

## AN ANALYSIS OF THE EFFECT OF ENTREPRENEURSHIP TOWARDS A SUSTAINED GROWTH AND DEVELOPMENT IN FCT-ABUJA, NIGERIA

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### Abstract

*Despite the fact that unemployment rate in Nigeria is quite high, Covid-19 incident has currently made it alarming which is growing in geometric progression. The economy is also increasingly finding it difficult to cope as Nigerian economy is declining. A lot of experts have called for the creation of an enabling environment for small and medium scale business to thrive. Nigeria is naturally endowed with entrepreneurship opportunities; however, the realization of the full potential of these opportunities has been dampened by the adoption of inappropriate industrialization policies at different times. This study seeks to identify the effect of entrepreneurship towards a sustained growth and development in Nigeria: a case study of Abuja, FCT. The study area for this research work is Federal Capital Territory. Sixty (60) entrepreneurs were randomly selected from each of the five geopolitical zones in the Federal Capital Territory, Abuja. The questionnaires were designed to obtain sufficient and relevant information from the respondents. The findings of the study shows that the role of entrepreneurship in sustaining economic growth and development of FCT-Abuja is evident while findings also show that sustained economic growth and development is dependent on basic entrepreneurial principles. The study recommends that policy makers should recognize the essence of entrepreneurship to economic development.*

**Keywords: Entrepreneurship, Economic growth, Sustained economy development, Entrepreneurs**

### Introduction

Several policy interventions that were aimed at stimulating entrepreneurship development via small and medium scale enterprises promotion, based on technology transfer strategy, have failed to achieve the desired goals as it led to the most indigenous entrepreneurs becoming distribution agents of imported products as opposed to building in-country entrepreneurial capacity for manufacturing, mechanized agriculture and expert services (Thaddeus, 2012). Entrepreneurship is an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes, and raw material through organizing efforts that previously had not existed (Shane and Venkataraman, 2000; Venkataraman, 1997).

The hypothesis that entrepreneurship is linked to economic growth finds its most immediate foundation in simple intuition, common sense and pure economic observation: activities to convert ideas into economic opportunities lie at the very heart of entrepreneurship. Entrepreneurship is a source of innovation and change, and as such spurs' improvements in productivity and economic competitiveness (UNCTAD, 2004). Entrepreneurship is not synonymous with small business. Certainly, small firms are an out- standing vehicle for

individuals to channel their entrepreneurial ambitions. The small firm is an extension of the individual in charge (Lumpkin and Dess 2006). However, entrepreneurship is not restricted to persons starting or operating an (innovative) small firm. Enterprising individuals in large firms, the so-called ‘intrapreneurs’ or ‘corporate entrepreneurs’, undertake entrepreneurial actions as well.

Nigeria’s GDP growth rate of between 6 – 8 percent in the last ten years shows the country is one of the fastest growing economies in the world. The implication is that any good business established is capable of generating unusual and above average returns. It is one of the few countries with the highest returns on investment anywhere in the world- money, market, capital market, mutual funds, real estate and property, entrepreneurship, etc (Popoola, 2014). Furthermore, for entrepreneurs to play an appropriate role, the role of the state remains important; if not more so than before. Strong states, as regulators and gatekeepers, play a particularly vital role. In the absence of appropriate ‘rules of the game’, entrepreneurship may result in undesirable social outcomes, including corruption, crime, speculation and financial crises, and may worsen the vulnerabilities of people during natural disasters (UN Report, 2011).

What we know about entrepreneurship suggests a drastic or revolutionary change, but does it promote wealth creation, job opportunities. Although there is quite a lot of researches and studies on the link between entrepreneurship and economic growth and development, there is still the need to assess the case of the Nigerian economy. The real question is what is the contribution of micro, small and medium enterprises (MSMEs) to the nation’s Gross Domestic Product or more importantly how has the multiplicity of MSMEs bettered the living standard of the over 170 million Nigerians.

