Unemployment Reduction through Youth Entrepreneurial Development: A Study of Asaba, Nigeria

Abstract: The study examined the unemployment reduction through youth entrepreneurial development in Nigeria: A study of Asaba in Delta State. The problems of this study arose because of chronic unemployment situation in Delta State. The population of the study is 23613 which comprises all the youths in Asaba Delta State. The sample sizes of (4540) were determined by using the Borg and Gall formular of (1973). Method of analysis is through structure questionnaire. The researcher employed statistical package for social sciences (SPSS) as the method of data collection. Primary sources of data were used. The study found that Risk-taking ability have a significant positive effect on unemployment reduction, orientation have a significant positive effect on unemployment reduction. It was recommended that Government must ensure necessary modifications in the educational system in the country that would make graduates to be employers of labour and self-employed, instead of looking for scare job opportunities. The acquisition of the right skills to fit the various needs of the society is imperative.

Keywords: Unemployment Reduction, Youth, Entrepreneurial Development, Risk-Taking, Orientation.

1. Introduction

Entrepreneurship plays a significant role in the growth and development of any contemporary economy. Entrepreneurship development in Nigeria became rife only after the civil war during which massive rebuilding and reconstruction efforts where embarked upon by the government (Mohammed F. R., 2022). Entrepreneurship generates growth because it serves as a vehicle for innovation, change, and a conduit for knowledge spillovers. Thus, in a regime of increased globalization, the comparative advantages of modern economies are changing towards knowledge based economic activity, not only do entrepreneurship play a more significant role, but also a key to economic growth (Deakins and Freel, 2019). Education remains a vital transformational tool and formidable instrument for socio-economic empowerment, wealth creation, and employment generation, poverty alleviation and value orientation which government has talked about for so long now. Suffice it to be mentioned that education, training and experience can increase the supply of entrepreneurs by making available more skills which are suitable for entrepreneurial endeavour. Entrepreneurship education involves the willingness of persons to persistently pursue the opportunity to create wealth (Elkington, 2011).

Unemployment has remained a world-wide phenomenon demanding for increased attention towards economic stability, growth and development in most developing nations like Nigeria (Udoye, 2022). While few of such countries record declining trends within the past years, majority continuously record increasing trend in the level of unemployment, a situation that further exposes the need to seek new and better ways to tackle this phenomenon. In 2015, Nigeria targeted to achieve one of the Millennium Development Goals (MDG) which was to eradicate extreme poverty and hunger. This target was not achieved. According to the National Bureau of Statistics report 2012, Nigeria’s rate of unemployment stood at 19.7%. More recently, a Labour force survey conducted by the same institution in 2020, show unemployment rate in Nigeria to be at 27.1%. According to a World Bank report on the unemployment rate in Nigeria between 2010 and 2020, unemployment rate rose five-fold from 6.4 percent in 2010 to 33.3 percent in 2020 (Taiwo et al., 2022). Considering the resources Nigeria Governments invest on programs aimed at reducing unemployment, one would wonder the rationale between these investments and the level of increase in unemployment rate especially within these few years. The alarming rate of unemployment in Nigeria has contributed to rapid increase in rural-urban migration, brain drain, decline
in national output, high rate of poverty and increased crime rate. The most disturbing data around unemployment in Nigeria is the rate of youth unemployment at 42.5% which has unimaginable implication on the entire economy and general survival of the nation.

