ECONOMIC BACKWARDNESS: PRODUCTIVE ENTREPRENEURSHIP AS AN INTERVENTION MECHANISM.

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ABSTRACT

Economic regression has become a prominent feature of the Nigeria economy. The government of Nigeria has spent colossal of resources towards ensuring that the youths are equipped with adequate knowledge and entrepreneurial skills as a boost to the economy. This effort embarked upon by the government is to revive the economy from its present state of backwardness in virtually all sectors. Regrettably, all the efforts by the government have not been geared towards the right form of entrepreneurship as the policy on the ground seems to favor more of the unproductive entrepreneurial activities than the productive ones. As a result of this, government is still struggling to find solution to the lingering economic problems facing the nation. The aim of this paper is to examine the constraints that serve as an impediment towards productive entrepreneurial activities in Nigeria and the need for proper orientation to: entrepreneurs, would-be entrepreneurs and policy makers on the forms of entrepreneurship and policy, and the need to embark on the best form (productive entrepreneurship) as mechanism for economic progress.

Key words – Economic backwardness, Entrepreneurship, Productive entrepreneurship, Economic Progress.
INTRODUCTION

Nigeria as a nation is blessed with lots of resources (human, capital and natural) yet is far behind when compared with other nations that have only but a little proportion of what Nigeria has. With the available resources in Nigeria, it is expected that by now, Nigeria’s name should be mentioned among the top 20 developed nations of the world. Surprisingly, the Nigerian situation has grown from bad to worse as virtually all the sectors of the economy are malfunctioning and with nothing practically to show for the huge investment rendered on them. For example, the state of electricity in Nigeria is at a pitiable state. The power holding company of Nigeria (the body in charge of electricity supply) cannot boast of 24 hour light per day. Some quotas hardly see light for two weeks and in instance where they see, it does not last up to five hours at a stretch. In such circumstance, how can entrepreneurs perform their task effectively since most of technological innovation is made possible using light? Due to this poor electricity supply, entrepreneurs today have shifted to using generating sets for production thereby, pushing the cost of production on the consumers. Since the cost is transferred to the consumers, it makes the prices of home made products more expensive than the imported supplementary goods. The consumers end up buying the imported goods at a cheaper rate living the home made products un purchased. The effects of this epileptic light supply on the local entrepreneurs are horrible as most of the local industries end up collapsing due to poor or low patronage.

Nigeria is referred to as the giant of A Africa, the giant only ends in population but not in development. If other African countries that gain their independence after Nigeria are today far ahead of Nigeria, then Nigeria is not for the best but for the worse. Example, Nigeria today cannot stand at par with South Africa in terms of development yet is this same giant that helped in the struggle for South Africa to become independent.

There are enough resources in Nigeria to make the country great. Every state in Nigeria is blessed with a natural resource right from the North to the South to the East and to the west. In Nigeria there are resources such as crude, cotton, groundnuts, cassava, maize, rice, cocoa, tin, coal, palm kernel, potatoes, rubber, various fruits and vegetable that can be translated into money if proceed. Regrettably, these resources have being underutilized by the people and the government. The entrepreneurs are not verse in exploiting opportunity as the environment is not business friendly which to a large extend have affected the entrepreneurs and made them focus more on taping into the existing market share than bringing something new in the market. Regrettably again, Nigeria today is importing what it should have being exporting. With the verse resources in Nigeria, Nigeria is still importing toothpick, chewing gum, glue, chocolate, biscuit, juice, etc. this should not be so.
The questions that readily come to mind are, with all the resources that both government and the private firm have spent on entrepreneurship, why is it that the Nigerian entrepreneur is not contributing positively to the growth and development of the economy? Why is it that the entrepreneurs are not innovative even after undergoing training? Finally, what form of entrepreneurship are the government and the private sector actually investing on?

**ECONOMIC DEVELOPMENT AND UNDEVELOPMENT**

A country that has lingered as a nation for over 50 years with increasing rate of unemployment, poverty, poor per capital income and unstable government policy cannot be regarded as a developed nation. An increase in the number of schools, hospitals, roads, etc is not development but mere growth. Development can only occur when those changes are qualitative rather than quantitative.

Traditionally, the term meant the capacity of a national economy, whose initial economic condition has been more or less static for a long time, to generate and sustain an annual increase in its gross national income (GNI) at rates of 5% to 7% or more (Todaro et al, 2006).