Entrepreneurship is acknowledged as a key instrument or channel for economic sustainability and growth. Entrepreneurship is very essential to the development and economic sustainability of a country. Many entrepreneurs run homespun businesses which are based on profound insights into local consumer demand. They also discover distinctive opportunities in the market for precise products and services, tap into strong local networks, and frequently create innovative solutions to complex challenges. Entrepreneurship is the practice of designing, initiating and running a new business, which is usually in the beginning a small business. People who create these businesses are known as “entrepreneurs”. (Yetisen, Volpatti, Coskun, Cho, Kamrani, Butt, Khademhos, Yun, 2015) and (Riita, Eric and Henning, 2012)

Entrepreneurship is the act of creating a business or businesses at the same time as building and scaling the business to make income (Nicole, 2018). According to Riita, Eric and Henning (2012), Entrepreneurship has also been explained as the capability and zeal to put up, organize and run a business venture along with any of its risks so that it can make a profit. Starting up one’s own business instead of being an employee in someone else’s business is what entrepreneurship is concern about. While entrepreneurs must deal with a larger number of obstacles and uncertainties than waged or salaried employees, the payoff may be far better as well (Ronald, 2018).

The role of entrepreneurship has been different across countries. Holcombe (2008) claims that, “the engine of economic growth is entrepreneurship.” Entrepreneurship has been assessed as a driving force of decentralization, economic restructuring and movement in the direction of

market economy (Smallbone, et al., 2006). Entrepreneurship is one of the economic variables that attract the attention of governments and researchers both in the developed and developing countries in the last two decades. Several efforts and initiatives are being made by governments and Non-Governmental Organizations (NGOs) to promote entrepreneurship through Small and Medium Scale Business (SMSB) which contribute greatly to the overall economic growth and development of Nigeria. For the past decades, Small and Medium Scale Business enterprises in Nigeria were characterized as essentially backward and component in the wheel of the overall development of the Nigeria economy. As a result of this, there has been a prevalent feeling that such businesses could be assisted only for social reasons, not as a promising opportunity for national development. Obviously, too little attention has been paid to the benefits to be derived from helping Small and Medium Scale Business to modernize and grow. This attitude arose partly amongst both the citizens and government and mainly from the very nature of the small business which made it difficult for its impact to be felt in the economy.

Baig (2007) opines that the private sector through small and medium scale business can contribute to economic growth, job creation, and national income and hence to national prosperity and competitiveness. According to her, the private sector contributes substantially to the Gross Domestic Product (GDP), and thus unleashing domestic resources (financial and entrepreneurial) is likely to create a more stable and sustainable pattern of growth. However, the major component of private sector, Small and Medium Enterprises (SMEs) is generally considered as the engines of economic growth, cornerstones for creativity and innovation, and seedbeds of entrepreneurship (Baig, 2007; Charles, 2011). Essentially, SMEs are business entities that are independently owned and operated, and meets employment or sales standard, whose investment in machinery and equipment does not exceed six hundred thousand naira. Successive governments in Nigeria have for the past three decades shown great interest in the financing of small businesses by establishing specialized banks and other credit agencies/schemes to provide customized funding. In spite of all the contributions and the attention given to it by the government, the small business enterprise is still confronted with problems peculiar to what many may refer to as the 'Nigerian factor'. One of such problems is the lack of funds, "It takes money to do business".

Nigeria is currently witnessing an alarming rate of unemployment which is growing in geometric progression. The economy is also increasingly finding it difficult to cope as Nigerian economy is declining. A lot of experts have called for the creation of an enabling environment for small and medium scale business to thrive. They cited Asian "Tigers" such as Malaysia, China, South Korea, Indonesia, Singapore and Thailand where both the government and individuals knowing the importance of small-scale industrial development join forces together in fostering effective and sustainable small-scale enterprises in their countries. Evidence also abounds that in the above-mentioned places, a lot is being done to empower the growth of this sub sector of the economy. The role of small-scale industries in the development of indigenous technology cannot therefore be over emphasized, hence this research is set out to analyze the effect of small and medium scale business on economic development of Abuja and Nigeria at large.

### **Research Questions**

1. What are the practices of entrepreneurship development in Nigeria?
2. What are the roles of entrepreneurship towards a sustained growth and development in Abuja, the Federal Capital Territory?

### **Research Hypotheses**

**H<sub>01</sub>:** Entrepreneurship has minimal role to play in sustaining economic growth and development of FCT Abuja.

