INSTITUTIONAL INTERVENTION AND ENTREPRENEURIAL DEVELOPMENT IN NIGERIA

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1.0 INTRODUCTION

There had been no universal definition of entrepreur or entrepreneurship. It is defined mainly to suit the writer or authors' purpose. Schumpeter defined "entrepreneurs as individuals who exploit market opportunity through technical and/or organizational innovation."[1] Bolton and Thompson have defined an entrepreneur as "a person who habitually creates and innovates to build something of recognized value around perceived opportunities."[2]

Entrepreneurship, according to Onuoha,"is the practice of starting new organizations or revitalizing mature organizations, particularly new businesses generally in response to identified opportunities.[3]

[1] Schumpeter J. A., Economic Theory and Entrepreneurial History. In: Aitken HG (ed) Explorations in enterprise. (Harvard University Press: Cambridge, MA, 1965).
[2] Bolton W.K. andThompson J.L., Entrepreneurs: Talent, Temperament, Technique. (Butterworth Heinemann, Oxford, 2000).
[3] Onuoha G., Entrepreneurship,AIST International Journal 10, (2007) 20-32.

Institution is defined as establishment, foundation, or organization created to pursue a particular type of endeavor, such as banking by a financial institution.[4] It is also defined as an established organization, society or corporation (such as bank or university) especially of a public character.[5] Intervention on the other hand means action taken to intentionally become involved in a difficult situation in order to improve it or prevent it from getting worse.[6] It is also an action taken to improve or help a situation.[7] It can now be said that institutional intervention is the process by which an organization or establishment take step to help or render solution in any situation.

Entrepreneurship development is the process of improving the skills and knowledge of entrepreneurs through various training and classroom programs. The whole point of entrepreneurship development is to increase the number of entrepreneurs.This paper seeks to discuss institutional intervention and entrepreneurial development in Nigeria.

2.0 ENTREPRENEURSHIP

Entrepreneurship is the dynamic process of creating incremental wealth. The wealth is created by individuals who assume the major risks in terms of equity, time and career commitment or provide value for some products or unique, but value must somehow be infused by the entrepreneur by receiving and locating the necessary skills and resources. Entrepreneurship is also the process of getting into the managing your own business enterprise.[8] Whereas entrepreneurs are individuals or persons, entrepreneurship is a process. At times the terms "entrepreneur" and "owner manager" are used interchangeably as if they mean the same thing because entrepreneurship is inextricably linked to small business management. Entrepreneurs are often both owners and employees and a considerable number of them are of

[4] Business dictionary, http://www.businessdictionary.com/definition/institution.html, accessed on 2nd August 2019.
[5] Mariam Webster Dictionary, https://www.merriam-webster.com/dictionary/institution, accessed 2nd August 2019.
[6] Cambridge Dictionary, https://dictionary.cambridge.org/dictionary/english/intervention, accessed 2nd August 2019.
[7] Oxford Learner's Dictionaries, https://www.oxfordlearnersdictionaries.com/definition/english/intervention, accessed 2nd August 2019.
[8] Adebayo and Kolawole, note 10.

them are small business owners or managers. Such people are risk takers, creative, innovative, independent, hardworking and posses other qualities that are driving force behind any entrepreneurial activities in the economy. These entrepreneurial activities significantly affect the economy of an area by building the economics of an area by building the economic base and providing jobs.[9]

In line with this, researchers classify entrepreneurship into three main groups.[10] The groups are behavioural definitions (e.g., Schumpeter, Kirzner); occupational definitions (e.g., Evans and Jovanovic); synthesis definitions (e.g., Gries and Naudé). This study will adopt the behavioural definition of Schumpeter. Schumpeter, defined entrepreneurship, as making new combinations which include the introduction of new goods, new methods of production, opening of new markets, new sources of supply and new organizations.[11] The importance of entrepreneurship development in several economies globally cannot be overemphasized; as such majority of countries worldwide have established programmes to support entrepreneurship within their communities.[12]

One of the support schemes that spur entrepreneurship development is the business incubator and the policy tool to achieve this is the business incubation initiative. Economic development has been defined by Al-Mubaraki and Busler as the method of creating wealth by the gathering of human, financial, capital, physical and natural resources to produce marketable goods and services.[13] Rice and Matthews reported that the main goal of business incubation