Unemployment is a socio-economic problem and every nation deals with it within their respective capacities. As could be seen from individual research reports and other government statement, the situation in Nigeria has gone out of hand as about 75 percent of those who are willing to work cannot find gainful employment in Nigeria, especially among the school leavers and graduates of tertiary institutions (Nigeria's Unemployment Report, 2014). As a result, many youth have taken to various crimes including robbery, kidnapping, drug and child trafficking and all kinds of armed banditry all in a bid to earn their living. It does not matter anymore whether the means is legitimate or not. The situation appears to have gone beyond remedy (Ideyi, 2010). Every year, new sets of graduates and school leavers add to the stock of unemployed youth; resulting to increased frustration and aggression against the society that have refused to provide for them. Successive governments have made several efforts to combat the menace of youth unemployment but it appears that the efforts have not impacted significantly on the level of unemployment as it has continued to be on the increase in the country. Studies such as (Anyadike et al., 2012; Ekong and Ekong, 2016; Emeh, 2012; Kaegon and Nwogu, 2012), have all prescribed entrepreneurship development as a sure means of tackling the growing rate of unemployment in Nigeria. However, the prescriptions are devoid of the specific roles the government is expected to play to make the intervention effective and result oriented. This study is aimed at prescribing the specific roles government can play to reduce unemployment rate in Nigeria, specifically outline and discuss in great details the role of government in making the prescription effective towards the realization of the objectives. Against this backdrop, this study examined Unemployment Reduction Through Youth Entrepreneurial Development in Nigeria: A study of delta State.

2. Review of Related Literature
2.1. Conceptual Framework
2.1.1. Innovativeness

Innovativeness can be defined as the level to which an individual or other entity is earlier in adopting new ideas than the other members of a system (Asieba and Nmadu, 2018). Similarly it is the tendency to support new ideas, experimentation and creative processes (Lumpkin and Dess, 2016). Mohammed H. H. et al. (2012) also associate innovation closely with creativity; however they suggest that it must be linked to entrepreneurship if the innovation is to become a commercial opportunity to be exploited. Mehrdad et al. (2011) classified innovations into three: product, process and technological Hakala (2011). Technological innovation involves acquisition of more and flexible process equipment, in combination with more flexible organization and administrative processes that facilitates or enables frequent changes in the production line. Innovation is an increasingly important element of globalization and competitiveness (Monteagudo and Martinez, 2015). As international competition and globalization intensifies, technology becomes more central to firms’ performance within the home and foreign market.

2.1.2. Risk Taking

Risk taking involves the engagement of significant resources to activities that have significant possibilities of failure, such as incurring heavy debt or making large resource commitments, with the aim of grasping potential high benefits (Alegre and Chiva, 2010; Fernández et al., 2012). Eventually, managers vary in their individual propensities to take risks. However, there is evidence showing the relevance of prone risk manager’s in the attainment of innovation results (Ling and Chen, 2008). The achievement of innovation is based on a great deal of uncertainty, thus bold decisions and actions are many times a necessary condition. In this sense, often, managers need to embark themselves on this type of risky decisions in order to achieve innovation outcomes.

2.1.3. Entrepreneurial Orientation

In recent decades, the concept of entrepreneurial orientation has attracted considerable attention in the field of entrepreneurship research. Entrepreneurial orientation explains a firm’s propensity to be innovative, to be proactive and to take risks (Anderson and Eshina, 2013). The entrepreneurial orientation concept is widely used in the field of entrepreneurship. For instance, Wales et al. (2011) maintained that more than 150 studies of entrepreneurial orientation have been conducted, implying that the conceptual meaning of entrepreneurial orientation is widely accepted and that it is widely considered as relevant concept and a cornerstone in the literature on firm-level entrepreneurship.
Masters and Meier (2013) defined entrepreneurial orientation as the policies and practices which enable a firm to adopt an entrepreneurial position when facing new business opportunities. Entrepreneurial orientation refers to a firm strategic orientation and capturing of specific aspects of decision-making styles, methods and practices all of which indicate the entrepreneurial posture of the firm (Pratono and Mahmood, 2015). Entrepreneurial orientation is a process of strategy-making based on entrepreneurial actions and decision (Lumpkin and Dess, 2016). It is the integration of entrepreneurship and strategic thinking. It is considered as a firm critical strategic posture that contributes to firm’s performance (Jambulingam et al., 2005). Entrepreneurial orientation is a process construct and refers to the processes, practices and decision-making activities that lead up to a new business venture (Odhiambo, 2015). Entrepreneurial orientation is a firm-level behaviour that makes a firm have the propensity to innovate, take risks and become proactive (Callaghan and Vente, 2011). It also implies to the strategy making processes that provide organizations with a basis for entrepreneurial decision and actions, it reflects the methods, practices and decision-making styles managers’ use of act entrepreneurially.