In the past, economic development was seen from the view point of planned alteration of the structure of production and employment so that agriculture’s share declines and that of the manufacturing and service industries increase. As such, development was focused more on industrial growth than on agriculture and rural development. In Nigeria, this has to a large extend affected the development of the rural populaces leading to a massive rural – urban migration. This urban rural migration as led to the partial death of the agricultural sector of the economy creating room for massive unemployment in the urban areas which accumulate and create high rate of poverty in the economy.

The past view of economic development seem to favour more of economic growth than economic development as it emphasized more on the gross national income (GNI) without considering other variables. This short coming led to the postulation of some questions by Dudly Seers. The questions posed by him in respect to development are;

- What has been happening to unemployment?
- What has been happening to poverty?
- What has been happening to inequality?
According to Seers if all the questions posed are on the decline in a country, then development will be said to have taken place but if the answers to the questions are on the increasing side like in Nigeria, then such a country will be said to be suffering from underdevelopment.

In Nigeria, the questions posed by Dudly Seers can be said to be far beyond reach as the rate of unemployment is on the increase.

**TABLE 1 UNEMPLOYMENT RATE IN NIGERIA (1990 – 2004)**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>URBAN</th>
<th>RURAL</th>
<th>COMPOSITE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>5.73</td>
<td>2.85</td>
<td>3.38</td>
</tr>
<tr>
<td>1991</td>
<td>5.18</td>
<td>3.20</td>
<td>3.58</td>
</tr>
<tr>
<td>1992</td>
<td>4.83</td>
<td>2.98</td>
<td>3.50</td>
</tr>
<tr>
<td>1993</td>
<td>4.03</td>
<td>3.28</td>
<td>3.37</td>
</tr>
<tr>
<td>1994</td>
<td>3.03</td>
<td>1.83</td>
<td>1.95</td>
</tr>
<tr>
<td>1995</td>
<td>3.35</td>
<td>1.60</td>
<td>1.90</td>
</tr>
<tr>
<td>1996</td>
<td>5.90</td>
<td>3.40</td>
<td>3.80</td>
</tr>
<tr>
<td>1997</td>
<td>3.80</td>
<td>2.40</td>
<td>2.60</td>
</tr>
<tr>
<td>1998</td>
<td>5.50</td>
<td>3.50</td>
<td>3.90</td>
</tr>
<tr>
<td>1999</td>
<td>10.8</td>
<td>15.1</td>
<td>13.7</td>
</tr>
<tr>
<td>2000</td>
<td>14.2</td>
<td>19.8</td>
<td>18.1</td>
</tr>
<tr>
<td>2001</td>
<td>10.3</td>
<td>15.1</td>
<td>13.7</td>
</tr>
<tr>
<td>2002</td>
<td>9.5</td>
<td>13.3</td>
<td>12.2</td>
</tr>
<tr>
<td>2003</td>
<td>17.1</td>
<td>13.8</td>
<td>14.8</td>
</tr>
<tr>
<td>2004</td>
<td>11.0</td>
<td>12.1</td>
<td>11.8</td>
</tr>
</tbody>
</table>

**SOURCE: Federal office of statistics**

From the above table it can be noted that unemployment rate since from 1990 is on the increase which is a sign of underdevelopment based on the questions posed.
On the aspect of poverty, an average Nigerian earn less than a dollar per day that is, the per capita income of an average Nigerian cannot meet his basic need this, is another manifestation of a nation faced with poverty and poverty is a sign of underdevelopment (Todaro et al, 2006).

Inequality is very obvious in Nigeria as the gap between the rich and the poor is so wide. The rich have more than enough of what pertained to make life more comfortable whereas the poor hardly have enough to eat more or less send their children to good private schools because they cannot afford to pay for better education for their wards. The wealthy eat three square meals a day while the poor hardly have a complete three square meals, etc (Adesulu, 2010).

For development to be feasible in Nigeria the various questions posed by Dudly must be answered positively or else, Nigeria will continue to linger in an undeveloped state.

**EFFORTS BY GOVERNMENT TO FIGHT AGAINST UNDEVELOPMENT.**

The Nigerian government has initiated various programmes since the 1970s to fight economic backwardness and to empower people economically.

In 1977, the government introduced skills acquisition programme in school curriculum as it was believed that vocational skills acquisition would be relevant to the growth and development of Nigeria (Iwuamadu, 2010). But this initiative as laudable as it was then could not gain the needed result that it was set out for as such, a committee on 26th march, 1986 as set up known as the Chukwumw committee (Omoruyi et al cited in Iwuamadu, 2010). The outcome of the report by the Chukwuma committee led to the creation of National Directorate of Employment (NDE) in 1986 with the sole aim of promoting skills acquisition, facilitate the spirit of creativity, self reliance and independence. Vocational skill training is receiving greater attention till this day a smany centers have been established since then.