[9] Dikoye, note
[10] Naudé W.A, Entrepreneurship and economic development: Theory, evidence and policy, IZA Discussion Paper, (2013).
[11] Schumpeter J.A, The theory of economic development: An inquiry into profits, capital, credit, interest, and the business cycle. Vol. 55: (Transaction Publishers, 1934).
[12] Gangi Y.A. and Timan E, An empirical investigation of entrepreneurial environment in Sudan. *World Journal of Entrepreneurship, Management and Sustainable Development*, **9**(2/3): (2013) 168-177.
[13] Al-Mubaraki H.M. and Busler M, Business Incubation as an Economic Development Strategy: A Literature Review. *International Journal of Management*, **30**(1): (2013),362-372.

initiative is entrepreneurship development.[14] In other words an incubator's main goal is to produce successful firms that will leave the programme financially viable and freestanding. Business incubators within such programmes serve as places where entrepreneurs receive value-added support and access to critical tools, information, education, contacts, capital, and other resources that may otherwise be unaffordable, inaccessible, or unknown to them.[15] These resources can be made available by a responsive government to fill gaps that have been identified in entrepreneurship support activities. Al-Mubaraki, Al-Karaghouli and Busler stated that economic development is one of the objectives that drive each incubator.[16]

Fukugawa described entrepreneurship to mean the recognition or creation of business opportunities and the exploitation of the opportunities through new firm creation.[17] Meanwhile entrepreneurship literature acknowledges the individual role in the entrepreneurial process both in developed and developing countries.[18] Shane reported that certain psychological dimensions are vital for effective functioning as an entrepreneur. Some of the attributes include risk taking tendency, differential access to scarce and expensive resources, and leadership quality among others.[19]

It has been established that entrepreneurship is a very vital ingredient for job creation as well as economic development.[20] The success of income generation for the major group of both

[14] Rice M.P. and Matthews J.B, Growing New Ventures, Creating New Jobs: Principles and Practices of Successful Business Incubation. Westport, CT: Quorum Books, 1995).
[15] NBIA, What is Business Incubation. (National Business Incubation Association: Athens Ohio, 2009).
[16] Al-Mubaraki H., Al-Karaghouli W. and Busler M, The Creation of Business Incubators in Supporting Economic Developments. in European, Mediterranean & Middle Eastern Conference on Information Systems 2010 (EMCIS 2010).
[17] Fukugawa N, Which Factors do Affect Success of Business Incubators. *Journal of Advanced Management Science*, 1(1), (2013).
[18] Alagbaoso M., Myres K, and Teresa, C., Biotechnology Entrepreneurship in South Africa and Brazil. in 27th International Business Research Conference. Toronto, (Canada: Ryerson University, 2014).
[19] Shane S.A, A general theory of entrepreneurship: The individual-opportunity nexus, (Edward Elgar Publishing, 2000).
[20] Friedman B.A, The relationship between governance effectiveness and entrepreneurship. *International Journal of Humanities and Social Science*, **1**(17): (2011), 221-225.

rural and urban inhabitants without recognized paid job highly depends on entrepreneurship.[21] The relationship between entrepreneurship and economic development has been studied extensively both at the local, state and federal levels.[22] Kumar and Liu study reveal that entrepreneurial sector contribution to employment and GDP is on the increase.[23] Acs *et al*, suggested that governments should minimize the constraints on entrepreneurship.[24]

3.0 INSTITUTIONAL INTERVENTION

Over the last decades, Nigeria has undergone a conceptual reorientation of social policies followed by dramatic changes in institutional mechanisms traditionally akin to social policies. These processes have been imposed by multilateral agencies, pushing a structural adjustment agenda in addressing the complex relationship between state, market and society with respect to poverty reduction and employment generation. The global economic crisis which is manifested in balance of payment deficits and high levels of inflation and poverty, calls for coordinated efforts by all, especially the youth, to overcome societal shocks and financial imbalances.[25]

An enduring claim in the field of entrepreneurship is that entrepreneurial activity promotes economic growth and development. This realization, in turn, generated a significant amount of interest in how government policies may be instrumental in fostering entrepreneurial

