

Entrepreneurship and Economic Development in Eleme Lga, Rivers State, Nigeria

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Abstract: The paper aims at examining the effect of entrepreneurship on economic development in Eleme LGA in Rivers State, Nigeria. Specifically, it investigates the effect of entrepreneurship on employment generation and welfare in the Eleme Local Government Area of Rivers State. Primary data were collected using the questionnaire and analyzed using simple percentage, arithmetic mean, standard deviation and T-test was used for testing the hypotheses. Key findings of the study revealed that entrepreneurship has a strong, positive, and significant effect on job creation and that it has a negative but insignificant relationship with welfare. The study therefore concluded that entrepreneurship has a positive but weak effect on economic development in Eleme LGA, Rivers State. It is hereby recommended that government should support job creation by offering entrepreneurial programmes such as training, micro loans, and tax incentives, while encouraging mentorship to sustain local businesses in Eleme. Also the local government should integrate welfare and entrepreneurship development by providing social safety nets like health care and financial aids for low-income entrepreneurs to improve both welfare and economic growth and development.

Keywords: Economic development, entrepreneurship, unemployment, welfare.

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Research Paper

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1. INTRODUCTION

Entrepreneurship is the demonstrated capacity and inclination of individuals, working alone, in groups, inside and outside of established organizations, to recognize and develop new business opportunities (new goods, new production techniques, new organizational structures, and new product-market combinations), and to launch their concepts into the market despite uncertainty and other challenges by choosing where, how, and what institutions and resources to use. (Wennekers and Thurik, 1999).

Entrepreneurship is viewed as a key driver of economic growth globally (Urbano & Aparício, 2016). It promotes economic growth and development by facilitating the introduction of new ideas, encouraging competition and change, and increasing rivalry (Vivarelli 2013). Literature is replete with entrepreneur writings due to its import on economic growth and development (Fernandes & Raposo, 2017). In light of the perceived risks and obvious environmental and economic challenges associated with the entrepreneurial process, the government should provide the needed support through the deployment of incentives via its various

programmed to encourage entrepreneurs. (Uhlener & Stride, 2015)

Entrepreneurship plays an increasingly important role throughout the world and it has been considered an important mechanism to achieve economic growth (Urbano & Aparício, 2016). It promotes economic growth and development by enabling the introduction of innovations, by fostering competition and change, and by increasing rivalry (Vivarelli 2013). The impact of entrepreneurship on economic development has received considerable attention over the years (Fernandes & Raposo, 2017). Taking into account the importance of entrepreneurship and despite the well-known challenges and risk involved in the entrepreneurial process, governments increasingly deploy incentives and support programs to encourage and stimulate individuals to become entrepreneurs (Uhlener & Stride, 2015).

Entrepreneurship is acknowledged as adue key instrument or channel for economic sustainability and growth. It is very essential to the development and economic sustainability of a country. Many

entrepreneurs run homespun businesses which are based on profound insights into local consumer demand. They also discover distinctive opportunities in the market for precise products and services, tap into strong local networks, and frequently create innovative solutions to complex challenges. Entrepreneurship is simply the art of planning, establishing and running a new firm, which is usually in the beginning a small enterprise. People who start these firms are called as “entrepreneurs” (Yetisen, Volpatti, Coskun, Cho, Kamrani, Butt, Khademhos & Yun, 2015).

According to Ogunlana (2018), Nigeria has the sizeable human capacity with an estimated population of 195 million. The youth demographic comprises 70% of this population. In order to utilize the wealth of human resources, this expanding youth population urgently needs an empowering structure. Although data showed that there are more than seventeen million SMEs employing up to thirty million Nigerians, there is a widespread belief that MSMEs, sometimes referred to as tiny businesses or start-ups, have the potential to propel the country's economy. Approximately 75% of Nigeria's workforce is employed by MSMEs, which make up more than 80% of all businesses. Thus, policies that assist SMEs must be developed and implemented effectively in order to boost entrepreneurship and generate additional employment possibilities (Adeoye & Abu 2015).

Entrepreneurship development heretofore has been proven to be a catalyst of a sustainable economic growth of a nation (Asogwa & Aah, 2017). To this effect, the federal government had on several occasions initiated various programmes to empower and encourage entrepreneurial activities, taking cognizance of the pivotal role it plays in economic development necessary for enhanced standard of living of the people. Yet entrepreneurs are experiencing difficulties in borrowing money from banks because of their stringent policy on lending.