Document by the National Economic Empowerment and Development Strategy (NEEDS) of 2004 claims the measures taken to reduce poverty level via engaging people on entrepreneurial activities include programmes/projects such as: Better life for rural women, National Directorate of Employment, Family Support programme, Community Banks, National Poverty Eradication Programme (NAPEP), FADAMA III, Entrepreneurship studies for all Universities, etc.
ENTREPRENEURSHIP

The spotlight to economic development lies within the entrepreneurs that is, those that engage in the carrying out of combinations of resources for product innovation. Schumpeter 1934 stressed the role of an entrepreneur as an innovator. To him, an entrepreneur is someone who finds new combinations of resources and creates products that did not previously exist. He views an entrepreneur as an agent of economic change through the entrepreneurs’ creative innovative ideas. Innovation on an existing product automatically makes the existing one becomes obsolescence. This Schumpeter referred to as creative destruction and they are the true source of economic progress. True entrepreneurship is the creative innovation aspect of business formation and not the financial component.

Kirzner (1973), view entrepreneurship as an equilibrium rating force in which entrepreneurs discover previously unnoticed profit opportunities and act on them, bringing market towards their zero economic profit, long run equilibria. To Kirzner, when there is disequilibrium in the market place, then it open door for entrepreneurs to ensure that the market is at equilibrium with their products. It is more of Tapping into an existing product and market that is yet to be reached or covered fully by some other entrepreneurs.

Entrepreneurship is an undertaking in which one is involved in the task of creating and managing an enterprise for a purpose (Olagunju, 2004). Entrepreneurship is a process of creating something different with value by devoting the necessary time, effort, assuming the accompanying financial, psychic and social risk receiving the resulting rewards of monetary and personal satisfaction and independence. The term is also viewed as a process by which individuals (either on their own or inside the organization) pursue opportunities without regard to the resources they currently control.

Entrepreneurship can come in diverse forms depending on the level of commitment the entrepreneur is ready to sacrifice for the business venture. Without sacrifice of time, money and other essential resources, an entrepreneur will not be able to meet up with the challenges that true innovation requires. That is, an entrepreneur is expected to be a solution to local and global needs of the society.

There is no nation in this 21th century that wants to advance that can do so without technological innovation by real entrepreneurs. Although any nation that is ready for a change should as well be prepared for criticism because not all nations will be willing to give their support especially if they see themselves as better off. Criticism should not discourage entrepreneurs but should serve as an avenue for correction in order to perform better.
ENTREPRENEURIAL ACTIVITIES IN NIGERIA.

Entrepreneurial activities is the enterprising human action in pursuit of the generation of value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets.

Many entrepreneurial activities are found in Nigeria from corporate venturing to social change enterprises. Some of the entrepreneurial activities commonly noticeable in Nigeria include: baking, welding, carpentry, manufacturing, hair dressing, rent seeking, politicking, entertainment, etc. With all the listed entrepreneurial activities in Nigeria, Nigeria is still far behind economically. Most of the entrepreneurs are not duly registered as such do not pay tax nor contribute to the growth nor development of the Nigerian economy. Looking at most of the activities again, they are merely for personal benefit and a means for survival than for economy purpose. The impact of entrepreneurship is not felt in the economy because the entrepreneurs themselves are just transferring what they’ve been taught during training and the training is mostly on survival strategy that is, to reduce the high rate of poverty and unemployment and not on modern innovation and technological creativity that leads to economic development. There are many entrepreneurs in Nigeria but with little or no impact at all to the development of the nation.

TABLE 2: IMPORT AND EXPORT DATA OF NIGERIA (2008-2009)

Export 45.43 billion dollars (2009 est)

Export goods petroleum and petroleum products 95%,
Cocoa, rubber, machinery, processed food, entertainment 5%.

Main export United States 42%, Brazil 9.5%, India 9%

Partners Spain 7.3%, France 5.1% (2008)

Imports 42.1 billion dollars (2009 est)

Import goods machinery, chemicals, transport equipment,
Manufactured goods, live animals.

Main import China 16.1%, Netherlands 11.3%, United States 9.8%

Partners United Kingdom 6.2%, South Korea 6.1%, France 5.1%
Germany 4.4% (2008)

The overall economic growth in 2012 is estimated at about 6.5%, a little below that of over 7% in the year 2011.

