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## **IMPACT OF ENTREPRENEURSHIP DEVELOPMENT ON EMPLOYMENT GENERATION IN SABONGARI LOCAL GOVERNMENT, KADUNA STATE**

Fauziyya Rabiuh Mohammed

## **Impact of Entrepreneurship Development on Employment Generation in SabonGari Local Government, Kaduna State**

Fauziyya Rabiuh Mohammed

Department of Economics: Ahmadu Bello University Zaria, Nigeria

[fauziyya.rabiuh90@gmail.com](mailto:fauziyya.rabiuh90@gmail.com)

### **Abstract**

**Purpose:** The purpose of the study is to examine the effect of entrepreneurship development on job creation with primary data inputs drawn from Sabon Gari Local Government Area, Kaduna State Nigeria.

**Methodology:** Two forms of entrepreneurship- innovative and replicative are considered with a view to contributing to the debate through the lens of binary logit regression analysis. A sample of 331 entrepreneurs were selected using simple random sampling technique and were analyzed using descriptive statistics and binary logit regression.

**Findings:** Despite the role of entrepreneurship towards job creation in a developing country like Nigeria, youth unemployment remains high as at 55.4% in the third quarter of 2018. The literature on the entrepreneurship-employment nexus is scanty primarily due to data limitations and lack of appropriate quantifiable measures of entrepreneurship. The result showed that about 79.7% of the sampled entrepreneurs have employed one or more persons; suggesting that entrepreneurship development has led to a reduction in unemployment. The result also shows that innovation, education and start-up capital exert a positive and significant impact on enterprise development.

**Unique Contribution to Theory, Practice and Policy:** The results highlight the need for sustained efforts by government and non-government institutions towards developing entrepreneurship programs in order to create jobs and attain inclusive growth.

**Keywords:** *Entrepreneurship, Entrepreneurship Development, Employment*

**JEL Classification Codes:** L26, O1, E24

## 1.0 INTRODUCTION

Entrepreneurship development plays a significant role in any contemporary economy.<sup>1</sup> As far back as 1776, Adam Smith identified the significant role the market can play in the development process of nations through job creation, high income, and better access to basic needs (Adenutsi, 2009). Development scholars and economists have often neglected entrepreneurs. Some scholars opine that entrepreneurship is no longer a problem or a binding constraint to development. On the other hand, some others have been more concerned with who, why and how of entrepreneurship rather than with the impact of entrepreneurship on development (Bruton et al 2008; Shane 1997) as cited by (Naude, 2013). Although mainstream economics literature had paid little attention to entrepreneurship, its importance has become difficult to ignore (Wennekers and Thurik, 1999).

There was a renewed interest by economists in entrepreneurship in the 20<sup>th</sup> century as the concept became viewed through different perspectives (Rocha, 2012). Entrepreneurship is a multi-faceted and heterogeneous activity (Audretsch and Thurik, 2001). Schumpeter (1934) considers entrepreneurship as an agent of “creative destruction.” That is, an entrepreneur replaces inefficient and ineffective methods with better ones. However, it was ignored in the literature even though entrepreneurs do not completely control an economy; it influences its direction (Baumol, 1993). Accordingly, Hagen (1963) notes that entrepreneurship development is based on how a traditional society transforms due to technical progress.

Entrepreneurship plays a significant role in the growth and development of any contemporary economy. Entrepreneurship development in Nigeria became rife only after the civil war during which massive rebuilding and reconstruction efforts were embarked upon by the government. At the end of the war, the 2<sup>nd</sup> National development plan focused on the development of the 3Rs objective of Reconstruction, Re-development and Reconciliation. The activities in the plan fostered the creativity and skills of individuals (Imafidon, 2014). This suggests that, focus on entrepreneurial development has been in the forefront of development policy debate in Nigeria. As pointed out by Nwadu (2016), entrepreneurial development is crucial to job creation, economic growth, and competitiveness. According to Global Entrepreneurship Monitor 2012, Nigeria is one of the most entrepreneurial countries in the world. The study showed that 35 out of every 100 Nigerians (over a third) are engaged in one form of entrepreneurial activity or the other. Entrepreneurship development has been viewed by successive governments as a program to enhance knowledge, skill, behavior and attitude of individuals and groups to assume the role of entrepreneurs. More recently, entrepreneurship development centers have been set up in the six geo-political zones in Nigeria. In addition, several Ministries Departments and Agencies (MDAs) such as Bank of industry (BOI), Federal Ministry of Finance (FMOF), National Directorate of Employment (NDE), Youth with innovation in Nigeria (YouWIN) and the Subsidy Re-investment and Empowerment Programme (SURE-P) were also established to drive

