

# **Does Entrepreneurship Development Generate Income? Evidence from Sabon Gari Local Government Area, Kaduna State, Nigeria.**

**Fauziyya Rabiuh Mohammed**

Department of Economics, Ahmadu Bello University, Zaria, Nigeria

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

## **Abstract**

**Purpose:** The high incidence of poverty, unemployment and low income in Nigeria has remained a major source of concern. Despite the deployment of several entrepreneurial initiatives by government and non-government entities, income generally remains low and this has been magnified by the high rate of youth unemployment in the country. While previous studies have examined the role of entrepreneurship towards job creation, improving welfare, and boosting shared prosperity, the intervening role that income plays in these relationships has not been given adequate attention especially in the context of primary data analysis. This prompted this study to examine the impact of entrepreneurship development on income generation using Sabon Gari Local Government Area of Kaduna State as a case study.

**Methodology:** The data were randomly collected from 331 entrepreneurs across the study area.

**Findings:** Using cross-tabulation and chi-square statistic, the result showed that there is a positive but insignificant relationship between entrepreneurship development and income generation. This may be explained by the fact that 42% of the 71% entrepreneurs sample and considered as innovators fall within the low-income range.

**Recommendation:** Findings from this paper provide evidence that when government disburses adequate funding to promote entrepreneurship and innovative spirit, as entrepreneurs will be motivated to explore their creative capacity, thus, expanding their businesses which in turn increase their income.

**Keywords:** *Entrepreneurship, Entrepreneurship development, Income generation* **JEL**

**Classification codes:** L26, O1, E24

## **1.0 INTRODUCTION**

Entrepreneurship has attracted attention of the academic and policy circle in both developed and developing countries (Akinyemi, Oyebisi & Ito, 2018). Interests in entrepreneurial development continue to be in the fore-front of policy debates especially in developing countries like Nigeria. Entrepreneurship can contribute immensely to economic growth, job creation, national income and hence to national prosperity and competitiveness (Nwadu, 2016). As the Global Entrepreneurship Monitor (2012) observed, Nigeria is one of the most entrepreneurial countries in the world. The study further showed that 35 out of every 100 Nigerians engaged in one form of entrepreneurial activity or the other. However, this has not transcended to higher income.

It is worthy of note that several policies and programs have been put in place to develop entrepreneurship and create jobs in Nigeria. For instance, several Ministries, Departments and

Agencies (MDAs) mandated to focus on promoting entrepreneurial development in the country and they include; Federal Ministry of Finance (FMOF), National Directorate of Employment (NDE), Small and Medium Scale Enterprise Development Agency of Nigeria (SMEDAN), Bank of Industry (BOI), Youth Enterprise with Innovation in Nigeria (You-WIN), and Subsidy ReInvestment and Empowerment Programme (SURE-P)(Bahago, 2015; Ezeikel & Edwin, 2016). However, the gains have remained sub-optimal due to inadequate funding, limited coverage, adverse selection problem amongst others.

Entrepreneurship programs are conceived by government to enhance the knowledge, skill, behavior and attitude of individuals and groups. This is with a view to boosting economic growth and development via innovating and transforming inventions and ideas into economically viable entities (Wennekers & Thurik, 1999). A dominant strand of literature opine that there is a positive and significant relationship between entrepreneurship development and economic growth (Adeoye, 2015; Imafidon, 2014; Udih & Odibo, 2016). However, several studies found the relationship to be ambiguous, suggesting that the effect of entrepreneurship on economic growth depends on the type of entrepreneurship that is being practiced or promoted (Sangya & Roopal, 2013; Szabo & Emilia, 2015). In addition to the focus on growth and employment, these studies did not consider the income effect which is the major channel through which the impact of entrepreneurship is transmitted. This has been worsened by the vague description of entrepreneurship in the literature.

Entrepreneurs in high-income countries are generally considered as people primarily engaged in businesses as a result of deliberate choice to pursue a perceived business opportunity. They are called “opportunity entrepreneurs”. This description of entrepreneurship does not fully capture the reality of many low-income countries where people are forced to embrace entrepreneurship out of necessity or survival known as “necessity entrepreneurs.” The opportunity entrepreneurs on the other hand are mostly innovative in nature while the necessity entrepreneurs are mainly replicative (Klapper & Love, 2011; Nkurunziza, 2012; Cheung, 2014); and primarily motivated by income.