**SOURCES: CIA World Fact Book.**

From the data above, it shows that the entrepreneurs are not effective in adding to the growth or the development of Nigeria. This is indicative from the fact that the nation derives its revenue from its natural resource rather than from its innovative creativity. This is not good at all because if peradventure petroleum product finish, what will become the fate of Nigeria? If the declaration by president Barrack Obama of the United States on November 6th during his acceptance speech become true. President Obama said that the US will try to start generating its own petroleum product rather than importing it from other countries. If the USA eventually finds a way out, what will become of Nigeria? Nigeria exports 42% of its products to the US. It has become paramount for Nigeria to re-direct and focus its attention on entrepreneurial activity that can add to the revenue base of the nation rather than depending on one major source of revenue when countries that were far behind Nigeria like India are today generating their income through technological innovations. With about 17.3 million registered entrepreneurs in Nigeria (Momoh, 2013), the policy should be channel towards acquisitions of entrepreneurial skills that should be technologically incline than just mere survival strategy entrepreneurship.

**IMPEDEMENTS TO DEVELOPMENT AND PRODUCTIVE ENTREPRENEURSHIP IN NIGERIA.**

Many forces serve as impediment to productive entrepreneurship and development in Nigeria. These forces to a large extend have affected growth and development of the economy which eventually leave the nation economically backward. Economic backwardness is when income does not suffice to meet basic needs of the citizenry of a particular country. This economic backwardness is very obvious in Nigeria. Nigeria today is the 5th importer of rice in the world, the 10th highest in wheat and the 18th highest in sugar even though these products are grown in Nigeria as the atmosphere is conducive for them, yet proper attention is not given to their cultivation. Global Hunger Index 2012 has scored Nigeria at 15.7% which indicates serious hunger problem in Nigeria where as countries like Iran, Libya and Jordan which are desert scored 5% indicating the near absence of hunger and malnutrition while in Nigeria the level of poverty and hunger is on the increase. The level of poverty moved from 57% in 2007 to a disgraceful 72% in 2011 (El Rufai, 2013).

Some impediment to productive entrepreneurship and development in Nigeria will include:
A  YEARS OF MISMANAGEMENT BY PAST LEADERS

Past leaders have grossly mismanaged the resources that Nigeria is blessed with. The resources of Nigeria have been channeled towards self enrichment and self development thereby, living others sectors of the economy to suffer for their selfishness. Monies that should have been used for technological advancement has being diverted to other unproductive ventures that will generate quick money for themselves and their political alleys. Because of this personal gain, the GDP of Nigeria dropped from 1,707 billion Dollars in 2005 to 413.4 billion Dollars in 2011 (Wikipedia). This figure is without the inclusion of the informal sector.

B  FAULTY GOVERNANCE AND POLICIES

Nigeria has fabulous wealth but yet lingering in extreme poverty. Nigeria has small elite of very wealthy people and large and growing middle class. Nigeria has 20% of Africa’s population and one third of the poorest in West Africa. Although Africa is known as the poorest continent in the world, it is also the most illiterate, the most malnourished, and the least gender- sensitive – indeed the most deprived region of the world. Poverty is a problem caused by faulty government policies. The policies on ground seem to favour more of activities that do not add up to the wealth of a nation but policies that add up wealth to few individuals that are connected to the government. Policies such as:- paying subsidy for importers of fuel into the country, appointment of many political office holders that are paid huge sum as their salaries and allowances for doing nothing, permit for the importation of what can be produced here in Nigeria, double taxation on entrepreneurs while the politicians go tax free on their allowances, etc. due to this faulty policies, about 80% of Nigerians are living in extreme poverty (united Nation Report, 2009). The policies over time have caused the economy to be over regulated, increasingly inefficient, and hostile to foreign trade and investment. These policies have being followed for over forty years and have greatly affected the development of the economy.

C  CORRUPTION

Corruption is celebrated in Nigeria instead of being punished. The entire system is corrupt right from the government officials to the poor man on the street. Everybody wants a tip (bribe) before doing what they are officially employed to do. An average Nigerian is not ready to do any tedious task but is in a hurry to get rich, as such is liable to doing any negative work that will make that dream of making money quick a reality. Sincere ways of making money does not usually come easy such as innovation and creativity hence; most business people choose the fast track to making it through activities that are not productive.