[21] Ihugba O.A., Odii A. and Njoku A., Theoretical Analysis of Entrepreneurship Challenges and Prospects in Nigeria. *International Letters of Social and Humanistic Sciences*, **5**: (2014), 21-34.
[22] Minniti M, The role of government policy on entrepreneurial activity: productive, unproductive, or destructive? *Entrepreneurship Theory and Practice*, **32**(5): (2008) 779-790.
[23] Kumar S. and Liu D, Impact of globalisation on entrepreneurial enterprises in the world markets. *International Journal of Management and Enterprise Development*, **2**(1): (2005), 46-64.
[24] Acs Z.J., The missing link: The knowledge filter and entrepreneurship in endogenous growth, (2004).
[25] Burns P, Strategies for Success and Routes to Failure, in Business P. and Dewhurst, J. (eds), Small Business and Entrepreneurship, (London: Macmillan, 2001), 32-67

activity, and whether their effects may be consistent across countries. In 1934, Schumpeter stressed the role entrepreneurship plays in the development and spreading of innovation.[26]

Financial institutions are institutions which serve the purpose of channeling funds from lenders to borrowers. They hold money balance of, or borrow from individuals and other institutions, in order to make loan or other investments. Finance has to do with money. It is an organised system of managing money i.e. a system of lending and borrowing money. A Financial Institution acts as an intermediary between those individuals or firms who wish to lend and those who wish to borrow. Financial Institutions can be broadly classified into two: banks or bank financial institutions in the banking sector and non-bank financial institutions.

3.1 BANKING SECTOR

The banking Sector is sub-divide into two namely; supervisory and regulatory authorities and the banking systems.

i. The Supervisory and Regulatory Authorities: They comprise the Central Bank of Nigeria which is the Principal regulatory body, Federal Ministry of Finance. The Securities and Exchange Commission, Nigerian Deposit Insurance Corporation, Nigerian Insurance Supervisory Board (Now renamed National Insurance Commission) and to a lower extent the Federal Mortgage Bank and National Board for Community Banks. These Supervisory bodies are also referred to as monetary authorities.

ii. The Banking System (Banks): The banking system comprises all the banks that operate within the economy. This includes Central bank, Commercial banks, Merchant banks, Development banks and other specialised banks, such as the Community Banks and People's Bank of Nigeria. Apart from few development banks, all these banks

[26] Tende, S.B.A, Government initiatives toward entrepreneurship development in Nigeria. *Global Journal of Business Research*, **8**(1), (2014) 109-120.

collect deposits, and give out loans. They are key actors in performing the role of financial intermediation.[27]

3.2 NON-BANK FINANCIAL INSTITUTIONS

Apart from banks, there are other institutions that perform the role of financial intermediation. These other institutions are called non-bank financial institutions. At times, they are simply referred to as other financial institutions. These institutions include finance house, savings and loan institutions, insurance companies, the discount houses, Bureau de Change, Building, Pension Funds, Investment Trust and other trust funds. There are also informal savings and loan associations like cooperative societies, ESUSU or Isusu groups known as "Ajo" and Alashie in Hausa language. An Isusu group is an association of like-minded individuals who contribute a pre-determined amount of money which is given to each member of the group one after the other after each collection. The amount may be contributed on weekly or monthly basis.

This institution had intervene to help entrepreneurs both in small and medium scale businesses and large one by given them various assistance needed to succeed in their line of business.

4.0 ENTREPRENEURSHIP DEVELOPMENT

Entrepreneurial development has been defined in various dimensions. However, common threads run through each definition: the ability to identify business opportunities, the ability to be able to harness the necessary resources to use opportunities identified, the ability and willingness

[27] Entrepreneurship Development, https://nou.edu.ng/sites/default/files/2017-03/ENT 407 ENTREPRENEURSHIP/20DEVELOPMENT.pdf accessed 2nd August 2019.

to initiate and sustain appropriate actions towards the actualization of business objectives.[28] Entrepreneurship Development refers to the process of enhancing entrepreneurial skills and knowledge through structured training and institution-building programs. ED aims to enlarge the base of entrepreneurs in order to hasten the pace at which new ventures are created. This accelerates employment generation and economic development. Entrepreneurial development focuses on the individual who wishes to start or expand a business. Furthermore, entrepreneurship development concentrates on growth potential and innovation. Essentially this means the acquisition of skills that will enable an entrepreneur to function appropriately and adequately in terms of:

