iwueke, O. C. (2014). Social Entrepreneurship and Sustainable Development. *Journal of Poverty, Investment and Development*, Vol. 5: 126 - 129
- Odia, J. O. and Odia, A. A. (2013): Developing entrepreneurial skills and transforming challenges into opportunities in Nigeria. *Journal of Educational and Social Research*, Vol. 3 (91): 289-298.

- Oladele, P. O; Akeke, I. & Oladunjoye, O. (2011): Entrepreneurship development: A panacea for unemployment reduction in Nigeria. *Journal of Emerging Trends in Economics and Management Sciences (JETEMS)*, Vol. 2(4) pp.251-256.
- Olorundare, A.S. and Kayode, D.J. (2014). Entrepreneurship education in Nigerian universities: A tool for national transformation. *Asia Pacific Journal of Educators and Education*, Vol. 29: 155 - 175
- Olorunmolu, J.O. and Agbede, E.A. (2012). Quality Entrepreneurship Education: A Panacea for Job Creation in Nigeria. *Journal of Resourcefulness and Distinction*, 1 (1): 1-7
- Okon, F.I. and Friday, U.A. (2015). Entrepreneurial education: A panacea for youth unemployment in Nigeria. *International Journal of Small Business and Entrepreneurship Research*, Vol. 3(5): 11-22
- Ramanigopal, C.S. Palaniappan, G. and Hemalatha, N.(2012). Need for entrepreneurship education in school students. *International Journal of Physical and Social Sciences*, Vol. 2(3): 243 – 259
- Raposo, M. and Paco, A. (2011): Entrepreneurship education: Relationship between education and entrepreneurial activity. *Psicothema*, Vol. 23(3) pp. 453-457.
- Uddin, P.S.O. and Uddin, O. (2013). Effects and Solutions to Youth Unemployment Problems in Nigeria. *Journal of Emerging Trends in Economics and Management Sciences (JETEMS)*, Vol. 4(4):397-402
- UNESCO (2008): Promoting Entrepreneurship Education in Secondary Schools. Final report of UNESCO inter-regional Seminar on promoting entrepreneurship education in Secondary Schools, held in Bangkok, Thailand on 11th– 15th February, 2008.
- Usman, A.S. and Tasmin, R. Entrepreneurial Skills Development Strategies through the Mandatory Students' Industrial Work Experience Scheme in Nigeria. *Procedia-Social and Behavioural Sciences*, Vol. 204 (24): 254 - 258
- Patricia, G.G., Candida, G.B., Elaine, J. E., Heidi, N., & Sam, P. (2010): Entrepreneurship Education: A Global Consideration From Practice to Policy Around the World. Babson College.