Corrupt people in Nigeria go court free and the society quickly accept them back and place them in sensible position that should be giving to people of integrity. Certain lootings that should be punished without a fine after being found guilty are equally celebrated even in the
court of law. In February 2013, John Yakubu that was found guilty of stealing about 32.9 billion naira from the police pension fund was sentenced to two years in prison or a fine of 750,000 thousand naira (less than a million naira). How then will corruption be abolished when the sum stolen is not properly punished for?

On the 12th march, 2013, Alamieyeseigha was pardoned by President Goodluck Jonathan after being found guilty on 26th july, 2007 before a Nigeria court to a six charges and was sentenced to two years in prison on each charged. Alameiyeseigha was one time governor of Bayelsa State, the state of President Goodluck Jonathan. He was detained in London on charges of money laundering in September, 2005. He jumped bail in December 2005 from the United Kingdom by allegedly disguising himself as a woman. On June 28, 2012, an asset forfeiture order on 401,931 dollars in a Massachusetts brokerage fund was traceable to Alamieyeseigha by department of justice. His pardon was greatly criticized by many Nigerians yet the government felt there is nothing wrong in pardoning him (nigeriandialy news.com, 2013).

Joshua Dariye is another icon of how corruption is celebrated in Nigeria. He was two times governor of Plateau State. Dariye was arrested in London for money laundering by the metropolitan police. He was granted bail in November 2004 on the basis of self recognition and was expected to report back on December 14th, 2004, Dariye jumped bail and never went back to answer to charges against him, contrary to the United Bail Act of 1976. Since then the Economic and Financial Crime Commission (EFCC) and their British counterparts have done everything within their power to get Dariye behind bars without success. Today, Dariye is a senator representing the plateau central zone in the upper legislative arm of government in the federal capital of Nigeria (Abuja).

D TAX AVIODANCE AND EVASION

Tax avoidance is a situation where the tax payer arranges his financial affairs in a way that would make him pay the least possible amount of tax without infringing the legal rules.

Tax evasion on the other hand is an outright, dishonest action whereby the tax payer endeavours to reduce his tax liability through the use of illegal means. Tax evasion is fraudulent, dishonest, intentional, distortion of avoiding the payment of or reducing the amount of tax otherwise payable. “Tax evasion is accomplished by deliberate act of omission or commission which in themselves constitutes criminal acts under the tax laws”. Tax evasion has become the favourite crime of Nigerians, so popular that it makes armed robbery seem like a mare piece of cake. It has become so widespread that there now exist a cash economy of vast proportion over which the tax man has no control and is growing at several times the rate of national economy leading to economy regression.
Tax evasion and avoidance no doubt deny any government the tax revenue due to her, which results in a gap between the potential and actual tax collections, although tax evasion and avoidance are problems that face every tax system, the Nigeria situation seems unique when viewed against the scale of corrupt practices prevalent in Nigeria. Tax evasion and avoidance have diverse effect on government revenue. If avoidance generates investments distortion in the form of the purchase of assets exempted from tax or under – valued for tax purpose. Definitely, tax evasion to a large extend have affected economic development negatively.

Other impediments to productive entrepreneurship and economic development include

- Over reliance on oil revenue
- Political instability
- Lack of continuity in governance
- Poor budget implementation
- Misappropriation of government fund
- Poor implementation of Research findings, etc.

**PRODUCTIVE ENTREPRENEURSHIP AS A MACHANISIM TO ECONOMIC BACKWARDNESS**

Entrepreneurial activities can be directed toward a number of ends. Some of these ends are conducive to economic development while others lead to economic stagnation. Economic development is the not the result of lacking entrepreneurship, rather, it is the result of institutions that make the payoff to unproductive activities higher than the payoff to productive activities.

Baumol theorizes that entrepreneurial individuals have a choice to devote their labour effort toward either private sector wealth creation, or toward securing wealth redistribution through the political and legal processes (Sobel, 2008).

The activities that individual entrepreneurs engaged in largely depend on the rate of return on them and the policy set by the government that backs such an activity. Productive entrepreneurship therefore, is the engagement in productive entrepreneurial activity that adds up to the wealth of a nation resulting in economic growth and development (Baumol, 1990).

Productive activity arbitrage and innovation constitute the very essence of economic growth and progress. When an economy identifies an unexploited opportunity, it is vital that such opportunity be not wasted but rather be translated to more profitable venture through creativity and innovation. It is worthy of note that not all profit opportunity are
actually productive. The existence of this profit opportunity does not necessarily lead to economic progress as some of this seemingly profit opportunities are destructive. Profit opportunities must be connected to positive sum activities in order for entrepreneurial activities to produce economic progress.