1) Attaining present result based on previous decisions and planning for the future, based on present circumstance,
2) Maintaining and developing the organized capability which makes achievement possible, and
3) Coordinating the specialist functions that should enable a firm to perform the technical task in marketing, personnel, research and development, manufacturing, finance and control, especially in the face of changing technology and dynamic industry trend.[29]

Entrepreneurship is a key factor in any economic activity. For a sector to be competitive and contribute effectively to sustain growth, it requires increased private investment. This development must result in an enhanced productivity to stimulate and to be proper; it must also generate employment opportunity.[30] There can be no gain-saying that Nigeria has long recognized the importance and valuable contributions that small and medium enterprises (SMEs

[28] Amaeshi U.F, Entrepreneurship as a core Economic Development Strategy for Nigeria; *Journal of Business & Management Studies*, **1**(2): (2007), 1-9.
[29] Tende, note 26. 34
[30] Diyoke C.I, Entrepreneurship development in Nigeria: Issues, problems and prospects. *International Journal of Technical Research and Applications*, **10**: (2014), 19-23.

– often disaggregated into micro-enterprises and SMEs) as a major source of new competition can make to poverty alleviation, wealth creation, employment generation and private sector development. The SMEs, especially micro –enterprises have for long offered safety net for the survival of the poor, unemployed youths and women including the emergent "new poor", this is as well as being the nursery-bed of entrepreneurship development in the nation.[31] These SMEs have consistently served as a vehicle not only for the poor to raise their income but also acquiring and applying skills to raise productivity for indigenous (and may be multinational) private sector growth, providing better wage earning opportunities for the majority of the polity (70%) that are poor while raising our national income.

It is for these reasons that successive Nigerian governments, since independence, have always tried to promote SME sector through a complementary range of fiscal, financial and advisory services.[32] Entrepreneurial development has been conceived by successive governments as a program of activities to enhance the knowledge, skill, behavior and attitudes of individual and groups to assume the role of entrepreneurs. They have put in place confidence for building successful programs in different parts of Nigeria.[33] In this regard the Federal Government has adopted several strategies and policies towards entrepreneurial development in Nigeria, by establishing Institutions and Agencies, which provide support services to entrepreneurs.

The policy implementation resulted in the introduction of entrepreneurship development programs (EDP) in Nigeria. These programs are usually targeted at owner managers of small business firms as well as those possessing potential for self- employment. For instance, participants in Nigeria's National Directorate of Employment (NDE) and similar programs in the

[31] Adebayo, O. and Kolawole, J.A, The historical Background of Entrepreneurial Development In Nigeria: its Gains, Shortcomings and Needful. *Journal of Emerging Trends in Economics and Management Sciences (JETEMS),* **4**(5):493-500, (2013).
[32] Eke A. O, Entrepreneurship development in Nigeria. *Nigerian Journal of Management Research*, (2007).
[33] Owualah S.I, Entrepreneurship in Small Business. Firms, (Lagos, GMAG Investment Ltd. 1999).

country are expected to undergo EDP training. This usually includes entrepreneurial tools ranging from the preparation of a business plan with emphasis on finance, marketing, management and production, identification of new business opportunities, alternative suppliers and market, sources of finance, cash flow analysis and record keeping to training people to think and act in an entrepreneurial way.[34]

The fact remains that in the last twenty years, governments in developing countries have introduced a number of policies and interventions aiming at promoting entrepreneurship through small and medium enterprise (SME) development. The main impetus for these "interventions" is specific constraints encountered by SMEs. Burns argued that though the SME sector can be much more responsive and flexible to changes in the marketplace, it is also less able to influence such developments.