The government's engagement in entrepreneurship development in Nigeria became substantial only after the Nigerian civil war (1967-1970) with the launch of the Structural Adjustment Programme (SAP) in 1986, and through-out the mid-1980s there have been significant improvement in government's commitment to the development of entrepreneurship. In addition, the National Directorate of Employment (NDE), National Open Apprenticeship Scheme (NOAS), and Small and Medium Enterprise Development Association of Nigeria (SMEDAN) were established (Thaddeus, 2012). Basically, entrepreneur culture is been promoted through several initiatives geared towards fostering business confidence, pride in success, and the encouragement and support of innovation, technological advancement, backward and forward linkages of firms, social responsibility, as well as research and development.

Furthermore, research conducted by UNIDO-Nigeria in 2012 demonstrate that Micro, Small and Medium Enterprises (MSMEs) have the potential to drive the Nigerian economy, with data indicating that there are currently over 17 million MSMEs employing over 31 million Nigerians. MSMEs account for over 80% of enterprises and employ approximately 75% of Nigeria's total workforce, so developing and effectively implementing MSMEs-friendly policies represents innovative ways of building the capacity to engage in entrepreneurial activities and creating job opportunities, thus playing a central and invaluable role in assisting Nigeria in realizing its quantity advantage. Furthermore, the 2012 Global Entrepreneurship Monitor (GEM) ranked Nigeria as one of the world's most enterprising countries.

According to the report, 35 out of every 100 Nigerians (or more than one-third) are involved in some form of entrepreneurial activity. It is therefore necessary at this point to critically analyze not just the ideas of entrepreneurship but also the practice and its critical role in encouraging economic growth and development in a developing economy like Nigeria, utilizing Eleme Local Government Area in Rivers State as a case study.

Entrepreneurship development has been demonstrated to be a spur for a nation's long-term economic success (Ebiringa, 2012), and Nigeria is naturally and abundantly endowed with entrepreneurs and entrepreneurial prospects. To realize and use the full potential of these prospects, the federal government has on multiple occasions launched various programs to empower and support entrepreneurial activities.

Yet, the aim for creating the programmes have not been achieved. Studies have shown that most of the enterprises die naturally within the early years of their establishment and most of the surviving ones have refused to grow beyond their initial level of take-off. There is therefore doubt whether entrepreneurship is creating the expected impact on the development of Nigeria. Eleme Local Government Area has evidence of a lot of entrepreneurs, but we have not been able to find a study that focused on examining the effect of entrepreneurship on economic development of the area, hence our decision to embark on this research.

1.3 Aim and Objectives of the Study

The aim of the study is to examine the effect of entrepreneurship on economic development in Nigeria using Eleme Local Government Area of Rivers State as a case study. The specific objectives of the study are to:

- i. examine the effect of entrepreneurship on employment generation in Eleme Local Government Area of Rivers State
- ii. ascertain the effect of entrepreneurship on welfare in Eleme Local Government Area of Rivers State.

2. LITERATURE REVIEW

2.1 Entrepreneurship and Economic Development

An entrepreneur who is also a company leader seeks out new ideas and implements them to promote economic progress. Entrepreneurs have the power to transform our lives and workplaces. If effective, their technologies could raise our standard of living. In sum, they generate wealth through their entrepreneurial activities while simultaneously producing jobs and the conditions for a flourishing society. Entrepreneurs play distinct roles in different economies. It varies by economy, depending on material resources, industry climate, and the responsiveness of the governmental system. Entrepreneurs may contribute more in economies with positive opportunity conditions than in economies with somewhat unfavourable opportunity conditions.

1. Entrepreneurs Generate Employment

In tandem with the “Schumpeter effect” the entrepreneurial process is geared towards ultimately reducing the rate of unemployment in an economy. The argument for the acceleration of the entrepreneurial process is predicated on the fact that it could solve the problem of mass unemployment in developing nations which is the bane of development in these countries. Employment is created by entrepreneurs either directly or indirectly. With the setting up of more and more units by entrepreneurs, both on small and large-scale numerous job opportunities are created for others. Directly, self-employment as an entrepreneur and indirectly by starting many industrial units they offer jobs to millions. The available employment opportunities can cater only 5 to 10% of the unemployed. Entrepreneurship gives young people an opportunity to work on their own skills and interests and in the process, creating their own employment. Consequently, sustained economic growth attained via the activities of entrepreneurs by providing the needed jobs for the teeming population.

