
Entrepreneurship: A Surviving Instrument for Developing Countries

By

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Abstract

This study was necessitated as a result of pitiable conditions of the people in developing countries. Such conditions include; hunger, poor standard of living, low productivity, low income and so on. The paper discussed the concept of entrepreneurship, functions and contributions in developing countries etc. Thus the focus of this work is to highlight on entrepreneurship development as a surviving instrument for developing countries. Basically, the study was a descriptive research. Data was collected from secondary sources, through the analysis of related literatures, conclusion was drawn and recommendation was also made.

Developing countries are un-industrialized countries. They are countries that have not attained economic growth and development. They depend largely on other countries for survival. Such countries are characterized by: abject poverty, low productivities, low income, high population, unemployment, mass illiteracy level and so on (World Bank, 2000 and Nnobi, 2007).

In Nigeria for instance, government at various levels had established so many economic policies/programmes. Such as Operation Feed the Nation (OFN), Structural Adjustment Programme (SAP), Millennium Development Goals (MDGs), National Education Empowerment Strategies (NEEDS) to check these ugly situations. But more of them yielded any positive result. These economic policies/programmes according to Ikeme (2008) failed because the planners did not have focus on the societal core needs (that is leaching the people how to catch the fish so that they become fishermen who will be producers rather than consumers of fishes).

Umefulike (2008) also maintained that some of the policies which would have yielded positive result failed because the implementers diverted the funds budgeted for

the implementation of the programmes into satisfying their selfish interest. Romans 6 vs 1 what shall we say then? Shall we continue in sin, that grace may abound? Osasai (2010) in his own contribution stressed that another very serious problem, that was eating deep in the developing countries' economy is the over depending of the citizens to the government to provide them with jobs because the type of education they acquired does not allow them to make use of their initiatives. According Osasai (2010), developed countries, like USA, Japan etc passed through these rigorous/depressed situations, but were today one of world highest producers of entrepreneurs by empowering their youths through entrepreneurship. Sonaike (2006) maintained that people within the working class age should not wait for government to provide them with jobs: rather they should sharpen their intellectual instincts and find means for themselves to survive even in the midst of few opportunities available in the economy.

In other words, survival of individuals will ensure the survival of the country as a nation, Therefore, an effective- entrepreneurship development is the only instrument that is capable of equipping individual to be sound and contribute positively towards economic growth and national development.

Base on this foot note, the need for entrepreneurship in the developing countries cannot be more relevant than now when the whole world is experiencing economic recession or down turn with attendant massive loss of paid job in both private and public sectors of the economy (Okoli, 2010). Entrepreneurship in developing countries focuses on recognizing a business opportunities, starting a business based on the recognized opportunity, operating and maintaining that business.

Entrepreneurship is a natural fit for developing countries that are challenged by unemployment, abject poverty, poor health, low level of production, over population and inequality (Tradraro and Smith, 2003 and Anyanwuocha, 2007). Entrepreneurship is a key that opens the way to economic growth and development of countries with relatively low level of industrialization.

Consequently, this calls for urgent needs for effective entrepreneurship development in the developing countries. Therefore, this study focuses on discussing how the developing countries could survive through entrepreneurship/effective development of entrepreneurship. As such developing countries should not hesitate to embark on entrepreneurship development for survival. Other specific objectives are to examine the concept of entrepreneurs and entrepreneurship, highlight conceptually and theoretically on developing countries and their characteristic, to study the characteristics and types of entrepreneurship in developing countries, identifies the functions and contributions of entrepreneurship towards the developing countries, identifies the challenges or obstacles influencing entrepreneurship organizations in developing countries and to draw conclusion and make policy recommendation.

Who is an Entrepreneur?