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<sup>1</sup>Entrepreneurship development refers to the process of enhancing entrepreneurial skills and knowledge through structured training and institution-building programs (United Nation Development Programme, 1999).

entrepreneurial development in Nigeria. However, overall unemployment rate in Nigeria increased from 18.8% in 2017Q3 to 23.1% in 2018Q3 (National Bureau of Statistics, 2018).

In addition, youth unemployment is also high in Nigeria as the rate has been rising annually. It rose from 13.7% in 2015Q3 to 19.1% in 2016Q3 before increasing 25.5% to 29.7% in 2017Q3 and 2018Q3 (National Bureau of Statistics, 2018). This is particularly severe in Kaduna State which has the third highest population figure (6,113,503) after Kano and Lagos (National Population Commission, 2006). The consequence of rising youth unemployment in Nigeria is highly associated with juvenile delinquency and social vices such as banditry, kidnapping, drug trafficking, political thuggery, militancy and human-trafficking amongst others.

Kaduna state has benefitted from entrepreneurship development programs both at the Federal, State and Local levels. For example, the state has benefitted from the Youth With Innovation in Nigeria (YouWIN), National Directorate of Employment as well as the Subsidy Re-investment and Empowerment Programme (SURE-P). Similarly, the state deployed its own entrepreneurship development program with a view to reducing the level of youth unemployment and these programs includes Kaduna State Start-up Entrepreneurship programme (KADSTEP) and Kaduna Investment Promotion Agency (KADIPA). Despite these efforts, however, the rate of youth unemployment in Kaduna State is still high.

From the literature, most of the primary data studies have basically employed the descriptive statistics : Cross tabulation, Correlation analysis, Tables and Percentages in analyzing their data (See Duru, 2011; Nwandu, 2015; Udih and Odibo, 2016; Muhammad 2016 amongst others). However, this study departs from the studies by employing the binary logit regression technique in order to ascertain the likelihood of entrepreneurship exerting an influence on job creation. This is to our knowledge the first study to examine the impact of entrepreneurship development on employment generation in SabonGari Local Government Area of Kaduna State, Nigeria. The rest of this paper is organized as follows: Section 2 reviews related literature, while Section 3 presents the methodological approach. The results are presented and discussed in section 4 while Section 5 concludes the paper.

## **2.0 LITERATURE REVIEW**

The evolution of entrepreneurship research in economics was largely influenced by the diverse roles ascribed to the entrepreneur. Since Cantillon, several economists such as Schumpeter, Knight, Kirzner and Baumol were the most influential contributors to entrepreneurship throughout the 20<sup>th</sup> century. According to Cantillon (1755) as cited by Kumar (2013), an entrepreneur plays the role of an agent who buys factors of production and combines them to form a new product. The author notes that an entrepreneur is a specialist in taking risks. Schumpeter significantly contributed to the understanding of entrepreneurship basically from a development perspective.

According to Schumpeter, innovation is the basic feature of entrepreneurship. Knight (1921), inspired by Cantillon, observed that uncertainty about the success of one's enterprise is a central feature in the decision to switch between being an employee and entering self-employment; thus, becoming an entrepreneur. Kirzner (1973) introduced the key concepts of "Alertness" and "Entrepreneurial discovery". The idea behind alertness theory is that someone is endowed with

the trait to recognize something others have failed to recognize; that there is an opportunity waiting to be exploited. In sum, Kirzner rediscovered the entrepreneur as the equilibrating force in the economic system, thus, contradicting the Schumpeterian perspective of an entrepreneur. Baumol's work on entrepreneurship draws insights from the Schumpeterian entrepreneurship perspective and suggested ideas on the need for the right incentives to promote productive and creative entrepreneurship.