2. Economic growth and development

Entrepreneurs boost capital formation by mobilizing the public's idle savings. They use both their own and borrowed resources to establish their businesses. Such entrepreneurial actions generate value and income. Entrepreneurs can thereby simplify the utilization of these savings, promoting capital formation, which is the driving force behind economic growth and progress. 3. Balanced Regional Development. Entrepreneurs contribute to reducing regional differences by establishing industries in underdeveloped and backward areas. The growth of industry and business provides several public benefits such as transportation, health, education, and entertainment. When industries are concentrated in specific locations, development is limited to those cities. When new entrepreneurs flourish at a faster rate, due to increased competition in and around cities, they are pushed to establish their

businesses in smaller towns away from major cities, promoting balanced regional growth.

4. Reduces Concentration of Economic Power

Economic power is a natural result of industrial and commercial activities. Industrial growth typically results in the concentration of economic power in the hands of a few people. Monopolies are one of the negative consequences of concentrating power in a few hands. To address this issue, a large number of entrepreneurs must be formed, thereby reducing the concentration of economic power among the population.

5. Wealth Creation and Distribution

Entrepreneurship allows people to use their talents and efforts to create riches via the production of goods and services. It encourages equitable redistribution of wealth and income in the interest of the country to more individuals and geographic areas, so benefiting a broader part of society. Unemployment is a key source of poverty, and because entrepreneurship is focused on job creation, job creation will, in turn, lessen poverty. Wealth creation will undoubtedly lower poverty rates by empowering residents and expanding their access to fundamental requirements of life (food, clothing, shelter, security, and education).

6. Contributes to the Gross National Product

An entrepreneur contributes significantly to the national exchequer and the economy as a whole. He is continually looking for chances. They identify and capitalize on possibilities, promote efficient capital and skill mobilization, introduce new products and services, and create marketplaces for economic growth. As a result, they contribute to the growth of a country's GDP and per capita income. Increases in a country's GDP and per capita income are indicators of its economic prosperity.

7. Improvement in the Standard of Living

Entrepreneurs have the power to transform our lives and workplaces. Entrepreneurs' successful ideas raise people's level of life while also creating jobs and fostering a flourishing community. Entrepreneurs play an important role in raising people's living standards by implementing cutting-edge innovations in the production of a wide range of goods and services on a big scale, and at a lower cost. This allows consumers to purchase higher-quality things at lesser prices, so improving their standard of living.

8. Promotes Country's Export Trade

Any entrepreneur wants a larger market share. Entrepreneurs support the country's export commerce, which is a key component of economic development. They create goods and services on a large scale with the goal of generating a substantial amount of foreign exchange from exports in order to offset import duties. Thus, import substitution and export promotion ensure economic independence and progress.

9. Induces Backward and Forward Linkages

In today's competitive market, innovation is critical to the long-term success and survival of any firm. In the lack of new ideas, businesses struggle to expand and finally fail to stay in business. He is continually trying to introduce fresh and newer methods of producing goods and services. So, entrepreneurs want to work in a changing environment and seek to optimize earnings through innovation. When an enterprise is founded in response to evolving technology, it creates backward and forward links that stimulate the country's economic progress. 10. Facilitates overall development. Entrepreneurs act as catalysts for change, causing a chain reaction.

Once an enterprise is created, the process of industrialization begins. This unit will generate demand for the many sorts of units it requires, as well as a large number of additional units that will require its production. This leads to the general development of an area as demand increases and more units are built. In this approach, entrepreneurs expand their entrepreneurial operations, generating an enthusiastic environment and providing momentum for overall development in the area. They also invest in community projects and donate to local charity. This allows for additional development outside their ventures.

2.1 Recent Development of Entrepreneurship in Nigeria

The government's engagement in entrepreneurship development in Nigeria became substantial only after the Nigerian civil war (1967-1970). Since the mid-1980s, the government has expanded its commitment to entrepreneurial development, particularly since the establishment of the Structural Adjustment Program (SAP) in 1986. In addition, the National Directorate of Employment (NDE), National Open Apprenticeship Scheme (NOAS), and Small and Medium Enterprise Development Association of Nigeria (SMEDAN) were established (Thaddeus, 2012). Fundamentally, the Nigerian government promotes entrepreneurial culture through initiatives that foster business confidence, a positive attitude, pride in success, the support and encouragement of new ideas, social responsibility, technological support, inter-firm linkages, and research and development.