An entrepreneur is the chief controller of all factors of production in any organization (Emejuru, 2000). The effective and efficient management of factors of production such as: land, labour and capital by entrepreneur leads to sustainable economic growth and development (Ejiofor, 1989). An entrepreneur is a person who uses his skills to discover hidden business opportunities and exploit it for a profit (Ihekwaaba, 2007). According to Paul (2005) an entrepreneur is a person that is determined;

1. To be self employed instead of a paid job;
2. To operate alone in business
3. To combine other factors of production
4. To take the risk of loosing or succeeding in business.
5. To finance his business alone;
6. To identify new business opportunities and to be creative and innovative.

Entrepreneurs are self confident, risk takers, result oriented, creative, initiative good planners and organizers (Igbo, 2009). Entrepreneur is motivated by the need for achievement, good job, good income, independence, belief in an internal locus of control and willingness to risk business failures in order to secure success and reward of commercial undertaking. According to Ochuema and Ozang (2010) the reward for entrepreneur is called profit Sumpter (1934) entrepreneurs improve technological, commercial and organizational process. They do this by locating new goods, opening up new markets for goods, finding new sources of supply and transforming both organizations and industries.

Entrepreneurs therefore is defined as men and women of actions, who are ready to take risks and control other factors of production efficiently and effectively in order to make profit. It is individuals who identified new areas of business opportunities with broad motives of making profit through effective planning, organizing, directing and controlling of the factors of production to get to the desired end irrespective of the risk involved.

The Concept of Entrepreneurship

Entrepreneur ship is the best step under developed countries should take in order to achieve a self reliant and resilient economy that is capable of generating an internally self sustaining economic growth and development. The success of any nation depends. largely on entrepreneurship (Meredith, Nelson and Neck 1991). Entrepreneurship is the back bone of employment in every country.

According to Paul (2005) entrepreneurship is defined as the willingness and ability of a person or a firm to see environmental changes as opportunities and use the factors of production to produce goods and services. It involves risking financial,

material and human resources in a new business concept or an opportunity within an existing firm. Odusina (1975) defined entrepreneurship as the process of using available capital in any form for business endeavours in an open and free economy for the purpose of making a profit .While Maokolo (1997) visualizes entrepreneurship as the ability to set up a business enterprise as different from being employed.

Furthermore, Anerua and Obiazi (2009) defined entrepreneurship training as the acquisition of knowledge, skills and setting up the mind to create jobs by concerning and starting up a new business. Gina (2001) on the other hand sees entrepreneurship as the willingness and ability of individuals to seek out investment opportunities in an environment and be able to establish and run an enterprise successfully based on identified opportunities.

Entrepreneurship according to the researchers whether jointly or individually undertaking is a process of bringing together creative and innovative ideas and coping with the management and organization of skills in order to combine people, money and material resources to meet an identified need thereby creating wealth which will lead to sustainable national development.

It is a process by which individuals willingly manages the factors of productions in view of making profit. It is also a process of risking the factors productions in a new business opportunity for the purpose of making profit. Finally the researchers visualizes entrepreneurship as a process of identifying new areas of business opportunities with broad motive of making profit through effective planning, organizing, controlling and directing of all the available factors of production to get to the desire end irrespective of the risk involved.

Characteristics of Entrepreneur

According to Igbo (2009) and Ossai (2005) the following are

1. Self confidence or optimum confidence. The entrepreneur belief in himself and not on fate.
2. Risk taking individual.
3. Task oriented
4. Drive and energetic.
5. Leadership quality.
6. Creative and Innovative.
7. Adapt to changing environment.
8. Initiative.
9. Identify opportunities.
10. Aggressive.
11. Determined.
12. Highlight.

13. Self-employed.
14. Trusting, fait and hones.
15. Delegate's authority.
16. Loyal and supportive.
17. Gives feedback. Good planner and organizer.
18. Finance his business alone.
19. Combine other factors of production.

This implies that entrepreneurs being managers of their own business should possess certain managerial skills or characteristics while performing their tasks. The above attributes showed that every entrepreneur whether: service, distributive industries, manufacturing, construction, mining and agricultural entrepreneurs should possess managerial skills such as; conceptual skills, human relation skills and technical skills.