**H<sub>02</sub>:** Sustained economic growth and development is never dependent on basic entrepreneurial principles

### **Literature Review**

Before analyzing existing literature, there is the need to clarify the concepts of growth, development and competitiveness. ‘Growth’ simply means the process of increasing in size, age, weight or height. In economics, growth is defined as an increase in the country’s total output or Gross Domestic Product (GDP) (Barro, 2000), hence growth focuses more on the quantitative aspect, rather than the qualitative aspect. ‘Development’ on the hand, is a wider category that denotes a qualitative shift. It takes other features of life (for example health, education and environmental aspects) into consideration beyond the increase in output (Backhaus et al., 2003).

Limitations to GDP-based measurement and the efforts to the inclusion of factors beyond output created many variations from simple correction of GDP (with social, environmental issues) to the measurement of subjective well-being (for a summary of these trials see Stiglitz et al. 2009). As the diversity of measurement options shows, there is no consensus on what the most appropriate way to capture development would be. It is also uncertain how the range of influencing factors should be selected. The growth theories discussed in this article include the traditional, GDP-based approach, but still vary widely in terms of the type and number of factors involved in the model, also, the initial assumptions of the analysis and the methodology are different. The aim of this paper is not to systematize the literature from this aspect. The goal is only to examine whether theories contain entrepreneurship and entrepreneurial activity in any way, and if so, what type of relationship can be experienced. Another definition needed to discuss the topic is entrepreneurship. According to Shane (2000), entrepreneurship is the act of creating a business or businesses taking into account the financial risk, operational risk and all other risks involved, all in the hope of making a profit. Entrepreneurship is the ability of finding and acting upon opportunities to translate innovations or technology into a new product. In modern common usage, an ‘entrepreneur’ is ‘a person who undertakes an enterprise, especially a commercial one, often at a personal financial risk (Muller, 2005).

The writings of economic growth and development often mention the expression of competitiveness. According to Porter (2000), competition among entrepreneurs makes them more productive leading to economic growth in the long run. The international competitiveness of the economy is more than just the ability to achieve long-term economic growth. Economic competition is influenced by many internal and external factors. A lot of these are also analyzed in the articles dealing with economic development. Entrepreneurial process itself is influenced by some competitive conditions and even the entrepreneurs’ ability to enter the market is influenced by the level of competition. Issues of entrepreneurship relate more with economic development than economic growth and it is worth discussing these growth and development theories in details, to know whether entrepreneurship is missing or present in these growth models.

Entrepreneurship is “at the heart of national advantage” (Porter, 2000). It is of eminent importance for carrying out innovations. Concerning the role of entrepreneurship in stimulating

economic growth, many links have been discussed. Both the role of the entrepreneur in carrying out innovations and in enhancing rivalry is important for economic growth (Wennekers & Thurik, 2009; Ibrahim, (2019))

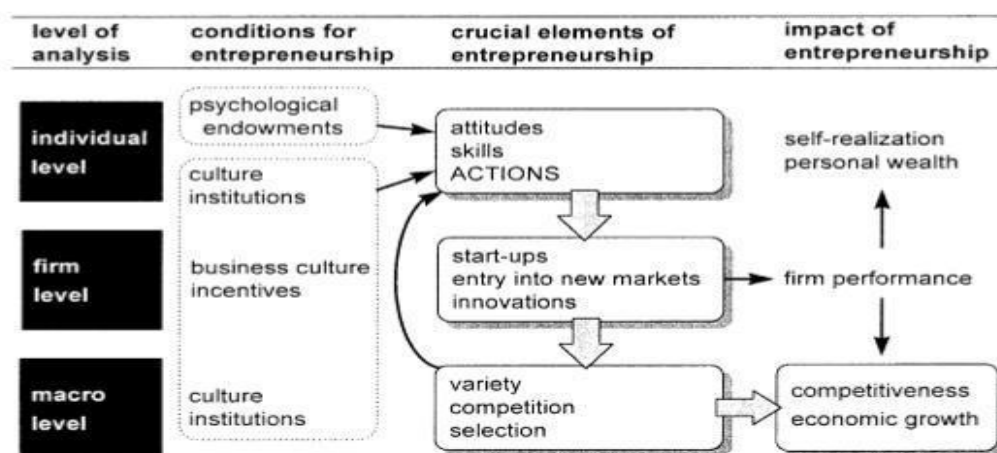


Figure 1: A Framework Linking Entrepreneurship to Economic Growth: The Wennekers and Thurik Model