In Africa, there is no clear evidence that the declining role of public sector in economic activities led to a systemic increase in private sector formal employment as the proponents of economic reforms had expected. On the contrary, some countries experienced a decline in both private and public-sector employment during the structural adjustment period (UNECA, 2005). In recent times, the private sector is playing an increasing role in global entrepreneurial development often in form of corporate social responsibility. Similarly, the extent of entrepreneurship development and the dividends of entrepreneurship seem to be limited in Nigeria where states like Kaduna have an unemployment rate of 26.8% and 56.5% poverty rate (National Bureau of Statistics, 2019).

Against this backdrop, the following questions arise; does entrepreneurship promote income generation? If yes how has this income generated foster expansion of skills and enterprises? To answer these questions, this study acknowledges and considers innovative and replicative entrepreneurs in its sample. This forms the basis of this empirical study and thus value addition. The outcome is expected to not only contribute to the debate on this crucial nexus but will serve as valuable inputs in the design and formulation of entrepreneurship programs by government and non-government entities. Following this introduction section, Section 2 reviews related literature.

Section 3 presents the methodology of the study while Section 4 discusses the results. Section 5 concludes and highlights some policy implications.

## **2.0 LITERATURE REVIEW 2.1 Conceptual Framework**

As Audretsch and Thurik (2001) observe, entrepreneurship is a multi-faceted and heterogeneous activity. In the 20<sup>th</sup> century, the understanding of entrepreneurship owes much to the work of Schumpeter, 1934. He considers entrepreneurship as an agent of “creative destruction”. This implies that, an entrepreneur challenges the status-quo by replacing inefficient and ineffective methods with better ones. However, Drucker (1970) views entrepreneurship in terms of spotting opportunities and acting upon it.

The concept is also known as the capacity and attitude of a person or group of persons to undertake ventures with the probability of success or failure. It demands that the individual should be prepared to assume a reasonable degree of risks, be a good leader, and to be highly innovative (Riti & Kamah, 2015). Recently, entrepreneurship is seen as the most effective method of bridging the gap between science and the market place, creating new enterprises, and bringing new products and services to the market (Duru, 2011). That is, it is not just about doing business, making profits and contracts. It is about having the ability and willingness to take risks and to combine factors of production in order to produce goods and services that can satisfy human wants and create wealth.

On the other hand, entrepreneurship development is process of enhancing entrepreneurial skills and knowledge through structured training and institution-building programmes (United Nation Development Programme, 1999). It is conceived as a programme of activities to enhance the knowledge, skill, behaviors and attributes of individuals and groups to assume the role of entrepreneurs as well as efforts to remove all forms of barriers in the part of entrepreneurs to create society's wealth for human capacity building. According to Hagen (1963), this is based on how a traditional society continuously transforms due to continuous technical progress. Poor entrepreneurship development has been one of the reasons businesses in developing countries fail to progress.

It is important to note that entrepreneurship contributes towards generating income for both government and individuals (Efe-Imafidon, Ade-Adeniji, Umukoro & Ajitemisan, 2017). This is because, the profit realized from entrepreneurship is key to economic growth in Schumpeter's model. Thus, it is key to economic development, as it helps narrows the income gap and delivers a consistent mechanism for earning incomes and thereby reducing income inequality. Furthermore, the success of generating income for majority of rural and urban dwellers with no formal paid employment highly depends on entrepreneurship.

Several models of economic growth and development have been very consistent in asserting that economic growth is driven primarily by private sector capital accumulation (Adenutsi, 2009). This suggests that, entrepreneurship is directly linked to higher incomes in real terms. As entrepreneur keeps enjoying higher incomes in real terms, they are naturally empowered economically through incomes. Thus, entrepreneurship often offers a reliable source of incomes to entrepreneurs (Casson, 2003; Adenutsi, 2009).