In the early 2000s, entrepreneurship studies were made required in Nigeria's educational system, particularly in higher education institutions. The Centre for Entrepreneurship Development (CED) was founded with the goal of training and encouraging students in higher education (particularly those studying science, engineering, and technology (SET)) to develop entrepreneurial, inventive, and management abilities. The Center's mission is to help graduates become self-employed, provide job possibilities for others, and generate wealth (Thaddeus, 2012). He went on to say that entrepreneurship development in Nigeria only became

substantial following the country's civil war. At the end of the war, the 2nd National creation Plan centered on the creation of the 3Rs objectives: reconstruction, redevelopment, and reconciliation.

The plan's activities tested/challenged the participants' originality and inventiveness. This early time saw an economic development ideology that viewed industrialization as the ultimate source of economic growth, with industrialization itself being the result of technological progress and investment. In contrast, technical development or capital growth is viewed as a function and outcome of entrepreneurial endeavor. In particular, research from the developed world suggests that economic growth is fully dependent on the quality and efficiency of the entrepreneur. Thus, upon Nigeria's independence in 1960, the government recognized the importance of promoting indigenous entrepreneurs. The government never loses sight of the tripartite relationship among entrepreneurship, industrialization, and economic growth.

Entrepreneurship is frequently carried out by micro and small-scale businesses, so SMEDAN's focus is on the development of micro, small, and medium-sized enterprises (MSMEs), where it coordinates and integrates MSME activities in order to maximize their potential and competitiveness (Thaddeus, 2012).

Over the last forty years or so, the government has built a number of support organizations specifically designed to help SMEs overcome some of the challenges they face as they grow. Some of these specialized institutions include the Nigerian Industrial Development Bank (NIDB), the Nigerian Bank for Commerce and Industry (NBCI), the National Economic Reconstruction Fund (NERFUND), the Nigerian Export-Import Bank (NEXIM), the National Directorate of Employment (NDE), Industrial Development Coordinating Center (IDCC), Peoples Bank, Community Banks, Construction Bank, Family Economic Advancement Programme (FEAP), State Ministries of Industry SME programs, Nigerian Agricultural and Cooperative Development Bank (NACDB), BOI [bank of industry], etc. Despite these government-created support institutions and incentives, policy instability and reversals, as well as high turnover and frequent changes in government, have had a negative impact on the performance of the primary institutions responsible for policy formulation, monitoring, and implementation, resulting in distortions in the macroeconomic structure, low productivity, and poor performance of SMEs (Nwachukwu, 2012).

SMEs face numerous challenges, including limited access to long-term capital, high financing costs, a lack of managerial skills, harassment from street urchins, reliance on imported raw materials, poor inter- and intra-sectoral linkages, and bureaucratic barriers. (Nwachukwu, 2012).

2.2 Theoretical Literature Review

Keynesian Theory

One of the common theories of economic growth and development is Keynesian theory propounded in the year 1936. The theory focuses on the sustainable economic development and the role of economic policy in the achievement of macroeconomic objectives. Keynesian postulates stress that demand management strategies may and should be utilized to boost macroeconomic performance and sustainability. That is, macroeconomic policies should include setting monetary and fiscal variables in each time period to the values believed required to meet the government's goals (Abata, Kehinde, & Bolarinwa, 2012). Although Keynesian theory holds that the private sector is fundamentally unstable, it is vulnerable to frequent and quantitatively significant fluctuations in the components of aggregate demand. Counter-cyclical or stabilization measures must offset these private sector shocks in order to preserve real output near to the market-clearing equilibrium time path (Omitogun & Ayinla, 2007). According to the Keynesian economic growth model, supporting SMEs should be included in government macroeconomic policies, with both fiscal and monetary policies recognizing the importance of achieving Nigeria's desired levels of economic growth and development. In light of this, Zeller and Sharma (1998) believe that microfinance can help develop or establish family businesses, potentially making the difference between poverty alleviation and a financially secure life. The study concluded that there was little evidence to demonstrate that microfinance services had a significant and long-term influence on clients' SME development, income flows, or employment levels. The focus of this argument is that improving poor people's access to microfinance and markets is insufficient unless it is complemented by advancements in technology and/or technique. According to Zubair (2014), the poor who live just below or above the poverty line may have limited access to financing, which can have a detrimental impact on SMEs and general wellbeing. Access to credit strengthens SMEs' risk-bearing skills, improves risk-copying techniques, and allows for consumption smoothing over time. According to these principles, microfinance improves the wellbeing of the underprivileged and promotes economic development. As a result, financially sustainable microfinance institutions with a wide reach provide a better living while also positively impacting SME development by ensuring long-term access to financing. As a result, Keynesian Theory serves as the foundation for the study.