Concept of Developing Countries

Developing Countries according to Tadaro and Smith (2003) are those countries that have wide variations of income per capita. They are diverse group that can be subdivided into two groups; the middle income and low income nations. Such countries include: Brazil, Iron, Poland, Russia, Algeria, Egypt, Saudi, Arabia, China, Argentina and so on. Nnobi (2007) saw developing countries as low and middle income countries in which most people have a lower standard of living with access to fewer goods and services.

According to Kalia (2006) developing countries stand between the under-developed country and developing country. Developing country is one that has not witnessed full growth and at the same time is not altogether backward or under-developed. It is called developing for the process of development that is time consuming is on. Such nation is struggling hard to fight poverty, unemployment, low aggregate output of goods and services etc.

Base on these premises, developing countries are low and as well middle income nations who have not achieve full economic growth and development but are struggling to succeed for the improvement of standard of living.

It is also important to note that the UNESCO (2010) classified countries into:

1. High income countries or industrially advanced countries (IACS),
2. Medium Income countries (MIC) and
3. Low Income countries (IIC).

The medium and low income countries are termed developing countries example; Nigeria, Liberia, Mali etc while high income nation or industrially advanced countries such as United State, Canada,. Italy, France, Spain, Australia, New Zealand etc are termed developed countries (Mc Connell and Bruc 2003).

Developing countries are countries that have not attain full economic growth and development but are on the processes. While developed or advanced countries are countries that have attain full economic growth and development.

Characteristics of Developing Countries (DVCS)

According to Nnobi (2007) and Schumpt (1934) developing countries are characterized by; -

1. Low literacy level
2. High unemployment.
3. Rapid population growth.
4. Exportation of Agricultural product.
5. Lack of capital goods.
6. Use of non-advanced technology.
7. Low standard of living and.
8. Access to fewer goods and services.

While Anyanwuocha (2006) and Tradora and Smith (2003) features of developing countries are as follows;

1. Low level of living
2. Low income
3. Inequality
4. Poor health
5. Inadequate education
6. Low level of productivity
7. High rates of population growth and
8. Dependency burdens on Agriculture other features of developing countries are lack of infrastructural facilities, diseases and pastes, poverty, hunger, high death rate and dirty environment.

Problems of Developing Countries

Inwelegbu (2004) suggested that the major problems of developing countries includes;

1. Low agricultural productivity
2. Unemployment
3. Low productive labour force
4. Poor natural resources
5. Shortage of capital
6. High population growth
7. Social barriers etc.

Other problems of developing countries are;

1. Poor/lack of capital goods
2. Inadequate/lack of infrastructural facilities.
3. Lack of management experts and technological trained manpower
4. Poor technology
5. Unmechanized Agriculture
6. Poor standard of living
7. Religious and cultural factors
8. Unindustrialization e.t.c.

These problems posed a lot of challenges to the developing countries. This might be as a result of poor government assistances in local and state development etc.

Entrepreneurship Role and Benefits in Developing Countries

The success and failure of any nation depend largely on number of functional entrepreneurs (Meredith, 1991). Emejuru (2000) affirmed that entrepreneur is a factor of production which control and direct other factors of production for increase production and profit maximization. On the foot note of these the functions and contributions of entrepreneurship in librating the developing countries problems include:

1. Improve technology of the society
2. Improve commercial activities and organizational process.
3. Improve the quality and quantity of goods and services in the market.
4. Introduce new better methods of producing goods and services at cheaper rate.
5. Opening new market for goods.
6. Identify new sources of raw materials and supply
7. Create good job opportunities
8. Produce goods and services
9. Train man power and develop them. Provide infrastructural facilities.
10. Provide revenue

These roles and benefits of entrepreneurs agreed with the view of Schumpeter (1934), Freeman (1982), Igbo (2009), Chiekezie and Uzor (2008) and Drucker (1985) who suggested that entrepreneurs improve:

1. Technological process
2. Commercial process and
3. Organizational process.

They do this by creating new goods, improving the quality of goods, introduce new methods of producing goods, open up new market for goods, find new sources of supply and transforming both Organizations and industries.