## 2.2 Theoretical Review

Theoretically, an entrepreneur usually plays the role of an agent, who buys factors of production and combines them to form a new product (Cantillon, 1755). This author noted that an entrepreneur is a specialist in risk taking. From the classical view, since market can play an important role in achieving economic growth, through job creations, higher incomes, and increased access to basic human needs. This process is called entrepreneurship (Smith, 1776). However, the neo-classical emerged with their idea of equilibrium conditions in the market under the assumption of perfect knowledge, perfect information, and perfect competition, existence of many firms and homogenous goods as well as free entry and exit of firms. One of the pro-pounders of this theory is Alfred Marshall. But, this theory seems to draw a lot of abstractions from reality, and it is difficult to apply to a real-world situation because perfect competition does not allow innovation and entrepreneurial activities.

In the 20<sup>th</sup> century, the understanding of entrepreneurship owes a lot to the work of Joseph Schumpeter. Schumpeter views innovation, foresight and creativity as the basic characteristics of an entrepreneur. Schumpeter identified the entrepreneur as an innovator, and he believed that innovations were responsible for the process and dynamism of long-run economic development. This innovation also forms the new commodities or services, new method or techniques of production, new source of raw materials, new market and organization (Thomas, 1987).

On the other hand, Kirzner in his work titled 'Competition and Entrepreneurship' (1973), acknowledged entrepreneurs as the persons in the economy who are alert to discover and exploit profit opportunities. 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. However, alertness is a necessary but not sufficient for earning profits because an entrepreneur has to invest resources in order to reap financial gain. Until resources have been invested, entrepreneurial ideas are nothing but abstracts.

Several scholars like Peter Drucker and Howard Stevenson have also anchored the Opportunitybased Theory of Entrepreneurship. To Drucker (1970), entrepreneurs always search for change, respond to it and exploit it as an opportunity. Simply put, entrepreneurship involves the process of seeing and taking advantages of possibilities created by social, technological and cultural changes.

Stevenson (1990) however extends Drucker's opportunity-based construct to include resourcefulness. He sees entrepreneurship as "the processes by which individuals pursue opportunities regardless of the resources they currently control". This resource-based theory further stress the importance of financial, social and human resources unlike the Schumpeterian and alertness theory of entrepreneurship. That is, access to resources enhances the individual's ability to detect and act upon discovered opportunities.

Observably, more recent theories have emerged. These include: Baumol (2010) and Alvarez (2010). Baumol (2010) assert that entrepreneurship could be replicative or innovative. By replicative, entrepreneurs produce or sell a good or service that is already available through other sources. While the innovative entrepreneurs engage in the production of a new product, service, or method of production or delivery. Furthermore, Alvarez (2010) proposed the discovery and the

creative theory. These theories rely on some basic assumptions as to the nature of opportunities and the nature of decision making. The discovery theory holds that opportunity exists whether or not individuals identify it, and entrepreneurs bear risks. While the creative theory posits that entrepreneurs create opportunities and face uncertainty. Hence, these theories suggest that innovation seems to be the basic characteristic of entrepreneurship in addition to risk, profit, opportunity, and resources.

### **2.3 Empirical Literature**

Kayode (2017) examined the nexus between special purpose vehicles and the promotion of entrepreneurship in Kaduna State, Nigeria. Data was sourced by administering questionnaires and interviews to both beneficiaries and non-beneficiaries of You-WIN beneficiaries of the scheme. Using the descriptive statistics alongside binary logit regression, the findings reveal that jobs provided by You-WIN have a positive welfare implication via income generated from businesses. Similarly, Muhammad (2016) using descriptive statistics, correlation, OLS regression and ANOVA also found a positive and significant relationship between entrepreneurship development programmes and income generation in Kano State.

Olukayode and Somoye (2013) investigated the impact of finance on entrepreneurship. Data was gathered from secondary sources and analyzed using regression analysis. Their result from unidirectional granger causal relationship revealed that, access to finance by entrepreneurs has a significant relationship with growth of entrepreneurship in the country which in turn has a positive relationship with economic growth. On the contrary, the study by Saidi, Sodiq and Olushola (2016) employed Asymmetric Auto-Regressive Distributed lag proposed by Greenwood- Nimmi and Shin (2003). The study sourced secondary data from Central Bank of Nigeria statistical bulletin and World Development Indicators (WDI). Their results reveal that SMEs financing does not significantly influence economic growth in Nigeria due to the fact that funds granted for SMEs development is not sufficient.