Limited access to finance, a low degree of professionalism, difficulties in recruiting qualified personnel, dependency on clients and suppliers and the absence of economics of scale are identified as core SMEs sector weaknesses and the main areas where SMEs may require special attention.[35] In this respect, understanding the problems faced by SMEs in the specific context of development could provide the necessary background to develop policies for SME support and hence generation of employment.[36]

5.0 INSTITUTIONAL INTERVENTION AND ENTREPRENEURSHIP DEVELOPMENT

In the case of government support policies, it is assumed that since government is in the lead for entrepreneurial development, it should provide the much needed resources within its

[34] Amaeshi U.F, Entrepreneurship, (Enugu. Publishers Ltd. 2005).
[35] Burns, note 25.
[36] Tende, note 26.

capability. Such resources include provision of environment conducive to business that will highly promote entrepreneurship.[37] Government policy in this context is any course of action which aims at regulating and improving the conditions of SMEs in terms of supportive, implementation and funding policies by the government. Based on this definition, government policy as it relates to entrepreneurial practice is targeted at encouraging entrepreneurship by making a favorable environment for the entrepreneurs. This, it does through enactment of guidelines that will regulate entrepreneurial activity generally for the reason that entrepreneurship is the bedrock of a nation's path to industrialization.

Furthermore, government needs to enact policies that would be user friendly to the entrepreneurs.[38] Pals argued that there is a need for government policies as they relate to entrepreneurship to be successfully implemented irrespective of which administration is in power in order to achieve the goals of the guideline which often times is always lacking.[39] Government of most countries especially developing countries have in the past invested so much efforts and resources in establishing policies intended to uplift entrepreneurship.[40] Cases in point are in China, Brazil, Saudi Arabia, Malaysia and Nigeria.[41]

[37] Obaji N.O. and Olugu M.U., The role of government policy in entrepreneurship development. *Science Journal of Business and Management*, 2(4): (2014) 109-115.
[38] ibid
[39] Pals S, Factors Determining Success/Failure in Business Incubators: A Literature Review of 17 Countries. Worcester Polytechnic Institute, 2006).
[40] Oni E.O. and Daniya A, Development of small and medium scale enterprises: The role of government and other financial institutions. *Arabian Journal of Business and Management Review*, **1**(7): (2012), 16-29.
[41] InfoDev, Global Good Practice in Incubation Policy Development and Implementation. (The World Bank: Washington, DC, 2010).

5.1 THE THREE-SKILL APPROACH TO ENTREPRENEURIAL DEVELOPMENT WITH ANALYSIS OF INTERVENTIONIST AGENCIES

This approach is based not on what good entrepreneurs are (their innate traits and characteristics) but rather on what they do (the kind of skills), which they exhibit in their strategic management approach towards entrepreneurial development. A skill implies an ability which can be developed, not necessarily inborn, and which is manifested in performance, not merely in potential. "So the principal criterion of skillfulness must be effective action under varying condition."[42] The approach suggests that effective entrepreneurial development in Nigeria rests on three basic developable skills which obviate the need for identifying specific traits and which may provide a useful way of looking at and understanding the entrepreneurial process.

There has been a long-held belief that successful entrepreneur's posse innate trait that drives their behavior.[43] However, no one has ever been able to identify even a single innate characteristic that can be found across the entire population of successful entrepreneurs. A compelling literature has emerged that suggests that entrepreneurs are made rather than born.[44]
The Interventionist Agencies Include National Directorate of Employment (NDE), Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), Small and Medium Industries Equity Investment Scheme (SMIEIS) and Development Finance Institutions (DFls). These Agencies help to remove constraints on entrepreneurs and expand the opportunities available to them by providing information and needed training, financial assistance, which are considered germane to entrepreneurial development. For instance, analysis of these agencies showed that NDE, which was established in 1987, has the main task of creating job opportunities and

[42] Weihrich K. and Koontz H, Management: a Global Perspective. (India: Tata McGraw-Hill, 2005).
[43] Amaechi, note 28.
[44] Fiet J. O., Systematic Search for Entrepreneurial Discoveries; West Port CT. Quorun Books, (2002).

implementing government polices directed at solving the growing unemployment problem of the economy. It also serves as a vehicle for promoting entrepreneurship. The directorate has four programmes viz.

(i) Small-scale Industries and Graduate Employment Programme.

(ii) National Youth Employment and Vocational Skills Development Programme.

(iii) Agricultural sector Employment programme.

(iv) Special Public Works programmes (Federal Ministry of Agriculture and Rural Development, 2004).