### ***The Nigerian Economy and Entrepreneurship Development***

The Nigerian economy has been described as a middle-income mixed economy; as an emerging market, with expanding financial, service, communications, and technology and entertainment sectors. With a rebased GDP, it is ranked 26<sup>th</sup> in the world, the largest in Africa, and on track to become one of the 20 largest economies in the world by 2020. The Nigerian economy has been growing at an average rate of around 7% a year over the past decade. The economy is rich in resources, especially oil, its energetic entrepreneurs and aspirations to be the tech hub of Africa, boasting start-ups such as Konga and Jumia budding Nigerian Alibabas (Leaders, 2014). Poverty and unemployment still remain key challenges in the economy. Entrepreneurship is an important factor in the development of any nation. Entrepreneurs are responsible for taking calculated risk those open doors to progressively higher levels of economic growth. They are the veritable backbone on which the world and modern ideas continue to develop. The return of democracy in 1999 ushered in a period of economic reforms and a renewed focus on enterprise development as the only viable means to sustainable growth. Nigerian leaders initiated a massive programme of disinvestment and financial deregulation aimed at boosting business development across the Micro, Small and Medium Enterprises (MSMEs) space. Progress has been hampered by institutional deficiencies and widespread bureaucratic and political corruption (Osolor, 2010).

### ***The Analysis of the Performance of Nigerian Economy***

Nigeria rebased its GDP from 1990 to 2010, resulting in an 89% increase in the estimated size of the economy. As a result, the country now boasts of having the largest economy in Africa with an estimated nominal GDP of USD 510 billion, surpassing South Africa's USD 352 billion. The exercise also reveals a more diversified economy than previously thought. Nigeria has maintained its impressive growth over the past decade with a record estimated 7.4% growth of real gross domestic product (GDP) in 2013, up from 6.5% in 2012. This growth rate is higher than the West African sub-regional level and far higher than the sub-Saharan Africa level. The performance of the economy continues to be underpinned by favourable



improvements in the non-oil sector with real GDP growth of 5.4%, 8.3% and 7.8% in 2011, 2012 and 2013, respectively. Agriculture – particularly crop production – trade and services continue to be the main drivers of non-oil sector growth. The oil sector growth performance was not as impressive with 3.4%, -2.3% and 5.3% estimated growth rates in 2011, 2012 and 2013, correspondingly. Growth of the oil sector was hampered throughout 2013 by supply disruptions arising from oil theft and pipeline vandalism, and by weak investment in upstream activities with no new oil finds. The key indices required to adequately assess an economy include the real GDP growth rate, unemployment, and inflation rate.

## **Theoretical framework**

### ***Growth Theories***

According to Friedman (2008), growth theories offer two plausible explanations of growth. The first puts stress on the supply of productive ideas and holds that the industrial revolution had to wait until we had thought up sufficient inventions to lift us into the era of modern growth. The other explanation puts stress on incentives: Growth could commence only when hard work and business enterprises were exempted from heavy taxation, social stigma and other interference by the government and other stakeholders. This school of thought also embraces and recognizes entrepreneurship as a major factor which influences economic growth and development, this is because these incentives are put in place to encourage individuals and corporate bodies to start up business enterprises. The first branch of the theory is well developed, since most of the past growth theories discussed the status quo, it is the second that now challenges growth economists to explain not just growth, but how the development of political, cultural and religious institutions inculcate entrepreneurship in economic growth. Economic growth following the Industrial Revolution has led economists to understand the cause and examine how it can be maintained and enhanced.

### ***Development Theories***

It is interesting to note that, the aforementioned theories focused more on economic growth rather than economic development. Most of these classical and neoclassical theories mainly discussed the factors and mechanisms which lead to increase in output, GDP values and economic growth in the long run. However, there are other theories which involve development issues and it will be worthwhile to discuss such theories as well and test if entrepreneurship issues were mentioned in them. One of such theories is the Schumpeter's model which was propounded by one famous scholar, Joseph Schumpeter. He was probably the first scholar to theorize about entrepreneurship and his theory is probably the most celebrated theory on entrepreneurship. Schumpeter recognized innovation as the critical dimension of economic growth and development and he argued that economic change revolves around innovation, entrepreneurial activities and market power (Michaelides, 2009). His main objective was to prove that innovation-oriented market power can provide better results, when it comes to economic growth, than the so-called invisible hand, capital accumulation and price competition, as other theories suggested. The Schumpeterian model grew out of modern industrial organization theory and put firms and entrepreneurs at the heart of the growth process. According to Allen (2001), the model relies on three main ideas. The first idea is that, long-run growth relies on innovations. The second idea is that, innovations result from investments like research and development (R&D), firms' investments in skills, search for new markets that are motivated by the prospect of monopoly rents for successful innovators. The third idea is creative destruction, which means that new innovations tend to make old innovations, old technologies, old skills become outdated.