Olayinka, Olusegun and Babatunde (2015) used survey design to examine the impact of entrepreneurship training and education on poverty reduction in Nigeria. The result suggests a positive and significant relationship between entrepreneurship development and poverty reduction as empirical evidence has shown that entrepreneurship has led to an improvement in the living standard of people through the income generated. In the same vein, Kimaro (2014) estimated the impact of entrepreneurship education on women income generation in Akeru ward Meru district, Tanzania. Data were sourced via primary and secondary sources. Using both quantitative and qualitative method, the finding showed a positive and significant relationship between entrepreneurship education and income generating activities. Thus, enabling women to minimize the rate of financial dependency on their husbands, which in turn make them gain more respects from their households and community at large.

Abdul-Kemi and Idris (2014) investigate the link between entrepreneurship and economic development in Nigeria based on evidence from small and medium scale enterprises (SMEs). The research relies on correlation analysis and Auto Regressive Integrated Moving Average (ARIMA) model. The findings from secondary data was analyzed between 1992 and 2013 reveal that, aggregate commercial banks financing of SMEs has significant direct impact on economic growth

and development in Nigeria. It was also found that micro-finance banks credit to transportation, commerce, manufacturing, and food processing sectors have significantly impacted on economic growth and development in Nigeria.

However, Felix and Ezenwakwelu (2014) employed the descriptive analysis to examine the contributions of entrepreneurship development to economic growth in Nigeria. Primary data was adopted in the process; the result shows that entrepreneurship development brings about financial sustainability in addition to job creation in Nigeria. Thus, recommending increased government effort in boosting entrepreneurship. Hussain, Bhuiyan and Bakar (2014) examined the nexus between entrepreneurship development and poverty alleviation. Data was sourced via the use of previous empirical researches on entrepreneurship development and poverty reduction in Malaysia. The result showed that entrepreneurship is crucial in alleviating poverty as it creates a source of livelihood to people via income generation. In the same vein, the findings of Adeoye (2015) revealed that entrepreneurship is important for wealth and job creation. The study adopted primary data in the process of carrying out the research and Narrative-Textual Case Study (NTCS) was applied.

From the above review, it has been observed that enterprise development promotes economic growth and development. Therefore, in as much as a lot has been done on the relationship between entrepreneurship development and economic growth, very little have been said about the returns from entrepreneurship i.e. if the income generated has been useful in exploring innovative ideas. This study therefore intends to fill this knowledge gap.

### 3.0 METHODOLOGY 3.1 Research Design, Sample Size and Sampling Technique

This study adopts survey design. Questionnaires were administered and interviews conducted to entrepreneurs from various economic activities in Sabon-Gari Local Government Area of Kaduna State. Because it is an important urban region of the State and comprises of commercial, educational, industrial, transport and residential land uses. However, a sample size of 350 was arrived at using the Cochran's sampling size formula:

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

Where P= proportion of attribute presented in population, Q =1-P, e = margin of error, N= population size, n<sub>o</sub> = Cochran's sample size recommendation, n= new adjusted sample size, Z value = 1.96 (for 95% confidence level). P = 0.5, e = 0.05, N= 4000

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

$$n = \frac{384}{1 + \frac{(384 - 1)}{4000}} = 350 \dots\dots\dots 3$$

Samples were selected randomly across the 11 wards of LGA in order to minimize bias.

### 3.2 Estimation Techniques

The study employed descriptive statistics (percentages, cross tabulation and chi-square test). Particularly, cross tabulation was used to examine the extent of relationship that exists between

entrepreneurship development and income generation. While chi-square test was employed to test for the level of significance between variables. For instance, the chi-square is stated as:

$$\chi^2 = \sum \frac{(f_o - f_e)^2}{f_e} \dots\dots\dots 4$$

Where  $\chi^2$  = chi square value,  $f_o$  = observed frequency, and  $f_e$  = expected frequency

#### 4.0 DISCUSSION OF FINDINGS

In order to estimate the level or rate of change in the income of respondents, the study looked at their monthly income before they established their businesses as compared to what they earn monthly after establishing their businesses. However, income of respondents will be grouped into three categories: low income (1,000 -80,000), average income (81,000 – 160,000) and high income (161,000 and above) for a simpler and precise grouping of income ranges. Also, to further analyze the extent of relationship that exist between variables, the study cross tabulated between entrepreneurship development and income using innovation as a proxy for income. Based on the literature (See Schumpeter, 1934; Kirzner, 1973; Baumol, 1990; Audretsch and Thurik, 2001 amongst others) innovation is the basic characteristic of entrepreneurship.