Profitable opportunity that can also be destructive include:- production of machine guns, which can be use for the destruction of human life during war or crisis and arm robbery, drug peddling, which adds to the revenue base of the entrepreneur yet destroy the consumer and the nation at large etc.

Profitable opportunity that can add to the wealth of a nation will include:- activities such as the innovation of computers that lessen the cost of paying more employees since the computer can perform the task of many people within a shorter range of time at a limited cost. The introduction of aircrafts, which makes travelling long distance faster than usual, since a journey of 15 hours by road, can be made possible within an hour. The introduction of mechanized farming that ease farming making farmers cover large hectored of land within a limited time frame etc.

Productive entrepreneurship is engaging in entrepreneurial activity that is creative and innovative that adds up to the wealth of a nation but yet does not bring destruction to others.

CONCLUSION

Nigeria has suffered economic backwardness for decades which have caused poverty, hunger, unemployment malnutrition and infant motility. The Nigeria government has channeled its resources on ventures that do not add up to the wealth of the nation. Considering the number of registers entrepreneurs in Nigeria, Nigeria is still faced with high rate of unemployment and gradual drop in GDP growth rate. Below are data for clarifications.

TABLE 3 - NUMBER OF REGISTERED MICRO, SMALL, MEDIUM ENTERPRISES (MSME) IN NIGERIA

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of registered MSME</td>
<td>17.3 million</td>
</tr>
<tr>
<td>Small and medium enterprise in Lagos state</td>
<td>4,535 thousand</td>
</tr>
<tr>
<td>Small and medium enterprise in Osun state</td>
<td>less than 100</td>
</tr>
<tr>
<td>Micro enterprise in Lagos state</td>
<td>880,805 thousand</td>
</tr>
</tbody>
</table>
Micro enterprise in Kano state 872,552 thousand
Micro enterprise in the FCT 272,579 thousand
Total number of people employed in MSME sector as at December, 2010 32,414,885 million

These figures exclude those businesses that are not registered (informal sector)

**SOURCE: BUSINESS DAY NEWSPAPER.**

From the table above, many Nigerians are involved in one entrepreneurial activity or the other and the impact is not felt in the economy. Considering the verse number of the entrepreneurs, Nigeria should not be importing what it is currently importing.

**TABLE 4 GDP OF NIGERIA FROM 2001-2012**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>21.2%</td>
<td>10.3%</td>
<td>10.6%</td>
<td>5.4%</td>
<td>6.2%</td>
<td>7%</td>
<td>6%</td>
<td>7%</td>
<td>8%</td>
<td>7.2%</td>
</tr>
<tr>
<td>YEAR</td>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP</td>
<td>7.1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SOURCE: IMF – WORLD ECONOMIC OUTLOOK APRIL, 2012**

From the data, it is crystal clear that the real Gross Domestic Product of Nigeria has being on diminishing rate from 21.2% in 2002 to 7.1% barely ten years after. A progressive nation is usually seen by its GDP and not by the number of houses or cars that are owned by the few but rich people that have control over the economy. In Nigeria, the policy on ground to a large extend have affected the level of performance by entrepreneurs that are will to be productive.
TABLE 5

UNEMPLOYMENT RATE IN NIGERIA

<table>
<thead>
<tr>
<th>YEAR</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>RATE</td>
<td>19.7%</td>
<td>21.1%</td>
<td>23.90%</td>
<td>23.90%</td>
</tr>
</tbody>
</table>

SOURCE: CIA WORLD FACT BOOK.

Over the years, the Nigerian economy has grown at an average of about 7%, but it has been paper growth without favourable impact on the level of per cent unemployment which is estimated at 23.9% in 2012 (adeleye) of working population as against 3% unemployment rate accepted as norm in developed countries.

For Nigerian entrepreneurs to be productive their mindsets have to be shifted from mere buying and selling entrepreneurs that usual tap from the disequilibrium in the market place to entrepreneurs that will be innovative and creative. They should be Entrepreneurs that will research on what is missing in the global market and thrive to be the solution to that missing link. Government on its part should start investing enough resources that can carter for long time training on skill acquisition and not the usual fire Bridget method of three months training where they would – be entrepreneurs are only taught what can be quickly done which does not add up economically to the development of the economy but rather serves as a means of poverty eradication and unemployment in the society.

It is only productive entrepreneurship that can add to the economy positively and in the long run, leads to economic development.
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