There is a direct relationship between output or economic growth and consumption, production and innovation; which is obviously driven by R&D. Thus, when there is increase in R&D, the entrepreneur obtains new ideas to enable him produce a variety of goods, with a variety of goods consumption will increase and output will increase leading to economic growth and development.

In the early 1960's David McClelland, a Harvard psychologist revised the works of Abraham Maslow's Theory of needs and came out with a book "The Achieving Society". In this book he developed the "Achievement Motivation Theory" and he explained how entrepreneurship aids economic growth and development. According to McClelland, the need for achievement is what mainly drives economic development, hence a society with a generally high level of achievement will produce more energetic entrepreneurs who in turn produce more rapid economic growth (McClelland, 2002). McClelland used the term entrepreneurship not in the sense of capitalist which means ownership but rather as someone who exercises control over production that is not just for his/her individual use. McClelland stated emphatically that, the entrepreneur has three unique characteristics; first is the desire to take personal responsibility for decision, second is the preference for decision involving a moderate degree of risk and third is the interest in concrete knowledge of the results of decisions (Yasin, 2006). These three unique characteristics, McClelland said should be inculcated in the child rearing system such that individuals will grow up with a strong need for achievement and by so doing economic development will take place.

### ***Implications of the theories***

One major implication of the study is that, the growth theories do not deal with entrepreneurship because the prime motive of the growth theories focuses on factors which increase output or economic growth. Entrepreneurship however is about development, it focuses more on quality of life and as such in theories of economic development such as the Schumpeter's model, McClelland's theory and the Theory of entrepreneurship, the role of entrepreneurship in economic growth and development was critically analyzed. Another key implication is that, there is some sort of similarity between the Solow growth model and the Schumpeter's model. According to the Solow model, technological progress is the key driver of economic growth. To achieve technological progress however, there is need to invest in education and research and development (R&D). The basis of the Schumpeter's model on the other hand is research and development. According to Schumpeter, when there is increase in R&D, the entrepreneur obtains new ideas to enable him produce a variety of goods, with a variety of goods consumption will increase and output will increase leading to economic growth and development. Hence, both scholars highlight the importance of R&D in economic growth and development.

Furthermore, Naude (2013) posited that entrepreneurship will, in light of the above, contribute to growth and employment creation in advanced, emerging and least developed economies alike. This is a reasonable expectation – one that is supported by recent findings of historians, economists and management scientists. "With too many entrepreneurs, levels of aspirations in a country may rise - it is well-known that with increasing material wealth (or opportunities) people's aspirations increase." Entrepreneurs create jobs – and we know that unemployment is a major and significant cause of unhappiness. We also know that goods that entrepreneurs provide, such as health and experiential activities, raise happiness levels.

## Methodology

The use of descriptive research survey design was used in building up this study. The choice of this design is considered appropriate because of its advantages of identifying attributes of a large population from a group of individuals. The design is suitable for the study as it seeks to explain the effects of entrepreneurship towards a sustained economic growth and development in Nigeria: A case study of Federal Capital Territory, Abuja. For a comprehensive analysis of data collected, emphases were laid on the use of absolute number frequencies of responses and factor analysis. Answers to the research questions were provided through the linear regression of respondents to each statement in the questionnaire related to any specified question being considered. Frequency in this study refers to the arrangement of responses in order of magnitude or occurrence while regression analysis was adopted to test the hypothesis.

## Results and Discussions

### Factor Analysis

Factor analysis is very good to construct and test a questionnaire as it measures any quantity of traits. So, it will always find a factor solution to any set of variables. Hence, the reliability of factor analysis is also dependent on sample size. Therefore, Factor analysis is any of several methods for reducing correlation data to a smaller number of dimensions or factors; beginning with a correlation matrix, a small number of components or factors that are regarded as the basic variables that account for the interrelations Observed in the data are extracted.

