

Entrepreneurial Education, Economic Opportunities and Venture Creation in the Semi-Urban Areas of Niger State, Nigeria

Sidikat Shitu

Department of Economics

Ibrahim Badamasi Babangida University Lapai, Niger State, Nigeria

Email: siddyshitu@yahoo.com

Abstract

In the face of unemployment, entrepreneurial knowledge sharing and skills development are regarded as important requirements for stimulating economic and social development. This paper seeks to explore the role of entrepreneurial education in the scale-up of new entrepreneurial business ventures among graduates who reside in the semi-urban areas. This research deployed qualitative research methodology, using semi-structured interview technique for data collection among university graduates with different disciplines in Niger State, Nigeria. The data collected was used to explore the impact of entrepreneurship education as motivation for new venture creation. The economic opportunities available in the semi-urban areas were also explored alongside the networking capabilities and relationships of emerging entrepreneurs. The findings revealed that previous entrepreneurship knowledge contributed meaningfully to the creation of new ventures. It is concluded that the transformation of entrepreneurship knowledge, skills acquisition as well as networking served as enablers for new venture creation in the semi-urban areas.

Keywords: Entrepreneurial education, Skills acquisition, University graduates

JEL classification: A22

1. Introduction

The motivation for venture creation and the strategies for effective application of entrepreneurial knowledge into venture creation had changed over a period of time. Therefore, this paper explores the role of entrepreneurial education and skills in the creation and development of new ventures among graduate entrepreneurs in the semi-urban areas. In past decades, research revealed that in the rural and semi-urban areas of the developing nations entrepreneurship ventures are largely dependent on traditional knowledge which is characterized by social capital. For instance, ethnicity, family background and geographical location were the major influencing factors, many entrepreneurial ventures established in these areas lack information on modern and innovative skills (Bhatt & Ahmed, 2017; Ami, 2016). Despite the menace of

unemployment, quest for white-collar jobs and increased migration of university graduates demeans their quest for seeking entrepreneurial opportunities within their immediate environment (Olorundare & Kayode, 2014; Olaitari, 2016). The objective of this article is to detect whether entrepreneurial education is effective enough to allow university graduates create new venture or is able to motivate the unemployed graduates to become entrepreneurs base on the knowledge acquired and information shared.

This study is steered by the outcome of a comparative study of motivation and success characteristics of entrepreneurs by Chu et al., (2007) where 356 entrepreneurs in Ghana and Kenya were surveyed. In their study, motivation and circumstances for starting up new business ventures as well as factors responsible for the success of venture and problems that can cause setbacks were duly explored. Within the context of that empirical research, a comparative analysis of newly established entrepreneurs in two different geographical locations was explored, they comprised entrepreneurs who engage in different ventures capitalizing on level of entrepreneurial education, information and skills as their start-up venture motivation. While their relationship with customers as well as relationships with family and friends were considered. Whilst, considering government regulations and policies.

2. Literature Review

2.1 Structure of the Semi-Urban Entrepreneurial Business Environment

In the African context, semi-urban areas are growing in terms of business creation as a result of increase in population and emergence of new entrepreneurial opportunities (Kibler, 2013). In Nigeria, statistics revealed that there has been tremendous increase in the number of registered small and micro scale enterprises of about 43% with the Cooperate Affairs Commission (CAC) between 2013 and 2015. This data is of entrepreneurs venturing into new areas such as innovative agriculture and new technologies. This statistic is slightly higher than what was obtained in the past decades especially in the retail settings. While the country's economic activities are embedded in the typical urban areas, more than eighty percent of the raw materials are sourced from the rural and semi-urban areas (Ministry of Trade and Industry, 2016) in comparison to the total population of over 50 million people residing in the urban areas. Semi-urban entrepreneurial activities are based on the combination of agriculture, production and artisanal services More recent statistics showed that the combination of entrepreneurial activities in agricultural value chain activities is not unrelated to the current government interventions to boost agriculture which have spillover effect that can generate external economies than it will appropriate. For instance, rural economy and semi-urban economy were even more sustainable in the manufacturing and fabrication of products that are needed for economic purposes.