**Table 1: Income change of respondents**

| <u>Income Group (₦)</u> | <u>Income Before</u> | <u>Income After</u> | <u>Actual difference</u> | <u>Percentage change</u> |
|-------------------------|----------------------|---------------------|--------------------------|--------------------------|
| Low(1,000-80,000)       | 247 (74.62%)         | 203 (61.32%)        | -44                      | -17.81%                  |
| Average(81,000-160,000) | 37 (11.17%)          | 67 (20.24%)         | 30                       | 81.08%                   |
| High(161,000 and above) | 18 (5.4%)            | 39 (11.8%)          | 21                       | 116.67%                  |
| No response             | 29 (8.76%)           | 22 (6.64%)          |                          |                          |
| <b>Total</b>            | <b>331 (100%)</b>    | <b>331 (100%)</b>   |                          |                          |

Source: Field Survey, 2018.

**Table 2: Magnitude of income change for total respondents**

|               |            | <u>After</u> |                |             |             |           |
|---------------|------------|--------------|----------------|-------------|-------------|-----------|
|               |            | Low Income   | Average Income | High Income | No response | Total     |
| <b>Before</b> | Low Income | 184(74.49%)  | 48(19.43%)     | 10(4.04%)   | 5(2.02%)    | 247(100%) |

|                |                   |                   |                   |                   |                  |
|----------------|-------------------|-------------------|-------------------|-------------------|------------------|
| Average Income | 10(27.02%)        | 13(35.13%)        | 12(32.43%)        | 2 (5.40%)         | 37(100%)         |
| High Income    | 1(5.55%)          | 3(16.66%)         | 13(72.22%)        | 1(5.55%)          | 18 (100%)        |
| No response    | <u>8 (27.58%)</u> | <u>3 (10.34%)</u> | <u>4 (13.79%)</u> | <u>14(48.27%)</u> | <u>29 (100%)</u> |
| <b>Total</b>   | <b>203</b>        | <b>67</b>         | <b>39</b>         | <b>22</b>         | <b>331</b>       |

*Source: Author's computation using SPSS version 20*

The result presented in table 1 shows that the low-income range witnessed a decrease from 74.62% respondents before establishing self-businesses to 61.32% after establishing self-businesses, thus, leading to a 17.81% decrease in its share of respondents. Also, the average income witnessed an increase from 11.17% respondents before owning self-businesses to 20.24% respondents after owning businesses bringing about an 81.08% increase in its share of respondents. However, the high-income range witnessed an increase from 5.4% respondents before establishing selfbusinesses to 11.8% respondents after establishing businesses leading to an increase in its share of respondents by 116.67%. From table 2, the 247 respondents earning within the low-income range before establishing their enterprise, 74.49% remain status-quo, about 19.4% moved to the average income range, while 4.04% moved to the high-income range.

For the 37 respondents earning within the average income range before owning their businesses 27.02% became worse-off after owning their own business as they declined to the low-income range. However, about 35.13% remain status-quo and 32.43% moved to the high income range. Notably, of the 18 respondents earning within the high-income range, about 5.55% became worseoff by declining to the low income range, about 16.66% also earned lower by moving to the average income range and about 72.22% remain status-quo. Similarly, of the 29 respondents who did not respond to the question because they were unemployed before owning their businesses. Thus, earning nothing, or consider their previous income range confidential, about 27.58% currently earn within the low-income range, about 10.34% within the average income and 13.79% within the high-income range. However, about 48.27% of these respondents still did not disclose their current income range as they consider it confidential.