The two major statistical measurements that have been used to test the factor ability of a data is the Kaiser Meyer Olkin (KMO) and the Bartlett's test of sphericity measure of sampling adequacy. This has been used in the SPSS as part of the analysis carried in relation to this study. These two statistical measurements have an acceptable value according to the researchers (Tabachnick and Fidell, 2001), which is a measure greater than 0.5. Hence, for this study to be said reliable, the KMO of the constructs must be above 0.5 to be significant which is regarded as highly reliable in relation to the section been analyzed.

**Table 1: KMO and Bartlett's Test**

| KMO and Bartlett's Test                          |      |        |
|--|------|--------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. |      | .907   |
| Approx. Chi-Square                               |      | 66.164 |
| Bartlett's Test of Sphericity                    | Df   | 10     |
|  | Sig. | .000   |

The above displayed table shows the KMO result of the factor analysis. The KMO (KAISER MAYER OLKIN) statistical table measure sampling adequacy and Bartlett's test of sphericity. The KMO statistic varies between 0 and 1. A value of 0 indicates that the sum of partial correlation is large relative to the sum of correlation, indicating diffusion in the pattern of correlation (hence, factor analysis is likely to be inappropriate). A very close to 1 indicates that patterns of correlations are relatively compact so factor analysis should yield distinct and reliable factor. Kaiser (2004) recommends accepting values greater than 0.5 as acceptable. (values below this will require either the collection of more data or a rethink on the variable to include). However, values between 0.5 and 0.7 are mediocre, between 0.7 and 0.8 are good, 0.8 and 0.9 are great and values of 0.9 and above are superb (See Hutcheson & Sofroniou 1999, p. 224-225). For this study, the overall KMO was .907; the communalities further explained the viability in the preceding result. This listed result is above 0.5 which is not only acceptable



but also recommendable for further research analysis that factor analysis is appropriate for this kind of study and its instrument used.

The Bartlett analyses test the null hypothesis that the original correlation matrix is an identity matrix. Here, the correlation coefficient would be zero for the test to be significant. For this study, we have the Bartlett's test of Sphericity (sig) as .000 which shows that the Bartlett's test is highly significant. ( $p < 0.0001$ ).

**Table 2. Communalities**

|             | Initial | Extraction |
|-------------|---------|------------|
| Knowledge   | 1.000   | .522       |
| Relevance   | 1.000   | .803       |
| Efficient   | 1.000   | .749       |
| G&D         | 1.000   | .383       |
| Performance | 1.000   | .591       |

Extraction Method: Principal Component Analysis.

The communalities show the output for before and after extraction. The principal component works on the initial assumption that all variance is common. Therefore, before extraction, the communalities are all 1. However, after extraction in communalities all the results differ from another, in some cases, some items are discarded due to results below expected value or result causing singularity. And some information is lost. Hence for the variables above, all can be explained by the factors and were retained. This means that they can be explained by the factor analysis.

**Table 3. Total Variance Explained**

| Component | Initial Eigenvalues |               |              | Extraction Sums of Squared Loadings |               |              |
|-----------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|
|           | Total               | % of Variance | Cumulative % | Total                               | % of Variance | Cumulative % |
| 1         | 1.987               | 39.735        | 89.735       | 1.987                               | 89.735        | 89.735       |
| 2         | 1.061               | 21.226        | 60.961       | 1.061                               | 21.226        | 60.961       |
| 3         | .951                | 19.021        | 79.982       |                                     |               |              |
| 4         | .757                | 15.149        | 95.132       |                                     |               |              |
| 5         | .243                | 4.868         | 100.000      |                                     |               |              |

Extraction Method: Principal Component Analysis.

The total variance explained table displays the Eigen values associated with the linear component (factor), before extraction, after extraction and before rotation. This table shows you the actual factors that were extracted. The "Rotation Sums of Squared Loadings," shows only those factors that met the cut-off criterion (extraction method). In this case, there we have our % of variance as 89.735 with Eigen values which met the cut-off. The "% of variance" column tells you how much of the total variability (in all of the variables together) can be accounted for by each of these summary scales or factors. Hence, the factor accounted for 89.735% of the variability.