Nevertheless, unemployment in the urban areas has contributed to the movement of people into semi-urban and rural areas. Paniagua (2002) considers the processes involved in urban-rural migration especially in the entrepreneurial tourism sector as a

capsizal of the conventionally constructive connection that is based on opportunities available in different spatiality. This type of phenomenon is rear and usually considered as not a capable of leading to meaningful development considering the types of infrastructure available in the semi-urban and rural areas (Goyal et al., 2016). In this context, there is the possibility of plummeting the potential of developing real entrepreneurial ventures while waning the understanding of how participation in entrepreneurial ventures can be encouraged among potential entrepreneurs (Zahra et al., 2008; Mueller & Shepherd, 2016).

Past studies (Babalola, 2014; Choudhury & Sana, 2017) provided counter-argument to these assertions and revealed that availability of opportunities are the main aspiring influences that help in stimulating entrepreneurial venture creation while the economy of the semi-urban area is characterized by opportunities in agriculture, domestic services and retailing sectors thereby providing employment for the people. This means that those who have previously received entrepreneurial education are more at advantage in terms of exploring opportunities and making contributions to economic growth by participating in various entrepreneurial business sectors within the semi-urban areas. Other studies found that those with sound indigenous entrepreneurial knowledge are relatively smart and are often prepared with different characteristics that will lead to efficient venture creation that are competitive in nature (McNaughton & Gray, 2017; Lundberg & Rehnfors, 2018).

3. Methodology

A qualitative research methodology was deployed for this study, whereby semi-structured interview was conducted among 15 University graduates who have established their own small businesses in two semi-urban settlements (Paiko and Lapai) within Niger State, Nigeria. Conducting interviews in this context was necessary for prompting respondents to share their business experiences and academic life stories which motivated them to create their own ventures. These comprehensive biographies and experiences were important towards the understanding of how entrepreneurial knowledge and education gained previously, while in the University facilitated the creation of business ventures. The interview was conducted by a member of staff and two students of Ibrahim Badamasi Babangida University, Lapai. Questions relating to entrepreneurial knowledge and skills, knowledge sharing, education qualification, business opportunities and sourcing of raw materials formed the theme of the checklist. It also included question on preference of location of business (semi-urban settlements) with it being defined as areas less of urban and more advanced than the rural settlements. Questions were designed and asked in a manner at which it followed the historical trends of how the ventures were created and with this the interviewer probed into the enthusiasm that motivated them to take decisions in setting up their new ventures.

4. Findings

4.1 Entrepreneurship Knowledge and Skills Development

The historical context and the biographical investigative pattern of the interviews shape the presentation of the findings. Rauch & Hulsink (2015) posits that the impact of entrepreneurial knowledge and skills for venture creation has thus been quite understudied. In his study, the model he developed and used for undergraduate entrepreneurship education revealed that entrepreneurial knowledge and skills could minimize the dependence of new venture creators on already existing entrepreneurs who haven't really embraced innovation. This paper is more interested on the influence of previous entrepreneurial knowledge on startup ventures. Moreover, from the interviews, previous entrepreneurial knowledge showed impact on the creation of business ventures. For instance, entrepreneurial knowledge serves as an enabler for new venture creation, it provided the necessary business skills and also provided networking platform for entrepreneurs with similar ideas. The themes generated from the interview shall be discussed with quotation from the responses of the interviewees and then it will be followed by the conclusion part which will suggest how youths who have received entrepreneurial trainings and skill but not yet entrepreneurs can also start their own new business ventures.

4.2 Entrepreneurial Knowledge as an Enabler

The importance of acquiring entrepreneurial education for new venture creation has been an area of intellectual discourse (Aldrich & Yang, 2014) due to the fact that universities are currently producing graduates with entrepreneurial knowledge for self-reliance. Whilst semi-urban entrepreneurs need to seek for skills and training from entrepreneurs in either rural or mostly in urban areas. Graduates who are not yet entrepreneurs would voluntarily prefer to move into semi-urban areas to establish their businesses if prospects for opportunities appear to them. One of the interviewees was attracted to the yam market in Paiko and decided to join the supply chain. This entrepreneur and many other examples of graduates are attracted to agriculture base on their previous knowledge or availability of opportunities. Another example of a newly created business venture in Lapai which was based on entrepreneurial knowledge emerge in the area of communication technology. He explained that after taking a General Studies (GST) course in entrepreneurship in his year two and three at the Ibrahim Badamasi Babangida University, he got motivated to startup a recharge card retailing business since there is high demand for it due to the increasing population in the town. This in essence, would in no way stop him from seeking a white-collar job.