2.2. Theoretical Framework

2.2.1. Psychological Theory of Entrepreneurship

The theory upon which this study is anchored is the psychological theory of entrepreneurship propounded by McClelland in 1961. McClelland introduced the concept of need for achievement and goal setting. He argues in his book “The Achieving Society”, that the drive towards achievement is the basis of activity for most entrepreneurs. He used the Jews in his illustration. According to him, the Jewish child is shown from the beginning that he has to maintain and remain on top in order to counteract the attitude of the society to him. McClelland concludes that because of this method of rearing which the Jews operates, they are always on top and strive for excellence wherever they found themselves. McClelland’s belief is that achievement motivated person are those people who make things happen and get results and this extends to getting results through the organization of other people and resources. The implication is that doing things better when the requisite skills must have been acquired, will naturally open up ideas and job opportunities through the expansion of business ventures to eventually absorb the army of unemployed youth in Nigeria.

2.3. Empirical Studies

Okafor (2019) examined entrepreneurship development and unemployment reduction in Nigeria, a study of some selected small scale businesses in Anambra State. The study which was designed as a descriptive survey evaluated the role of government in trying to make the process an effective means of tackling the menace of unemployment. An item structured instrument designed to reflect the five (5) points modified Likert scale was used to solicit information from the respondents who were predominantly practicing entrepreneurs. The study found that tertiary institutions and other entrepreneurial training centers can be reformed to make them responsive to the needs of the trainees. It was also revealed that the cost of doing business in Nigeria negatively affect entrepreneurship development in Nigeria. In the light of these findings in the study, it was recommended among others that the government should reform and sufficiently equip the relevant institutions and other entrepreneurial training centers across the nation to make them responsive to the needs of the trainees so that they can acquire the necessary skills and knowledge needed to start up a business venture and manage it successfully.

Asogwa and Dim (2016) investigated the relationship between entrepreneurship development as a means for unemployment reduction in Anambra State, Nigeria. The research was focused on youths of five selected local government council in Anambra state, Nigeria. Questionnaire was used to collect data from an infinite population of the selected Local Government Council. Samples of 36 youths were selected from the population of each Local Government through a convenience sampling technique. A total of 150 youths were sample for the study. However, four hypotheses were tested; the first, second and third hypotheses were designed to investigate the relationship between Entrepreneurship training and unemployment reduction; the relationship between entrepreneurship traits and unemployment reduction; and the relationship between entrepreneurship empowerment and unemployment reduction respectively. The fourth hypothesis was on the examination of challenges of entrepreneurship affecting unemployment reduction. The study recommended that Government should try to reduce the cost of doing business in Nigeria.

Ajibola et al. (2018) examined the trend between unemployment, entrepreneurship, and economic growth over the period of 1981-2011. The study used secondary data as a source of data. Data for this
study was gleaned from CBN Statistical Bulletin and National Bureau of Statistics (NBS) in Nigeria. This study made use of descriptive and econometric method of analysis. For the descriptive method, tables and/or graphs were used to achieve objective one while for the econometric method, Ordinary Least Square (OLS) method and Error Correction Model (ECM) was used to achieve objective two. The trend analysis showed that the variables are positively sloped which indicates that the stationary of the data. The econometric technique adopted showed that entrepreneurial activities, investment, and unemployment are statistically significant and positively related to economic growth. The result from this study also showed that there is a positive relationship between unemployment and economic growth. This study therefore recommended that developing countries such as Nigeria should create enabling environments for entrepreneurial activities which will consequently reduce unemployment while increasing both growth and standard of living