This gave rise to micro foundations of entrepreneurship, highlighting the distinction between innovative and replicative entrepreneurship as well as their importance. While innovative entrepreneurship involves the process of introducing a product or service that has never been tried out before, replicative entrepreneurship on the other hand involves producing or selling a commodity or service that is already available through other sources (Baumol, Litan and Schramm, 2007). However, Keynes recommends the use of fiscal policy measures as a means of stimulating aggregate demand and job creation. The Keynesian theory focuses on fiscal policy regulation like tax cut by creating the relationship between the government expenditure and unemployment. Keynes argued that national income and employment could be expanded via reducing taxes; the tax was intended to stimulate expenditure on consumption and investment and thus lead to higher income and employment. During the times of depression, business activity is at low ebb and unemployment increases. Some people are thrown out of employment altogether and others are only partially employed. When business men cannot sell their goods and services, their profit expectations are not fulfilled. So, the entrepreneurs reduce their output and some factors of production become unemployed. To Keynes, the general level of employment in an economy depends on aggregate demand and aggregate supply functions. Unemployment is caused by distortions of effective demand (Jhingan, 2003). This means that when people are gainfully employed, they tend to save in anticipation of identifying an opportunity to invest and become more independent, thus, boosting entrepreneurship development.

The empirical literature on the nexus between employment and entrepreneurship has produced mixed results. While some studies find a positive link between entrepreneurship and employment generally referred to as *the refugee effect* (Akinyemi, Oyebisi and Odot-Ito 2018), others find evidence supporting a negative relationship i.e. *the Schumpeter effect* (Oladele, Akeke and Oladunjoye, 2011). Audretsch, Carree and Thurik (2002) employed panel data analysis of 23 OECD countries over the period 1974-1998 and found that the relationship between entrepreneurship and employment to be ambiguous.

Teru (2015) on the other hand made use of descriptive method to assess the level entrepreneurship skill among Nigerian youths and to ascertain its contribution to unemployment in Nigeria. The study reveals that entrepreneurial activities reduce the rate of unemployment. On the contrary, Muhammad (2016) used descriptive statistics and found that entrepreneurial activities have not led to a decrease in unemployment rate due to social, religious and cultural norms in Kano State, Nigeria. Employing both econometric and descriptive method of analysis, Akinyemi, Oyebisi and Odot-Ito (2018) analysed the link between entrepreneurship, unemployment and economic growth in Nigeria over the period 1981-2011. Their finding reveals that there is a positive relationship between unemployment and entrepreneurial activity which in

turn leads to economic growth. They conclude that economic growth is not linked to total labor force but to the productivity of labor.

The study of Oladele, Akeke and Oladunjoye (2011) relied on multiple regression analysis to investigate the nexus between employment and entrepreneurship in Nigeria. The findings reveal that unemployment rate was found to be negatively related to entrepreneurial development. This means that the high rate of unemployment has been associated with low level entrepreneurial activities in Nigeria.

Udih and Odibo (2016), Adeoye (2015) and Nwadu (2015) employed Narrative Textual Case Study (NTCS) in investigating the impact of entrepreneurship growth in the development of the Nigeria economy. The studies reveal that there exists a positive impact between entrepreneurship and economic growth. This suggests that entrepreneurship creates jobs and wealth. In the same vein, Duru (2011) found a positive association between entrepreneurship development and economic growth using descriptive analysis. The study showed that entrepreneurship generates employment through the creation of new firms.

## 2.1 Gaps Identified

Based on the forgoing, few studies have examined the impact of entrepreneurship development on employment generation in SabonGari local government area in Kaduna State which is one of the largest cities in Nigeria and is characterized by a high youth population and unemployment. Furthermore, quite a number of the studies for Nigeria have relied secondary sources of data and descriptive analysis. However, these approaches do not provide clear insight on how entrepreneurship contributes to employment generation; and thus, this study intends to fill this empirical knowledge gap.