Other examples that came up in the course of our findings is that entrepreneurship knowledge can enable the springing up of new ventures among low income earners who reside in the semi-urban areas. These set of people recognize business opportunities and take advantage of such opportunities to boost their level of income. Without much pressure they are able to convert indigenous knowledge into business

reality. Some typical examples in Paiko is that of a primary school teacher who engages in the production of 'Kuli-Kuli' groundnut cake and another one who is a graduate of IBBUL who has also engaged herself in the supply chain of Polo Clay soap as a second-tier retailer and currently she is a beneficiary of the Federal Government N-Power Programme. If they hadn't had entrepreneurial knowledge, they may not have been able to see the importance of creating their own new venture even with the fact that they have limited financial capital. These are examples of entrepreneurs who are working but have low income. The third example is that of an IBBUL staffer's wife, who is a graduate of IBBUL and haven acquired entrepreneurial knowledge but presently unemployed. She said:

I have written series of aptitude tests and I couldn't find a job but because I have a lot of time at my disposal, I have decided to use it for snacks business since I have experience in baking and other confectionary business

The study also revealed that semi-urban areas are witnessing increased number of female graduates entrepreneurs who have established their new ventures. This happens because of the available opportunities for instance, IBBUL as an institution has become opportunity to many entrepreneurs not only in Lapai but along the linear route that connects Lapai with the state capital.

All of these examples reveal that for majority of the semi-urban entrepreneurs in such categories, may link the success of establishing their businesses and their ability to manage it greatly to their previous entrepreneurial knowledge. Contrarily, entrepreneurial knowledge has not been seen to be the only factor responsible for business success in the semi-urban settlements. This is because there are vast majority of business owners who have never been to any school or acquired any form of formal entrepreneurial knowledge but were able to manage their businesses using their indigenous knowledge.

4.3 Business Skills for New Venture Creation

Despite the fact that researchers have been clamoring for the importance of entrepreneurship knowledge, many posited that knowledge is not enough for business and wealth creation and it has to be backed up with skills acquisition and transfer of skills from one generation of entrepreneurs to the other. To witness growth and development in semi-urban areas the types and choice of skills must be in important area of interest of the people. Skills can be acquired from participation in local activities and through the formation of networks. Research revealed that investing in skills acquisition can boost profit of a business owner. One of the entrepreneurs interviewed said:

I have been attending trainings organized by telecommunication companies to be aware of new trends.....recently the D2R package was introduced by one of

the communication companies to put an end to the sale of paper recharge cards

Mostly, those who engage themselves in technological oriented businesses must keep themselves updated due to emergence of new innovations, changes in market structure and information available to consumers. Some interviewees argued that skills are not always taught but rather they are developed through inquisitiveness and demands from customers. For instance, one the interviewees lamented that:

I have been operating my business base on trial and error method, nobody has ever taught me any skill. I learn from experience. I drop those things that are not working for me while I maintain those things that show prospect for the growth of my business

Another interviewee mentioned that:

my business is not registered and as such I don't want anyone to teach me any new thing especially the government because as soon as they know that I am doing this business they will start taxing me due to the fact that they have empowered me with skills. I only use my own experience and I ask questions from other entrepreneurs doing the same kind of business

The type of examples provided above suggest that skills are sometimes learned or acquired by experience and entrepreneurship education does not justify that skills must be learnt before setting up a new venture. Other respondents talked beyond acquiring physical skills but skills such as money management and accounting activities are also important skills for the success of new venture creation.

5. Conclusion and Recommendation

This study pursued the menace of unemployment and how university graduates can convert their entrepreneurship knowledge and skills in to business reality especially in the semi-urban areas. Entrepreneurial education has proved to provide diverse opportunities for university graduates in terms of knowledge and skills that will enable them to be self-reliant. For many entrepreneurs who were interviewed, previous knowledge in entrepreneurship was very important to develop the skills they had acquired by leaning or through experiences for their new ventures. It came up strongly that the most valuable capitals that helped the entrepreneurs were physical, social and financial capitals. Subsequently, the zeal to acquire skills related to their area of interest strengthened their human capital capacity to manage their businesses.