Okoye-Nebo et al. (2013) examined youth unemployment and entrepreneurship development: challenges and prospects in Nigeria. The study is directed towards the extent to which entrepreneurship in Nigeria has helped in youth unemployment reduction, and outlines the steps taken by government to reduce unemployment and also the challenges and prospects for the development of entrepreneurship. The study revealed that such polices and drive by government has affected the “transformation question”. This is due to inefficient infrastructural facilities, increase in corruption and maladministration. paper concludes that entrepreneurship country is an engine for job creation; innovation and diversity and Nigeria’s entrepreneurs have a long way to go before they can effectively drive changes in the economy and recommends that Government (policy makers) should genuine recognize the essence of entrepreneurship to economic development by providing the enabling environment and secured environment for the youth to be gainful employed for economic development and also provide adequate infra-structural facilities (water, electricity, road network, communications etc.).

Ezeanokwasa and Nwachukwu (2014) examined the effective entrepreneurship skills in reduction of unemployment through small business innovation in Nigeria. Descriptive research design was used for this study. The questionnaire was used to elicit data from participants. Frequencies, arithmetic means, standard deviations and t-statistics were used to analyze the data. The findings of the study revealed that the contribution of entrepreneurship skills in unemployment reduction in Nigeria include increase in the standard of living through innovation that led to introduction of high goods and services and conservation of foreign exchange as a result from reduced importation of machines and equipment, raw material and increase export. It was found also that a significant relationship exist between effective entrepreneurial skills and unemployment in Nigeria. Base on the findings the following recommendations were made that multiple taxation system such as personal income tax, company tax, stamp duties and Valued Added Tax [VAT] should be control by the government and provision of infrastructure like stable electricity, good roads, free movement of production goods should be adequately improved in the country.

Makinde (2013) examined curbing the unemployment problem in Nigeria through entrepreneurial development. The study looked at the fact that unemployment problem like corrupt practices in Nigeria is a hydra headed problem and thus require the collective effort of all. Primary data was sourced from 220 respondents in Kogi State through the use of questionnaire. Data collected were tested using simple percentage and the Chi-square research techniques. The study revealed that the unemployment problem in Nigeria can be resolved through entrepreneurial development and that government effort in this regard is not sufficient given the magnitude of the unemployed in Nigeria. Therefore, it was recommended that solving unemployment situation should not be left in the hands of the government alone rather we should employed the public private partnership method so as to allow the collaboration of private individuals to help establish entrepreneurial development centers as well.

3. Methodology

The study adopted descriptive survey design. The choice of the design was informed by the fact that a sample of the population would be studied for the purposes of generalizing the results for the entire population of interest. The researcher made use of primary and secondary sources of data. The area of this study is Asaba delta state. The population for this research comprises of all the youths in Asaba delta state which is 23613 (Sources, Zhujjworld.com). The sample sizes of (4540) were determined by using the Borg and Gall formular of (1973). The primary sources of data include the questionnaire and the personal interview, while the secondary sources of data include the journals, magazines, textbooks and internet. The study employed structure questionnaire as a method of data collection. Meanwhile percentage table and analysis of variance will be used to analyses the collected data from the sample respondents.
4. Results

This chapter presents the data obtained from the respondents through the administered questionnaire. Four thousand five hundred and forty (4540) were administered among the youth in Asaba. However, three thousand one hundred and twenty-seven (3127) copies of questionnaire were retrieved. Therefore, the analysis and interpretation of data were only based on the returned questionnaire. The validity and reliability of this study is highly ensured, despite the number of questionnaires not returned. The method used was percentage table technique and ANOVA for the hypothesis.