Discovery and Risk-Taking Theory

In order to refine the academic understanding of entrepreneurship, twentieth-century economists Joseph Schumpeter, Israel Kirzner, and Frank Knight proposed two hypotheses. Schumpeter's creative destruction theory of 1942 defines entrepreneurship as the process of introducing new items and techniques of production (innovation). The term "creative destruction," also

known as "disruptive force," refers to the process by which new products replace old ones. This causes the old products to become obsolete or to fail. According to this notion, an entrepreneur is someone who drives economic development. However, unlike Schumpeter, Kirzner (1982) saw entrepreneurship as a process of discovery. This example reveals previously undiscovered profit prospects.

This discovery begins a process in which newly discovered profit opportunities are pursued in the marketplace until market competition removes the profit opportunity.

Classical Theory of Entrepreneurship

The classical approach emphasized the benefits of free commerce and specialization as a result of Britain's industrial revolution, which began in the mid-1700s and continued until the 1830s. The classical movement defined the role of the entrepreneur in the framework of producing and distributing things in a competitive market (Say, 1803). Classical philosophers identified three kinds of production: land, capital, and labor. There have been numerous challenges to the classical theory. These theorists failed to describe the dynamic upheaval caused by industrial-age entrepreneurs (Murphy, Liao, & Welsch, 2006).

Neo-classical Theory

The neo-classical model originated as a response to criticisms of the classical model, indicating that economic phenomena might be reduced to instances of pure exchange, reflect an optimal ratio, and occur in a mostly closed economy. The economic system was made up of exchange participants, exchange occurrences, and the effects of the trade on other market actors. The importance of commerce, combined with decreasing marginal utility, provided sufficient push for entrepreneurship in the neoclassical movement (Murphy, Liao, & Welsch, 2006). Some have criticized the neo-classical conjectures. The first is that aggregate demand ignores the distinctness of individual-level entrepreneurial activity. Furthermore, neither use nor trade value represents the future value of innovative consequences.

Third, rational resource allocation fails to represent the complexity of market-based systems. The fourth point made was that efficiency-based performance does not encompass innovation or non-uniform outcomes; known means/ends and perfect or semi-perfect information do not describe uncertainty. Furthermore, perfect competition prevents both innovation and entrepreneurial activity. The fifth issue is that there is no way to trace all inputs and outputs in a market system. Finally, entrepreneurial activity undermines the order of an economic system.

2.3 Empirical Literature Review

Olateju and Ibikunle (2023) used secondary data from annual time series to investigate the impact of small and medium-sized businesses on economic growth in Nigeria over a twenty-one-year period (2000-2020). The data came from the World Bank Database, the Central Bank of Nigeria Statistical Bulletin 2020, and the Small & Medium Enterprise Development Agency of Nigeria's (SMEDAN) National Survey of Micro, Small, and Medium Enterprises (MSMEs) 2020. The study used an Expo Factor Research Design. The association between Aggregate SME and GDP is positive and substantial ($r = .445$, $p < .05$).

The hypothesis revealed that Aggregate SME and Capitalization of SME had a substantial impact on GDP [$R^2 = .305$; $F(2,20) = 3.943$; $p < .05$], accounting for approximately 30.5% of the observed variance. The model's coefficients of multiple determination indicate that Aggregate SME had a substantial independent contribution ($\beta = .806$; $t = 2.752$; $p < .000$), but Capitalization of SME did not.