**Table 4. Component Matrix<sup>a</sup>**

|             | Component |      |
|-------------|-----------|------|
|             | 1         | 2    |
| Knowledge   |           | .717 |
| Relevance   | .884      |      |
| Efficient   | .864      |      |
| G&D         | .615      |      |
| Performance |           | .720 |

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

This output shows the correlation matrix before rotation. It contains the loading of each item into the variable. Note, it was suggested that all loading less than 0.4 should be suppressed in the output and so since all loading are greater than 0.4, there will be no need for suppression.

### Hypotheses Testing

Since the result has well reviewed the level of relationship among variables and the outcome of the tested hypothesis, hence, we then further to explain in details through the hypothesis testing which were accepted and which were not.

### Hypothesis One

**H<sub>01</sub>:** Entrepreneurship has minimal role to play in sustaining economic growth and development of FCT-Abuja.

**Table 5. Model Summary<sup>b</sup>**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .785 <sup>a</sup> | .616     | .614              | .41058                     |

a. Predictors: (Constant), Relevance

b. Dependent Variable: G&D

The model summary shows the  $R^2$  value of the regression analysis as .785 which is interpreted as a good score for the variable.

**Table 6. ANOVA<sup>a</sup>**

| Model |            | Sum of Squares | Df  | Mean Square | F       | Sig.              |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1     | Regression | 53.444         | 1   | 53.444      | 317.033 | .000 <sup>b</sup> |
|       | Residual   | 33.378         | 198 | .169        |         |                   |
|       | Total      | 86.822         | 199 |             |         |                   |

a. Dependent Variable: Relevance

b. Predictors: (Constant), G&D

The ANOVA table tests the significant relationship and the F test between the variables. Hence, we observe that the role of entrepreneurship in sustaining economic growth and development of FCT-Abuja is evident.

**Table 7. Coefficients<sup>a</sup>**

| Model |            | Unstandardized Coefficients |            | Standardized Coefficients | T      | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|--------|------|
|       |            | B                           | Std. Error | Beta                      |        |      |
| 1     | (Constant) | 2.090                       | .146       |                           | 14.293 | .000 |
|       | Relevance  | .566                        | .032       | .785                      | 17.805 | .000 |

a. Dependent Variable: G&D

The coefficient shows the linear relationship between the variables by reviewing the beta, unstandardized and standardized coefficient, the T test and the pv which tell the significant relationship. In this case, our regression equation [  $y' = bx + a$  ] becomes;

$$\text{Relevance (variable), ..... } y' = 0.566(x) + 2.090$$

With the result given above, it was observed that there is a linear relationship between the variables and also has there  $p < 0.05$  that is, the variables are also significantly related. Hence we say that there is a relationship between entrepreneurship and level of unemployment. We then reject the null hypothesis that says, entrepreneurship has minimal role to play in sustaining economic growth and development of FCT-Abuja.

## Hypothesis Two

**H<sub>02</sub>:** Sustained economic growth and development is never dependent on basic entrepreneurial principles.

**Table 8. Model Summary<sup>b</sup>**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .877 <sup>a</sup> | .769     | .768              | .31814                     |

a. Predictors: (Constant), Efficient

b. Dependent Variable: G&D

The model summary shows the  $R^2$  value of the regression analysis as .877 which is interpreted as a good score for the variable.

**Table 9. ANOVA<sup>a</sup>**

| Model |            | Sum of Squares | Df  | Mean Square | F       | Sig.              |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1     | Regression | 66.782         | 1   | 66.782      | 659.827 | .000 <sup>b</sup> |
|       | Residual   | 20.040         | 198 | .101        |         |                   |
|       | Total      | 86.822         | 199 |             |         |                   |

a. Dependent Variable: Efficient

b. Predictors: (Constant), G&D

The ANOVA table tests the significant relationship and the F test between the variables. Hence, we observe that sustained economic growth and development is dependent on basic entrepreneurial principles.