4.1. Demographic Characteristics

<table>
<thead>
<tr>
<th>4.1.1. GENDER</th>
<th>Frequency</th>
<th>Valid Percent</th>
</tr>
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<tbody>
<tr>
<td>Valid</td>
<td></td>
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</tr>
<tr>
<td>MALE</td>
<td>2180</td>
<td>69.72</td>
</tr>
<tr>
<td>FEMALE</td>
<td>947</td>
<td>30.28</td>
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<tr>
<td>Total</td>
<td>3127</td>
<td>100</td>
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Source: SPSS Version 20

The above table reveals that the two thousand one hundred and eighty (2180) of the respondents which represents fifty-seven (69.72) persons were male respondents, while nine hundred and forty-seven (947) respondents which represent 30.28% were female respondents. By implication, male respondents were more than female respondents by 39.44% in our selected population sample for this study. The implication of this is to enable us to know the number of female and male that successfully returned their questionnaires.

<table>
<thead>
<tr>
<th>4.1.2. EDUCATION</th>
<th>Frequency</th>
<th>Valid Percent</th>
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<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
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<tr>
<td>OND</td>
<td>1100</td>
<td>35.2</td>
</tr>
<tr>
<td>HND</td>
<td>826</td>
<td>26.4</td>
</tr>
<tr>
<td>BSC</td>
<td>1125</td>
<td>36</td>
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<tr>
<td>MSC</td>
<td>16</td>
<td>1</td>
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<tr>
<td>WAEC/NECO</td>
<td>60</td>
<td>1.9</td>
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<tr>
<td>Total</td>
<td>3127</td>
<td>100</td>
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Source: SPSS Version 20

The table above indicates that one thousand and hundred (1100) respondents which representing 35.2% maintain to acquired ordinary national diploma while 26.4% of the respondents which represents eight hundred and twenty-six (826) higher national diplomas. However one thousand, one hundred and twenty-five which represent 36 percent either have Bachelor of Science degree. The respondents that have M.Sc are numbered 16 which represent 1%, while WAEC/NECO are 60 which represent 1.9%. This as the one of demographic item helps us to identify the education qualification of the respondent.

<table>
<thead>
<tr>
<th>4.1.3. AGE</th>
<th>Frequency</th>
<th>Valid Percent</th>
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</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
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<tr>
<td>20-25</td>
<td>1152</td>
<td>36.8</td>
</tr>
<tr>
<td>26-30</td>
<td>1106</td>
<td>35.4</td>
</tr>
<tr>
<td>31-35</td>
<td>869</td>
<td>27.8</td>
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<tr>
<td>Total</td>
<td>3127</td>
<td>100</td>
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</tbody>
</table>

Source: SPSS Version 20

The table above shows that respondents whose age bracket falls between 20-25 yrs were one thousand one hundred and fifty-two (1152) which represent 36.8 percent. This is followed by those with age bracket of 26-30 years with one thousand one hundred and six (1106) which represents 35.4%. Also those within age bracket of 31-35 yrs were eight hundred and sixty nine (869) which represents 27.8%. The implication of this age distribution is to enable us to check if the questionnaire was directed to the right age group.
4.2. Hypotheses Testing
The study examined the unemployment reduction through youth entrepreneurial development in Nigeria.

Hypothesis One
Ho1: Innovativeness does not have a significant positive effect on unemployment reduction.

<table>
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<tr>
<th>Table 4.4.1. ANOVA</th>
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<tbody>
<tr>
<td>Model</td>
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<td>1</td>
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<td>Total</td>
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</table>

Source: SPSS, Version 20

However, from the Anova table above, it was observed that the probability value of hypothesis one is less than 0.05% level of significance (0.000), as a result null hypothesis will be rejected and alternative is accepted, meanwhile innovativeness have a significant positive effect on unemployment reduction.

Hypothesis Two
Ho2: Risk-taking ability does not have a significant positive effect on unemployment reduction.