## 3.0 METHODOLOGY

### 3.1 Sample Technique

This study employed survey design and random sampling technique. A structured questionnaire was designed for a selected sample of 350 entrepreneurs from various economic activities in SabonGari Local Government, Kaduna State. The sample size was arrived at using the Cochran's sampling size formulae:

$$n = \frac{n_o}{1 + \frac{(n_o - 1)}{N}}, \quad n_o = \frac{Z^2 pq}{e^2} \quad (1)$$

where p denotes the proportion of attribute presented in population, Q = 1-P, e is the margin of error, N represent population size, and  $n_o$  is Cochran's sample size recommendation, n= new adjusted sample size, Z value = 1.96 (for 95% confidence level).

Thus,

$$P = 0.5, e = 0.05, N = 4000$$

$$n_o = \frac{1.96^2 (0.25)}{0.0025} = 384.16$$

$$n = \frac{384}{1 + \frac{(384-1)}{4000}} = 350 \quad (2)$$

The data analysis started with the use of Cross tabulation, Chi-square statistics and binary logit regression. Cross tabulation was employed to know the extent of relationship that exists between entrepreneurship development and employment generation in SabonGari Local Government, Kaduna State while Chi-square was employed to test the level of significance. The Chi-square statistic is stated as follows:

$$x^2 = \sum \frac{(f_o - f_e)^2}{f_e} \quad (3)$$

Where  $x^2$  = chi square value

$f_o$  = Observed frequency

$f_e$  = Expected frequency

### 3.2 Model Specification

This study specifies a model drawn from insights obtained from the literature where employment generation is a function of entrepreneurship ( e.g see Eniola, 2014; Anyadike, Emeh and Ukah 2012; Wilton and Toh, 2012) .Therefore  $EG = f(ENT)$

From the insight of Keynes, Government policy (GP) and Local Demand (EDD) are the major factors determining employment because protective measures in the realm of international trade, such as tariffs and subsidies, can also help alleviate the problem by switching demand from foreign to domestic goods and services (Wangmo, 2012). However, this study has identified other key variables it considers important in generating employment via entrepreneurship. These includes: Innovation (EI), Replication (RP), Education (ELE) .

The model is specified as follows:

$$EG = \beta_o + \beta_1 EI_i + \beta_2 RP_i + \beta_3 ELE_i + \beta_4 GP_i + \beta_5 EDD_i + \beta_6 ESC_i + U_i$$

The logit regression model is used to capture the likelihood of the determinants of employment generation via entrepreneurship:

$$\text{Logit (EG)} = \ln \left[ \frac{P}{1-P} \right] = \alpha + \beta_1 EI_i + \beta_2 RP_i + \beta_3 ELE_i + \beta_4 GP_i + \beta_5 EDD_i + \beta_6 ESC_i + U_i$$

Where; EG= Employment generation

EI= Innovation

RP= Replication

ELE = Entrepreneur's level of education

GP = Government policy

EDD= Local demand

ESC= Start-up capital

$\beta_1, \beta_2, \dots, \beta_k$  = Parameters

$\alpha$  = Intercept

$\ln \left[ \frac{p}{1-p} \right]$  = Natural log of odds

Innovation (EI) involves creating something new, the process of creating new process of production will demand new skills. A successful innovation is expected to have a positive or negative impact on employment generation. Technological progress brings about new inventions and there will bring about demand for new skills to carry out new production processes (Thomas, 1987). The decision to innovate is one in which an entrepreneur risks making huge losses, because he is trying to do something that has never been done before, thus, it could yield profits or losses (Baumol, Litan and Schramm, 2010). Replication (RP) is expected to have a positive impact on employment generation because imitating predecessors by producing or selling an existing product serves as a source of employment. Replicative entrepreneurship is important in most economies because it provides a means for reducing poverty. That is a means by which people with little capital, education or experience become self-employed in order to earn a living (Baumol et al 2007).