Furthermore, SMEDAN, which was established by the Small and Medium Industries Development Act, 2003 to facilitate and promote micro, small and medium enterprises access to resources required for their growth training and Development, and also .lay down a structured medium and small industrial enterprises sector which will encourage and enhance sustainable economic development of Nigeria. The agency is therefore a one-stop shop for starting, resuscitating and growing micro, small and medium enterprises in Nigeria. Recently, SMEDAN has begun training of graduates under National Youth Services Corps (NYSC) on investment and entrepreneurial skills.

The programme tagged: Coppers Entrepreneurial Programme (CEP) is being organized with a view to helping in the exploitation of the opportunities that abound, in the country's small-scale industry. The Agency has considered it necessary to intervene on Technical Skill development because life after graduation is becoming more challenging to the youth. In the past, most graduates depended on government for employment after graduation, but now, that is not the case, and it is therefore necessary for SMEDAN to come up with initiatives to empower NYSC members becoming self-employed and financial independent.

The main target for this programme are graduates of Nigerian Universities and Polytechnics' on National Services, but there are other programmes from which other youths that fall outside this category can benefit from. Therefore "graduates are rather than job seekers."[45] In view of this, the Central Bank of Nigeria (CBN) engaged three (3) consultants to evaluate the pilot phase of entrepreneurship development centers, covering the period April 2008 to June 2010. The report has been submitted to management for consideration. Meanwhile, the centers have so far (CBN Annual Report, 2010) In addition, an analysis of the small and medium industries equity investment scheme (SMEIS) revealed that it is a voluntary initiative of Bankers committee approved at its 246th meeting held on 21st December 1999.

The initiative was in response to the present administration's concerns and policy measures for the promotion and development of small and medium industries (SMI) as vehicles for rapid industrialization, sustainable economic development, poverty alleviation and employment. The scheme requires all banks in Nigeria to set aside 10 (ten) percent of their profit before tax (PBT) for equity investment and promotion of small and medium industries. This serves as the banking industry's contribution to the Federal Government's efforts towards stimulating economic growth, developing local technology and generating employment through adequate entrepreneurial development policies. Funding was provided under the scheme for equity investment in eligible industries.

This will reduce the burden of investment and other financial charges expected under normal bank lending, as well as provide financial, advisory, technical and managerial support from banking industries.[46] Research has shown that as at end-December 2004, the cumulative

[45] Osemeke M. Entrepreneurial Development and Interventionist Agencies in Nigeria. *International Journal of Business and Social Science*, 3(8): (2012), 255-265.
[46] Osemeke M. Entrepreneurial Development and Interventionist Agencies in Nigeria. *International Journal of Business and Social Science*, 3(8): (2012), 255-265.

sum of N28.8 billion had been set aside by eight-two (82) banks under the SMEIS, compared with N20.1 billion as at end-December, 2003. As the end December, 2004 Banks had invested the cumulative sum of N8.5 billion, compared with N7.1 in the previous year.[47]

5.4 NATURE AND CHARACTERISTICS OF INSTITUTIONAL INTERVENTION AND ENTREPRENEURSHIP DEVELOPMENT

This is shown by the way Government Initiatives toward Entrepreneurship Development to encourage the development of entrepreneurship in Nigeria. The seriousness of unemployment has attracted government attention over the years. Employment generation featured prominently in the post medium-term National Development Plans (1962-1985) and this led to the establishment of several government parastatals in addition to the creation of institutions such as the Industrial Training Fund (ITF), to drastically reduce the problem of underemployment.

For the effective implementation of government programs and policies towards entrepreneurship and small business enterprises, various Nigerian governments have established some agencies and policies including: Various credit guidelines prescribed by government for loans and advances which banks should make available to Nigerian small business firms; National Directorate of Employment (NDE); Industrial Development Canters (IDC); National Economic Reconstruction (NERFUND); Nigeria Export Promotion Council (NEPC); Nigeria Agricultural Cooperative and Rural Development Bank (NACRDB), formed in the year 2000 from the merging of People's Bank of Nigeria (PBN), Family Economic Advancement Program (FEAP), and the Nigeria Agricultural Cooperative Bank (NACB); The National Poverty Eradication Program (NAPEP); and Research Institutes, among others.[48]

[47] ibid
[48] Osuagwu L., Small Business and Entrepreneurship Management, 2nd Edition, (Lagos: Grey Resource Limited 2006). 58-56.