These results thus suggest that each income range has more of respondents who became better-off after owning their businesses as compared to those who became worse-off. It further implies that, entrepreneurship development have a positive impact on the income of respondents.

**Table 3: Cross tabulation between income and entrepreneurship development**

|              | Innovation |            |             | Total      |
|--------------|------------|------------|-------------|------------|
|              | No         | Yes        | No response |            |
| 1,000-20,000 | 13 (3.9%)  | 35 (10.6%) | 1 (0.3%)    | 49 (14.8%) |

|                  |                   |                   |                    |                  |                   |
|------------------|-------------------|-------------------|--------------------|------------------|-------------------|
|                  | 21,000-40,000     | 22 (6.6%)         | 43 (13%)           | 4 (1.2%)         | 69 (20.8%)        |
|                  | 41,000-60,000     | 10 (3%)           | 42 (12.7%)         | 5 (1.5%)         | 57 (17.2%)        |
| <b>Income(₦)</b> | 61,000-80,000     | 9 (2.7%)          | 19 (5.7%)          | 0                | 28 (8.5%)         |
|                  | 81,000-100,000    | 5 (1.5%)          | 28 (8.5%)          | 0                | 33 (10%)          |
|                  | 101,000-120,000   | 3 (0.9%)          | 8 (2.4%)           | 0                | 11 (3.3%)         |
|                  | 121,000-140,000   | 5 (1.5%)          | 9 (2.7%)           | 0                | 14 (4.2%)         |
|                  | 141,000-160,000   | 4 (1.2%)          | 5 (1.5%)           | 0                | 9 (2.7%)          |
|                  | 161,000 and above | 7 (2.1%)          | 32 (9.7%)          | 0                | 39 (11.8%)        |
|                  | No response       | 6 (1.8%)          | 13 (3.9%)          | 3 (0.9%)         | 22 (6.6%)         |
| <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.

Table 3 indicates that majority of the respondents (20.8% and 17.2%) are earning within ₦21,000 to ₦40,000, and ₦41,000 to ₦60,000 income ranges. Of the 20.8% respondents earning within ₦21,000 to ₦40,000 range, 13% are involved in the process of innovation while 6.6% are not. Notably, about 1.2% from this income range did not disclose their status. Furthermore, of the 17.2% earning within the income range of ₦41,000 to ₦60,000, a considerable percentage of about 12.7% respondents claim to be innovating while 3% agree that they are not innovating. However, the ₦161,000 and above income range have a considerable percentage of respondents (9.7%) who claim to be innovators.

**Table 4 Reformatted cross tabulation between income and entrepreneurship development for all respondents**

|                                            | Innovation        |                                   |                          | Total             |
|--------------------------------------------|-------------------|-----------------------------------|--------------------------|-------------------|
|                                            | No                | Yes                               | No response              |                   |
| Low (1,000-80,000)                         | 54 (16.31)        | 139 (42%)                         | 10 (3%)                  | 203 (61.32%)      |
| <b>Income (₦) Average</b> (81,000-160,000) | 17 (5.13%)        | 50 (15.10%)                       | 0                        | 67 (20.24%)       |
| High (161,000 and above)                   | 7 (2.1%)          | 32 (9.7%)                         | 0                        | 39 (11.8%)        |
| No response                                | 6 (1.8%)          | 13 (3.9%)                         | 3 (0.9%)                 | 22 (6.6%)         |
| <b>Total</b>                               | <b>84 (25.4%)</b> | <b>234 (70.7%)</b>                | <b>13 (3.9%)</b>         | <b>331 (100%)</b> |
| <b>Chi square value = 12.41</b>            | <b>df = 6</b>     | <b><math>\alpha = 0.05</math></b> | <b>p.value = 0.05342</b> |                   |

From table 4, it is obvious that of the 70.7% respondents who are innovators, majority, of about 42% are earning within the low-income range, thus, this result suggests that innovation is

associated with low income. This could be explained by the fact that the monthly earnings of these entrepreneurs are only sufficient for their basic necessities (especially food and shelter). Thus, limiting their ability to innovate and improve their business ideas. It is also worthy of note that, this finding is not very encouraging; however, it conforms to the chi-square test result with the p-value at 0.053. Therefore, it reveals that the result is insignificant at  $p < 0.05$ . In a nutshell, entrepreneurship development has a positive but insignificant impact on the income of entrepreneurs in Sabon Gari Local Government, Kaduna State. This contradicts the findings of Muhammad (2016) carried out in Kano State where a statistically significant impact was found to exist between entrepreneurship development and income of entrepreneurs.