The higher the level of educational attainment of an entrepreneur (ELE), the greater his capacity to think critically and provide solutions to problems that might threaten the survival of the business. The importance of entrepreneurship has increased due to the need to prepare students for coping in the contemporary work and living conditions (Zuzana and Jan, 2015). According to Durowoju (2014), there is need to ensure that innovative ideas are provided with entrepreneurial education at both the secondary and tertiary levels. This is necessary for SMEs development in Nigeria. Entrepreneur's level of education is expected to have a positive relationship with employment generation. Government policies if well implemented exert a positive impact on employment generation. For entrepreneurship to be effective in creating employment opportunities, the government needs to provide macroeconomic stability, investor friendly environment and provide adequate infrastructural facilities (Duru, 2011).



Local demand (EDD) is expected to have a positive relationship with employment generation. To Keynes, unemployment is caused by deficiency in aggregate demand (Jhingan, 2003). Patronizing local goods will encourage local investors because they will be motivated to invest in order to meet up with the rising demand, thus, generating employment opportunities. Strong local demand generates employment via entrepreneurial opportunities (Bessant and Tidd, 2007). Start-up capital (ESC) is crucial in determining entrepreneurship which in turn leads to employment generation. The Nigerian government have made efforts to promote entrepreneurship through the establishment of special purpose vehicles (SPVs) which have mobilized start-up capital for businesses because lack of fund is one the major problem faced by entrepreneurs (Kayode,2017). Associations are also formed to help mobilize fund for businesses. For example, in Zaria, Women Nasara Association and Albarka Women Association were formed in order to help its members raise capital to fund and boost their businesses (Abdulkadir, Umar, Bashir and Ibrahim, 2012), thus generating employment.

### **3.3 Validity and Reliability**

In order to measure the validity of the instruments, a pilot survey was conducted via administering 21 questionnaires to entrepreneurs in SabonGari local government of which 20 entrepreneurs responded to the questions. Most questions were well understood and answered appropriately and questions posing challenges were modified to ensure their validity. The reliability of the instrument was determined using Cronbach's Alpha. An Alpha value of 0.781 was obtained using the data generated from the pilot study. The literature generally recommends the alpha coefficient to lie between 0.65 and 0.8 while an alpha coefficient less than 0.5 are usually unacceptable (Goforth, 2015). Therefore, we can conclude that the instruments used in this study are valid and reliable.

## **4.0 RESULTS AND DISCUSSIONS**

From the result presented in Table 1 about 19% of respondents have not been able to employ any worker. Also, about 10.3% of the respondents are innovating while 7.9% are not, suggesting a deviation from the essence of entrepreneurship. The 52% respondents have employed within the range of 1 to 5 workers, of which 36.6% happen to be innovating while 12.7% are not indicates that entrepreneurship that comes with innovation has more job-creating potentials than entrepreneurship in the absence of creativity. This is also in line with the finding that 16.6% of the respondents have employed about 6 to 10 persons, and of these respondents, 13.3% are innovating while 3% are not. Only 3.9% of the respondents have employed between 11 to 15 workers and 3% of these respondents are innovating and 0.9% are not. Perhaps capital shortage in addition to the absence of new ideas are critical binding constraints. About 3.3% respondents have employed workers within 16 to 20 range, and of these respondents, 3% are innovating while 0.3% are not. All respondents who have employed workers within the 21 to 25 range are innovating. Of the 2.7% respondents who have employed within the range of 20 to 30 workers, 2.4% are innovators while 0.3% are not.