Various Nigerian governments have designed fiscal and monetary policies and incentives for entrepreneurs and small-scale sub-sectors of the economy. For example, the federal government of Nigeria adopted a strategy of training and motivating unemployed graduates, in addition to out-of-school entrepreneurship development and training programs. Through these programs, and on the presentation of viable business project proposals, the National Directorate of Employment (NDE) disbursed approved loans through pre-selected commercial banks. The federal government of Nigeria has been reasonably involved in assisting, developing and promoting small business enterprises in Nigeria.[49]

According to Collier, there are certain policies that are peculiar to the Nigerian economy for its growth and development.[50] These policies include good governance, privatization and commercialization of public utilities, export-oriented manufacturing emphasis, reduction of poverty, illiteracy and empowering Nigerians through the reduction of unemployment.[51] The adoption of Structural Adjustment Program (SAP) ushered in the NDE whose primary responsibility is to generate employment opportunities with emphasis on the development of entrepreneurship and self-employment. Besides NDE, other programs with employment implications established by the government include: the Directorate of Food, Roads and Rural Infrastructure; the Better Life for Rural Women/Family Support Program; the Development of Small-Medium Scale Enterprises; the Raw Materials Research and Development Council; the Peoples' Bank of Nigeria and the Community Banks.

[49] Phillips T., Government Policies and Incentives for Small and Medium Scale Business, in Ojo A. T. (ed.), Banks and Small-Scale Business, (Lagos: F & A Publishers Ltd, 1992).
[50] Collier P., Poverty Alleviation in Nigeria: The Role of the Private Sector. *Lagos Business School (LBS) Management Review*, **2**: (1998), 85-88.
[51] Osuagwu, note 48.

The current poverty alleviation program also focuses on the unemployed. In spite of these efforts, unemployment remains a grave problem in Nigeria. According to Owualah[52] quoted by Osemeke,[53] the policy implementation saw the introduction of entrepreneurship development programs (EDP) in Nigeria. These programs are usually targeted at owner-managers of small business firms as well as those identified as paving potential for self-employment. For instance, participants in Nigeria's National Directorate of Employment (NDE) and similar programs in the country are expected to undergo EDP training. This usually include entrepreneurial tools which range from the preparation of a business plan with emphasis on finance, marketing, management and production, identification of new business opportunities, alternative suppliers and market, sources of finance, cash flow analysis and record keeping to training people to think and act in an entrepreneurial way.[54]

The Nigerian government promotes entrepreneurial culture through initiatives that builds business confidence, positive attitude, pride in success, support and encouragement of new ideas, social responsibility, providing technological supports, encouraging inter-firm linkages and promotion of Research & Development.[55] Others considerations are cheap financial resources, free access to market, prompt registration/advisory service to businesses, promotion of entrepreneurial skills acquisition through education and manpower development, production of infrastructure, export incentives, stable macroeconomic environment, security of investment, stable political climate et cetera.

[52] Owualah S.I., Bankers and Consultants in Nigeria's Job Creation Programmers. *Small Business Economic*, **12**: (1999), 321-330.
[53] Osemeke M. Entrepreneurial Development and Interventionist Agencies in Nigeria. *International Journal of Business and Social Science*, 3(8): (2012), 255-265.
[54] Amaeshi, note 28.
[55] Waziri K.M., Industrial Property Rights Protection and Entrepreneurship Development in Nigeria: The Economic Implication. *Journal of Politics and Laws*, **5**(1): (2012), 93-99.