**Table 10. Coefficients<sup>a</sup>**

| Model        | Unstandardized Coefficients |            | Standardized Coefficients | T      | Sig. |
|--------------|-----------------------------|------------|---------------------------|--------|------|
|              | B                           | Std. Error | Beta                      |        |      |
| 1 (Constant) | .647                        | .157       |                           | 4.115  | .000 |
| Efficient    | .860                        | .033       | .877                      | 25.687 | .000 |

a. Dependent Variable: G&D

The coefficient shows the linear relationship between the variables by reviewing the beta, unstandardized and standardized coefficient, the T test and the pv which tell the significant relationship. In this case, our regression equation [  $y' = bx + a$  ] becomes;  
Efficient (variable), .....  $y' = 0.860(x) + 0.647$

With the result given above, it was observed that there is a linear relationship between the variables and also has there  $pv < 0.05$  that is, the variables are also significantly related. Hence, we say that entrepreneurship has relevant impact on sustained economic growth and development. We then reject the null hypothesis that says: **H<sub>02</sub>**: Sustained economic growth and development is never dependent on basic entrepreneurial principles.

### Discussion Findings

The findings of the study from table 4.10 shows that the role of entrepreneurship in sustaining economic growth and development of FCT-Abuja is evident while findings from table 4.14 shows that sustained economic growth and development is dependent on basic entrepreneurial principles. Entrepreneurship plays a crucial role in the economic growth and development of any nation. In order words, there is a veritable link between entrepreneurship development and economic growth and development. Economic growth is a necessary factor to foster economic development of any nation; just as Nigeria's economy has continued to grow over the last decade- with the real GDP growth rate hovering around 7%. However, economic development, which has to been in improved living standards of the populace, has remained a great challenge in the country.

The findings of the study showed that there were so many challenges confronting entrepreneurship in Nigeria as articulated by the researchers which is the agreement of the respondents with the items. Also, on the contrary, entrepreneurship has contributed significantly to Nigeria's economy development, because it has created more employment for job seekers. This finding corresponds with the views of Adeoye Afolabi (2015) & Abdul-kemi, Idris Zubair (2009) who stated that entrepreneurship can foster economic growth and development primarily by generating employment and foster the growth of micro, small and medium enterprises in Nigeria.

### Conclusion

It can be seen that entrepreneurship entails identifying, utilizing and maximizing profitable business opportunities in a sustainable manner that can foster the economic growth and development of a community or nation. Business entrepreneurship usually results in flourishing micro, small and medium enterprises (MSMEs) which generates gainful employment, creates wealth and consequently grows the economy. Nevertheless, government policies and the prevailing business environment, particularly the uncontrollable factors can impede the significant impact of entrepreneurship on economic growth/development. This can be seen in

the Nigerian economy situation in the past decade. Although Nigeria has been experiencing a reasonably consistent economic growth, the rates of unemployment and inflation have been far greater. This means economic development has not actually been achieved as it were. Because of the lack of data to measure the level of entrepreneurship development in Nigeria, an empirical is often impossible. However, a critical narrative textual case study, such as one done in this research work can provide a degree of confidence to make a conclusion. The framework and policy for entrepreneurship with consistency is fundamental and enabling infrastructural developments are perquisites for any impactful entrepreneurship development.

### Recommendations

This research recommends that policy makers should recognize the essence of entrepreneurship to economic development. Entrepreneurship deserves equal emphasis as is being placed on science and technology; it is the entrepreneur that translates the innovation in science and technology into wealth. Thus, entrepreneurship should be recognized as an important factor of production just as land (raw materials), labour and capital (liquid and physical), since it is only the entrepreneur that can combine all the other factors to produce wealth. Therefore, as the nation exerts efforts to exploit our natural resources, educate the citizen and provide human & physical capital, sufficient emphasis should be made to promote entrepreneurship in order to create enterprises, wealth and employment and thus promote positive economic development. A pragmatic and strategic plan on gainfully engaging Nigerian youths is another indispensable solution. A more sustainable approach to poverty reduction if not elimination is through encouraging youths, particularly those with identified entrepreneurial skills to go into private business particularly in science and technology because these have natural potentials for business development. As a result, there is need for reforms in the educational curriculum to prepare students for self-reliance. Fixing Nigeria's basic infrastructure can do the magic in reviving entrepreneurship development in Nigeria and promoting the micro, small and medium enterprises sector to facilitate economic growth and development. If the government of the day will face square the daunting problem of epileptic power supply, entrepreneurs would survive and their businesses sustained.

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