**Table 1 Cross tabulation between Entrepreneurship Development and Employment Generation (number of persons employed)**

	Innovation			
	No	Yes	No response	Total
0	26 (7.9%)	34 (10.3%)	3 (0.9%)	63 (19%)
1 – 5	42 (12.7%)	121 (36.6%)	9 (2.7%)	172 (52%)
6 – 10	10 (3%)	44 (13.3%)	1 (0.3%)	55 (16.6%)
11 – 15	3 (0.9%)	10 (3%)	0	13 (3.9%)
16 – 20	1 (0.3%)	10 (3%)	0	11 (3.3%)
21 – 25	0	4 (1.2%)	0	4 (1.2%)
26 – 30	1 (0.3%)	8 (2.4%)	0	9 (2.7%)
No response	1 (0.3%)	3 (0.9%)	0	4 (1.2%)
<b>Total</b>	<b>84 (25.4%)</b>	<b>234 (70.7%)</b>	<b>13 (3.9%)</b>	<b>331 (100%)</b>

Source: Author's computation using SPSS version 20

The result presented in Table 2 reveals that 19% of the respondents have not been able to employ any worker while 79.7% have employed workers. About 1.2% of the respondents did not disclose if they have employed workers or not. Out of the 79.7% who have been able to employ workers, a significant share of respondent (59.5%) are innovators. This result suggests the existence of a positive relationship between innovation and employment generation in the study area. This corroborated by the chi-square test result, where a p-value of 0.025 was obtained, thus reemphasizing the positive and significant relationship between entrepreneurship development and employment generation. This result contradicts the findings of Muhammad (2016), where entrepreneurship development was found to have a negative impact on employment generation in Kano State. This may be traced to the sample covered and the sampling and estimation technique used which, was mainly descriptive.

**Table 2 Cross tabulation between Entrepreneurship Development and Employment (Availability of employees)**

	Innovation			
	No	Yes	No response	Total
No	26 (7.9%)	34 (10.3%)	3 (0.9%)	63 (19%)
Yes	57 (17.2%)	197 (59.5%)	10 (3%)	264 (79.7%)
No response	1 (0.3%)	3 (0.9%)	0	4 (1.2%)
<b>Total</b>	<b>84 (25.4%)</b>	<b>234 (70.7%)</b>	<b>13 (3.9%)</b>	<b>331 (100%)</b>

Chi-square value = 11.1035

df = 4

$\alpha$  = 0.05

p.value = 0.02543

The binary logit result from presented in Table 3 is interpreted using the odds ratio. Based on the estimation output, innovation is about 4 times more likely to generate employment, which is statistically significant. This result contradicts that of Evangelista and Savona (2001), where

innovation was found to have a negative impact on employment generation in Italy. The results also show that replication is 1.54 times more likely to increase employment generation. This finding was however found to be statistically insignificant. This result contradicts the finding of Faggio and Silva (2012) where replicative entrepreneurship exerted a negative and significant impact on employment generation in UK. Respondents claim to have undergone training in a business area (apprenticeship) and would rather invest in what they are familiar with than something new. That is, they are risk averse to bring about change in the product or method of production. The insignificance of replication may also be traced to the fact that these new businesses may not expand significantly to create jobs due to availability of competitors with homogenous products. Table 3 also shows that education is 1.60 times more likely to generate employment. The coefficient of education is as expected positive and statistically significant. This result conforms with the work of Riddell and Song (2011) who found that education exerts a positive and statistically significant relationship with employment in the United States. In the face of challenges, educated entrepreneurs have the capacity to think critically and make better decisions that would lead to the success of their businesses compared to their non-educated counterparts who are prone to making bad decisions and taking uncalculated risks. This may worsen or even lead to the collapse of the business.

From Table 3, it was observed government policy is 1.33 times more likely to increase employment generation. The coefficient of GP is positive but has a statistically insignificant effect on employment generation. This result is like the finding of Simiyu, Songe and Sakwa (2016) where government policy and regulations exert a positive but statistically insignificant impact on employment in Trans Nzoia, Kenya. Digging further, a significant share of the sampled entrepreneurs complained about unfavorable government policies such as high tax rates which translate to high prices of inputs, inconsistent government policies, corruption via diversion of enormous amount meant for the beneficiaries of training programmes into the private pockets of government officials as well as nepotism/favoritism and lack of proper planning amongst others. The right set of macroeconomic policies that can provide a low interest and inflation environment are required. As pointed out by Baumol et al. (2007) the right mix of fiscal and monetary policy tools are required to keep inflation low and relatively stable in order to prevent economic down turns or financial crises that can distort aggregate demand. Thus, macroeconomic stability is expected to stimulate entrepreneurial activity. The 2016 slowdown and gradual recovery may also explain the insignificant impact due to higher cost of doing business.