Most policies and incentives designed to promote entrepreneurship focus primarily on activities central to the first two years of a firm's existence.[56] Perhaps a more interesting and illustrative case of the impact of entrepreneurship is the case of France. Despite government efforts to liberalize the operating environment for venture capital firms, reducing capital gains taxes and instituting a number of policies to facilitate the creation of new businesses.[57] France does not rank highly on either of the measures used to classify the countries participating in the Global Entrepreneurship Monitor (GEM) studies.[58]

The economic and institutional contexts are key drivers of entrepreneurship and economic development.[59] Economic context includes industrial infrastructures, economic growth, and capacity for innovation as important determinants of entrepreneurial activity.[60] Recent behavioral research in entrepreneurship suggests that institutions play an important role in entrepreneurial activity. For example, Bruton and Ahlstrom[61] compared the roles of venture capitalists in different economic contexts. Similarly, George and Prabhu highlight the role of developmental financial institutions in fostering entrepreneurship in emerging economies through lending policies and prioritizing of national industrial-development goals. They all

[56] NDE, 'Report of the Registration of Unemployed Persons', PRSC Dept. Abuja NDE (2006) Brochure, PRSD Dept. Abuja.
[57] Dubocage E. and Rivaud-Danset D, Government Policy on Venture Capital Support in France. *Venture Capital*, **4**(1): (2002), 25-43.
[58] Reynolds P., Carter N., Gartner W., and Greene P. The Prevalence of Nascent Entrepreneurs in the United States: Evidence from the Panel Study of Entrepreneurial Dynamics. *Journal of Small Business Economics*, **23**: (2004), 263-284.
[59] Leff N, Entrepreneurship and Economic Development: The Problem Revisited. *Journal of Economic Literature*, 17, (1979).
[60] Furman J. L., Porter M.B. and Stem S., The Drivers of National Innovative Capacity. *Research Policy*, **31**(6), (2002).
[61] Bruton G. & Ahlstrom D, An Institutional View of China's Venture Capital Industry: Explaining the Differences between China and the West. *Journal of Business Venturing*, (2002).

agreed that the economic and institutional contexts play a causal role in creating a climate for innovation and entrepreneurship. [62]

Both directly and indirectly, governments affect the development of an environment that could support entrepreneurship. Literature also suggests that, "the need for the development of a conducive environment may be greater in emerging market economies and in developing countries."[63] This is because "there is sufficient evidence that environmental forces ranging from purely cultural and social factors go quite a long way towards straining the driving force behind entrepreneurs." Furthermore, compared to large-scale enterprises, the need for a conducive environment could be greater in the case of small-scale enterprises because such enterprises may have little control over the environment in which they operate.[64]

6.0 CONCLUSION

The three-skill approach to entrepreneurial development that was extensively discussed stressed that in a very real sense, conceptual skill embodies consideration of both the technical and human aspect of the organization. Yet the concept of skill, as an ability to translate knowledge into action should enable one to distinguish between the three skills of performing the technical activities (technical skill), understanding and motivating individual and groups (human skill) and coordinating and integrating all the activities and interests of the entrepreneurial organization toward a common objective (conceptual skill). This separation of entrepreneurial development into three basic skills is useful primarily for purposes of analysis. In practice, these skills are so closely interrelated that it is difficult to determine where one ends and

[62] George G. and Prabhu G., Developmental Financial Institutions as Technology Policy Instruments: Implications for Innovation and Entrepreneurship in Emerging Economies. *Research Policy*, (2002).
[63] El-Namaki M.S.S, Encouraging Entrepreneurship in Developing Countries. *Long Range Planning*, **21**(4): (1988), 98-106.
[64] Dubocage and Rivaud-Danset, note 35. 25

another begins. Hence, all three basic skills are of importance at every level of entrepreneurial development. This approach suggests that effective entrepreneurial development rest on three basic developable skills which obviate the need for identifying specific traits and which may provide a useful way of looking at and understanding the entrepreneurial process.

Realizing the strategic importance of skills and entrepreneurial development in Nigeria, the Federal Government, adopting strategic management process made several policies and established Institutions and Agencies such as, NDE, SMEDAN, SMIEIS, AND DFIs etc to encourage effective entrepreneurial development.

The study revealed that most of the institutions and agencies established by the Federal Government to ensure appropriate entrepreneurial development skills are plagued with drawbacks such as inadequate of start-up loans, delays in loan disbursement, and loan diversion by participants, poor loan repayment performance and lack of requisite skills among the beneficiaries. Though there is widespread knowledge of the efficacy of a full range of services rendered by entrepreneurial development, integrated entrepreneurial development efforts indicate that, several of the institutions concentrate on a partial approach to EDP, as a result, in programmes where effort has been made to develop a full range services, such efforts are not sustained due to lack of funding, inexperience, poor coordination and bureaucracy.