<table>
<thead>
<tr>
<th>Table 4.4.2. ANOVA</th>
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<td>Model</td>
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<td>Total</td>
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Source: SPSS, Version 20

However, from the Anova table above, it was observed that the probability value of hypothesis two is less than 0.05% level of significance (0.000), as a result null hypothesis will be rejected and alternative accepted, meanwhile risk-taking ability have a significant positive effect on unemployment reduction.

Hypothesis Three
Ho3: Orientation does not have a significant positive effect on unemployment reduction.

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<th>Table 4.4.3. ANOVA</th>
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<td>Model</td>
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<td>Total</td>
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</table>

Source: SPSS, Version 20

However, from the Anova table above, it was observed that the probability value of hypothesis two is less than 0.05% level of significance (0.000), as a result null hypothesis will be rejected and alternative accepted, meanwhile orientation have a significant positive effect on unemployment reduction.

5. Discussion of Findings
As obvious as it is that entrepreneurship is the magic wand that can change the story overtime. This implies that a change in entrepreneurship skills will lead to overall improvement in youth unemployment rate in Asaba Delta State. All the variables of entrepreneurship including innovativeness, risk-taking, change-orientation, indicated significant positive relationships with reduction on unemployment rate. This suggests that entrepreneurial skills are veritable tools to reduction of youth unemployment. Youth who possess entrepreneurial skills have high propensity to economic empowerment for sustainable growth in his/her life. Hence, entrepreneurship is a mirror to building sustainable growth of a nation. The positive
effect of entrepreneurial skills on unemployment reduction supported the works of Adegun and AKomolafe (2013), Mohammed F. R. (2022) and Muogbo and John-Akamelu (2018), in Nigeria. It can thus be said that it is indisputable that entrepreneurial skills are necessary requirements for boosting youth empowerment and thus key to national development.

6. Conclusion and Recommendation

6.1. Conclusion

The study focused on the effect of Entrepreneurship on unemployment reduction in Delta state with reference to SMEs in Asaba. The study adopts descriptive statistics. The study regressed Entrepreneurship on unemployment reduction using one way ANOVA. The F-statistic is significant at the 5% level showing that there is a linear relationship between the entrepreneurship and economic growth. The result revealed that entrepreneurship development had significant effect on unemployment reduction, innovativeness has significant effect on unemployment reduction, the researcher concluded that risk-taking and entrepreneurship orientation has significant effect on unemployment reduction in Nigeria.

6.2. Recommendations

In line with the findings of the study the following recommendations were made:

1. It is recommended that policy makers, educational institutions and the government in general should encourage innovativeness in the part of firms. Educationists should project the principles of innovation as a way to enhancing growth and business survival.
2. It is recommended that risks-taking should be encouraged not only in businesses, but in also activities requiring decisions.
3. We encourage entrepreneurship orientations among the youth because the free-flowing energy generated by the team becomes the genesis of a multitude of ideas that produces useful results.

6.3. Implication to the Research and Practice

Entrepreneurial skills are necessary requirements for youth economic empowerment in Nigeria. National development can be achieved when the nation produces entrepreneurially inclined youths who will be self-employed, and creating job for themselves and for others. Thus, entrepreneurship is the panacea to Nigeria unemployment challenges. Furthermore, Entrepreneurs create value by shifting the resources of the society from lower to higher yields; Entrepreneurs practice should be aimed at a sound business practices but should bring a high integrity of their business with that of the society and its needs. An entrepreneur should look beyond the bottom line of monetary benefit and should have a higher sense of responsibility. Entrepreneurs are to be more ambitious by trying to tackle the major issues in the society which requires an immediate attention and bring about changes in the society, if this is done, Entrepreneurs will realize that they have gained self-esteem. They will feel good by “giving back to society”; they will as well feel they are new and recognized entrepreneurs for being socially responsible. They can work with a passion and be more successful in their business and will make a difference in the way entrepreneurship is done; ultimately the way they are seen by others will be changed.

References


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