**Table 3 Binary logit regression result**

Variables	Odds ratio	P .value
Innovation	4.085	0.001
Replication	1.54	0.118
Education	1.60	0.083
Government policy	1.33	0.336
Local demand	1.16	0.779
Start-up capital	0.619	0.080
-cons	0.656553	0.552

Pseudo R<sup>2</sup>=0.0679

Log likelihood= -150.154

$$EG = 0.6565 + 4.085Inn + 1.54rep + 1.60edu + 1.33gp + 1.16edd + 0.619esc$$

**Notes: Dependent variable: Emp.generation**

The result also shows that local demand(EDD) is 1.16 times more likely to increase employment generation. The coefficient of EDD is positive but statistically insignificant. This result is contrary to the findings of Mian and Sufi (2013); where local demand was found to exert a negative but statistically significant impact on employment generation in the US. Entrepreneurs in textile activities (boutiques/fashion designing), cosmetics and electronics amongst others import about 80-90% of products and intermediates they sell and use due to the fact that local industries face significant structural challenges such as infrastructure deficit, credit constraints, unfair competition, etc., thus, leading to an increase in their cost of production which in turn results to high prices of goods and services in the market. Thus, the government needs to create an enabling environment for local industries in order to make them compete favorably and in turn boost local demand.

The result presented in Table 3 also reveals that the availability of start-up capital (ESC) is 0.6 times less likely to generate employment. This result is similar to the findings of Baluku, Kikooma and Kibanja (2016) where start-up capital is found to have a positive and significant impact on employment generation in Uganda. Although, given the same level of training and exposure to the same opportunities, availability of requisite capital for starting a business does not necessarily improve the chances of success of a business. The entrepreneurs covered in the sample noted that they started with small capital and with other important management/entrepreneurial skills such as; Good employer-employee relationship, financial literacy, perseverance, determination, persistence, dedication and hard work, they became more successful. This result means that other factors other than capital matter for the job creating role of entrepreneurship.

## **5.0 CONCLUSION**

The objective of this paper was to examine the impact of entrepreneurship development on employment generation in SabonGari Local Government, Kaduna State. The findings reveal that there exist a positive and significant relationship between entrepreneurship development and employment generation in the study area.

The evidence from this study led to the following conclusions: First, entrepreneurship development has a significant impact on employment generation, but it has not completely addressed the high incidence of youth unemployment. This is because, majority of the respondents were only able to employ few workers due to their low capital base. These entrepreneurs usually operate on a small scale and their income is mainly used for subsistence. This limits their ability to explore their innovative ideas which would in turn lead to the expansion of their businesses. It also inhibits their capacity to employ more workers.

Second, the empirical analysis also showed that innovation, education and start-up capital are statistically significant factors enhance the job-creating role of entrepreneurship. Surprisingly, innovation and education were found to be more likely to generate employment compared with start-up capital. Although, start-up capital is important in the process of enterprise development, it is less likely to generate employment because with key entrepreneurial/managerial traits, even with a low start-up capital, an entrepreneur can grow and become successful.

The empirical outcome prompted some important recommendations. First, our result highlights the need for government at all levels to put in more efforts towards identifying and training individuals with interest and passion in acquiring entrepreneurial skills rather than just focus on disbursement of funds and capital to help them start-up their businesses. Financial literacy and other skills acquisition programs need to be used. This will help translate innovative and creative ideas into reality.

Second, financial policies may be tailored to accommodate small and medium-scale investment in entrepreneurship activities with potentials. This could be done by enhancing financial access, the absent of stringent loan conditions, favourable lending rate, etc. Third, entrepreneurship education should be given top priority starting from primary to tertiary level curriculum. This will help enlighten individuals on the importance of entrepreneurship from a young age; thus, helping to minimize the high rate of dependency on government jobs that are insufficient.

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