Emmanuel (2021) evaluated the impact of Small and Medium Scale Enterprises (SMEs) on Nigerian economic growth using data from 1986 to 2018. The obtained data was analysed using the vector autoregression (VAR) technique. The estimation findings showed that SMEs' output growth rate has a considerable positive effect on GDP growth rate (a proxy for economic growth). Furthermore, SMEs were found to account for 61% of GDP growth. Thus, the study indicated that SMEs are the driving force behind Nigeria's economic progress.

Oluyemi and Ayodela (2021) investigate the relationship between entrepreneurship through small-medium enterprise (SME) business formation and the growth of the Nigerian economy. Furthermore, this research tries to investigate the relationship between small enterprise development and economics. Design/methodology/approach - The paper analyzed secondary data from 1990 to 2016 for macroeconomic indices such as registered small and medium-sized enterprises, nominal GDP, employment, total labor force, and population. The forecasting technique was used to collect data on missing trends. For long-run correlation, quantitative analytical techniques such as the dynamic method of the error correction model (ECM) and the Johansen co-integration test were applied. Findings - The results reveal an increase in the number of SME formations, which has contributed to economic growth.

However, an increase in the number of micro, small, and medium-sized enterprises does not contribute to economic development any more than existing businesses. The employment elasticity is positive and large, indicating that entrepreneurship's contribution to

employment is the most important element driving economic growth and reducing unemployment.

Adegbolal *et al.*, (2020) investigate the effects of entrepreneurship on economic growth. The goals of this research are to investigate the impact of entrepreneurship on economic development, to determine the role of entrepreneurship in economic development, to assess the use of entrepreneurship as a remedy for economic growth, and to identify the challenges that business start-ups face in an economic downturn. The study used a descriptive and cross-sectional survey design. The respondents to the survey include faculty and students from Osun State College of Technology in Esa Oke, Osun State. This study's data was collected using primary sources. The primary data was collected using a well organized questionnaire. One hundred and fifteen surveys were distributed, but only ninety were returned.

According to the study, a large proportion of respondents agreed that entrepreneurship plays an important role in economic development. The study discovered that entrepreneurship and economic growth are positively related in developing economies such as Nigeria. As a result, it has the ability to alleviate Nigeria's economic problems. The study also discovered that Nigeria has relied on oil for more than 90% of its foreign exchange income for far too long, and that in order for the country to recover from its current economic crisis, it must diversify its economy aggressively.

Saidi and Abideen (2020) investigate the impact of entrepreneurship development support on economic growth and development in Nigeria, with the goal of addressing key issues impeding Nigeria's development. Secondary data was gathered from CBN reports, NBS reports, and so on. Hypotheses were established and tested using the linear regression method as an analytical tool. The findings revealed that government policy has aided in the development of entrepreneurial skills in Nigeria, while previous policies have failed to do so.

Azajiri and Jonathan (2020) proposed an alternate strategy for rehabilitating the economy from the clutches of recession. Entrepreneurship was offered as a strategy of addressing the recession. Entrepreneurship is the process of recognizing, developing, and optimizing profitable business possibilities in a sustainable manner that can encourage economic growth and development in a community or nation. Business entrepreneurship typically leads in flourishing micro, small, and medium-sized firms (MSMEs), which produce jobs, money, and, as a result, contribute to economic growth. The current economic situation has seen the exchange rate value double in the last two years, oil prices decline, militancy and terrorist activities have impacted revenue and government spending, low economic output, high cost of living, high inflation rate, continuous budget deficit, and so on.

The study "Impact of Entrepreneurship Development on Economic Growth of Enugu State" by Asogwa and Anah (2020) sought to examine the effects of entrepreneurship development on the state's economic growth. The literature review highlighted the impact of entrepreneurial development on the economy. The specific objectives are to determine the extent to which entrepreneurial activities affect the standard of living of the people of Enugu State, to assess the impact of multiple taxation on entrepreneurial activities in Enugu State, and to investigate the extent to which entrepreneurial activities create job opportunities for the people of Enugu State. The study used a survey research approach, with standardized questions presented to a sample picked from the study's population. The collected data were analyzed using chi-square (X²). The study discovered that entrepreneurial activities create job opportunities, which in turn raises the standard of living of the people of Enugu State, leading to the conclusion that the role of entrepreneurial activities in economic development cannot be overstated because it improves people's socioeconomic well-being. The study recommended that the government revamp the initiated programmes (Micro finance bank, Bank of Industry (BOI), appointing men of good will with a passion for entrepreneurship to head some of the establishments in an attempt to enhance their activities, taking into account the critical role they play in the State's economic development.