## **5.0 SUMMARY, CONCLUSION AND POLICY IMPLICATION**

Recent developments in theoretical and empirical literature suggest that entrepreneurship development is crucial in generating income, but the results remain inconclusive. Therefore, this paper examines the impact of entrepreneurship development on the income of youths in Sabon Gari LGA of Kaduna State. The study employed frequency tables, percentages, cross tabulation and chi square statistics. It was revealed that although entrepreneurship development has a positive impact on income generation given its the fact that it has improved earnings in the state, the impact was found to be statistically insignificant.

This finding could be that their monthly earning is only enough for their basic necessities (especially food and shelter), but also limit their ability to explore innovative capacity. In addition, the study provides evidence in support of the literature which highlights the positive impact of adequate entrepreneurial finance on income generation. It was found that most of the entrepreneurs sampled laid emphasis on the problem of inadequate finance. This has restricted entrepreneurs from being creative and innovative; compelling them to operate on a small-scale with low returns. It is not misleading therefore to say that entrepreneurship development is an income generating alternative for people and should be considered as a priority in developing countries like Nigeria.

By implication, the results suggest need for government to disburse adequate fund towards SMEs development. These funds should be properly monitored for efficiency. This will boost innovation as entrepreneurs will be motivated to explore their innovative capacity, thus, expanding their businesses which in turn increase their income as well as contributing towards the GDP going forward. The findings further suggest that financial policies must be tailored to account for more investment in entrepreneurship. This could be through giving orders to commercial and microfinance banks to grant loans to entrepreneurs at a low interest rate and collateral. Similarly, focus should be on organizing seminars and workshops for entrepreneurs and aspiring entrepreneurs in order to help them acquire certain managerial skills, while emphasis should be placed on, creativity, financial literacy and good-employer/employee relationship.

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## **APPENDIX QUESTIONS AND RESPONSES CAPTURING VARIABLES**

**Table I: How much was your monthly income before establishing your business?**

| Options           | Frequency  | Percentages |
|-------------------|------------|-------------|
| 1,000-20,000      | 159        | 48          |
| 21,000-40,000     | 59         | 17.8        |
| 41,000-60,000     | 16         | 4.8         |
| 61,000-80,000     | 13         | 3.9         |
| 81,000-100,000    | 27         | 8.2         |
| 101,000-120,000   | 3          | 0.9         |
| 121,000-140,000   | 4          | 1.2         |
| 141,000-160,000   | 3          | 0.9         |
| 161,000 and above | 18         | 5.4         |
| No response       | 29         | 8.76        |
| <b>Total</b>      | <b>331</b> | <b>100</b>  |

*Source: Field Survey, 2018.*

**Table II: What is your current monthly income?**

| Options           | Frequency  | Percentages |
|-------------------|------------|-------------|
| 1,000-20,000      | 49         | 14.8        |
| 21,000-40,000     | 69         | 20.8        |
| 41,000-60,000     | 57         | 17.2        |
| 61,000-80,000     | 28         | 8.5         |
| 81,000-100,000    | 33         | 10          |
| 101,000-120,000   | 11         | 3.3         |
| 121,000-140,000   | 14         | 4.2         |
| 141,000-160,000   | 9          | 2.7         |
| 161,000 and above | 39         | 11.8        |
| No response       | 22         | 6.6         |
| <b>Total</b>      | <b>331</b> | <b>100</b>  |

*Source: Field Survey, 2018.*

**Table III: Is your product unique from that of your rivals?**

| Options      | Frequency  | Percentages (%) |
|--------------|------------|-----------------|
| No response  | 13         | 3.92            |
| No           | 84         | 25.37           |
| Yes          | 234        | 70.7            |
| <b>Total</b> | <b>331</b> | <b>100</b>      |

*Source: Field Survey, 2018.*