Nzekwe and Okeke (2009) and Umezulike (2008) suggested entrepreneurship roles and functions are that entrepreneurship makes individuals:

1. Self-reliant thereby making them job creators rather than job seekers.
2. Effectively employed thus resulting to reduction in societal vices such as armed robbery, kidnapping, prostitutions etc.
3. Participants in economic and individual development of the country.
4. Contributive to national development.
5. Have vision which is usually supported by an interlocked collection of specific ideas not available to the market place and so on.

Researchers' views of functions of entrepreneurship from the angle of factors of production include:

1. Wealth creation.
2. Crop and animal production.
3. Human and material resources management.
4. Revenue generation and improve general standard of living.

Challenges of Entrepreneurship

Despite all the laudable contributions of entrepreneurship to the developing countries, there are still a lot of obstacles challenging their development and survival. These obstacles as suggested by Me Connell (2000) and Molokwu and Molokwu (1999) include;

1. Poor infra structural facilities
2. Low level of savings and investment
3. Low productivity
4. Lack of capital
5. Poor economic planning and management
6. Social, religious and cultural factors
7. Bureaucracy
8. Inadequate technologically framed manpower
9. Poor quality of education
10. Political instability etc.

Paul (2005), Akintola (2001) and Osuala (1999) suggested challenges of entrepreneurship Paul (2005) include:

1. Lack of experience
2. Poor capitalization

3. Management incompetence
4. Inappropriate location of business
5. Lack of inventory control
6. Over investing in fixed assets
7. Poor customer credit practices
8. Improper attitudes e.g. laziness
9. Lack of managerial skills and experience
10. Insufficient preparations, risk bearing
11. Negligence, fraud, disasters and threats from the business environment.

From the above views it is pertinent to note that entrepreneurs are challenged tremendously by a lot of factors posed by the environment. Such factors include; competitors, target market/customer, suppliers, financial, institution, technological system, economic policy, market intermediaries, demography and government.

Conclusion

This paper has revealed that there is pressing need for entrepreneurship development in developing countries. This is because the survival of any unindustrialized nation depends largely on entrepreneurs who control all other factors of productions for optimum economic growth and development.

A nation without adequate trained entrepreneurs is like a hospital without doctors and nurses. This implies that developing countries cannot survive without entrepreneurship development. Therefore entrepreneurship development should be among the instrument the government of developing countries would employed in achieving economic stability for the survival of such nation.

Recommendation

Based on the above conceptual discussions the researchers recommend that;

1. The government should endeavour to spell out general policies that will incorporate entrepreneurship developmental at all levels of education.
2. The members of the community should be communicated and educated on the relevance of entrepreneurship development in the country.
3. Entrepreneurship department should be created in the Universities and other tertiary institutions.
4. The government should map out substantial amount of money for staff training on entrepreneurship development since its effect reflects on the performance of the students in entrepreneurship training and development.
5. The government should encourage students and individuals with entrepreneurship skills through scholarship award and financial assistance.
6. Subsidies and loans should be given to the entrepreneurs at a reduced rate for increase production.

7. The government should also encourage the importation of production technologies and equipment at a reduce rate to ease production efficiency.
8. Entrepreneurs should be encouraged by government restricting the importation of similar products produced by our entrepreneurs.
9. Infrastructure! facilitates like: good road, electricity, pipe born water and so on should be given priority by the government of developing countries in abide to assist the development of the entrepreneurship.
10. Entrepreneurship business should be encouraged at local, state and federal levels through government entrepreneurship training and development.
11. Finally the entrepreneurs in developing countries should be fast in adjusting to the changing environment posed by new technology and environment by attending conferences, workshops and seminars.

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