Theoretically, this study has shown the importance of the mandatory entrepreneurship education as a general studies course in the Nigerian universities. It also supports the study of Olurundare & Kayode (2014) with the assertion that entrepreneurship

education is a tool for national development. Whether purposely or inertly entrepreneurs in the semi-urban settlements are performing fairly well and opportunities are drawing potential entrepreneurs to take up entrepreneurial activities in such spatial settings. As Olaitari (2006) recognized the importance of vocational and technical education as a means of transferring entrepreneurial knowledge and skills is also highly valued by entrepreneurs and this study remains in-line with the current findings.

It is therefore recommended that further studies are required into the crossing points of developing entrepreneurial knowledge and skills as it is an explicit need of the semi-urban economy. This is however possible if it is extended to the context of the rural economy with a distinct understanding of how to explore business opportunities in the rural settings.

References

- Aldrich, H. E., & Yang, T. (2014). How do entrepreneurs know what to do? Learning and organizing in new ventures. *Journal of Evolutionary Economics*, 24(1), 59-82.
- Amin, N. B. (2016). *Women entrepreneurship: A cross country comparative study (Bangladesh, Pakistan and India)* (Doctoral dissertation, University of Dhaka).
- Babalola, O. S. (2014). The Role of Small and Medium Scale Enterprises (Smes) In Nigerian Economic Development. *Journal of Educational Review*, 7(3).
- Bhatt, P., & Ahmad, A. J. (2017). Financial social innovation to engage the economically marginalized: insights from an Indian case study. *Entrepreneurship & Regional Development*, 29(5-6), 391-413.
- Choudhury, S., & Sarma, N. N. (2017). Developmental Marketing in the Definitional Framework of Rural Marketing: Inferences from Case Studies.
- Choudhury, S., & Sarma, N. N. (2017). Developmental Marketing in the Definitional Framework of Rural Marketing: Inferences from Case Studies.
- Chu, H. M., Benzing, C., & McGee, C. (2007). Ghanaian and Kenyan entrepreneurs: A comparative analysis of their motivations, success characteristics and problems. *Journal of developmental entrepreneurship*, 12(03), 295-322.
- Goyal, S., Sergi, B. S., & Jaiswal, M. P. (2016). Understanding the challenges and strategic actions of social entrepreneurship at base of the pyramid. *Management Decision*, 54(2), 418-440.
- Kibler, E. (2013). Formation of entrepreneurial intentions in a regional context. *Entrepreneurship & Regional Development*, 25(3-4), 293-323.
- Lundberg, H., & Rehnfors, A. (2018). Transnational entrepreneurship: opportunity identification and venture creation. *Journal of International Entrepreneurship*, 1-26.
- McNaughton, R. B., & Gray, B. (2017). Entrepreneurship and resilient communities—introduction to the special issue. *Journal of Enterprising Communities: People and Places in the Global Economy*, 11(1), 2-19.

- Mueller, B. A., & Shepherd, D. A. (2016). Making the most of failure experiences: Exploring the relationship between business failure and the identification of business opportunities. *Entrepreneurship Theory and Practice*, 40(3), 457-487.
- Olaitari, I. D. (2016). The role of vocational and technical education for sustaining living in a period of security challenges in Nigeria. *European Journal of Education Studies*.
- Olorundare, A. S., & Kayode, D. J. (2014). Entrepreneurship education in Nigerian universities: A tool for national transformation. *Asia Pacific Journal of Educators and Education*, 29, 155-175.
- Paniagua, A. (2002). Urban-rural migration, tourism entrepreneurs and rural restructuring in Spain. *Tourism geographies*, 4(4), 349-371.
- Rauch, A., & Hulsink, W. (2015). Putting entrepreneurship education where the intention to act lies: An investigation into the impact of entrepreneurship education on entrepreneurial behavior. *Academy of management learning & education*, 14(2), 187-204.
- Zahra, S. A., Rawhouser, H. N., Bhawe, N., Neubaum, D. O., & Hayton, J. C. (2008). Globalization of social entrepreneurship opportunities. *Strategic entrepreneurship journal*, 2(2), 117-131.