Salami and Akinbode (2014) examine how The Small and Medium Scale Enterprises (SMEs) dominate the real sector and play roles in the economic development of countries around the world. This study assessed the impact of entrepreneurship on economic development in Nigeria. The study was carried out at Ilorin, capital city of Kwara State, and Nigeria. There were eleven privately owned sawmills factories located in various parts of the city. The study involved 60 entrepreneurs (Wood producers) who accepted to take part in the study. The questionnaire contained both closed and open-ended questions on demographic data as well as the work history, operational efficiency and their impact on Nation economy and employment generation in Nigeria. The Sawmill entrepreneurs were selected by a multistage cluster sampling, while macroeconomic variable data were collected from the Central Bank of Nigeria (CBN) and National Bureau Statistics (NBS) websites. Statistical analysis was done to test the stated hypotheses using the SPSS statistical package and statistical significance was set at p-value of < 0.05. In test of hypothesis one the proportion of those that agree is 0.917 with standard error of 0.036 (55 out of 60) and from the table, the p-value is 0.000 (p-value < 0.05) we therefore reject the null hypothesis and conclude that Entrepreneurship is the bedrock of any economy and it drives the development of the economy. In the test of

hypothesis two the proportion of those that agree is 0.867 with standard error of 0.044 (52 out of 60) and from the table, the p-value is 0.000 (p-value < 0.05) we therefore reject the null hypothesis and conclude that Entrepreneurship facilitated the achievement of equitable and sustainable industrial diversification and job creation. It is therefore recommended that entrepreneurship / SMEs should be encouraged through lower interest rate, tax holidays among others in Nigeria in order to reduce unemployment and increase Gross Domestic Products (GDP).

3. METHODOLOGY

For the purpose of the study, the survey research approach will be adopted. The area of the study is Eleme L.G.A situated in Rivers State, South-South geopolitical zone of Nigeria. The Eleme people live in ten (10) major towns situated around 20km east of Port Harcourt. They include: Akpajo, Aleto, Alesa, Alode, Agbonchia, Ogale, Ebubu, Ekporo, Eteo, and Onne. The study focused on four (4) randomly selected community from Eleme Local government Area which include: Onne, Akpajo, Agbonchia and Ogale.

The population of interest are the entrepreneur that own small and medium scale enterprises in Eleme. The total population was chosen based on the two thousand six hundred and thirty-four (2634) registered SMEs with the Rivers State Ministry of commerce and industry in Eleme as at 2019. To determine the sample size using the Taro Yamene formular.

$$S = \frac{N}{(1 + Ne^2)}$$

$$S = \frac{2634}{(1 + 2634(0.05)^2)}$$

$$S = \frac{2634}{(1 + 2634(0.05)^2)}$$

$$S = \frac{2634}{(1 + 6.585)}$$

$$S = \frac{2634}{(7.585)}$$

$$S = 347.3$$

$$S = 347$$

The instrument of the questionnaire was used to collect data from the sample which were presented and analyzed using table, simple percentage, arithmetic mean, standard deviation and T-test for testing the hypotheses.

4. RESULTS AND DISCUSSIONS

The analyses of the research questions are presented in the actual response, mean value and standard deviation.

Table 4.2.1: Results of Response Rate of Entrepreneurship and Selected Indicators of Economic Development

STATEMENTS	Strongly Agree	Agree	Disagree	Strongly Disagree	Mean	S.D	Remark
Entrepreneurship and Job Creation							
Entrepreneurship programs in Eleme LGA have created more jobs for people	87	200	50	3	3.09	0.657	Accept
Entrepreneurship training programs in Eleme LGA effectively prepares individuals to start their own business	117	181	31	11	3.19	0.729	Accept
The growth of local business in Eleme LGA has created more job opportunities for the community	62	161	90	27	2.7	0.842	Accept
Entrepreneurship and welfare							
Local businesses have increased access to essential services in Eleme	47	131	125	37	2.55	0.862	Accept
The growth of profit in entrepreneurship business in Eleme has contributed to the development of the communities	48	123	125	44	2.51	0.891	Accept
Entrepreneurship has improved the overall living standards of Eleme	61	116	118	45	2.57	0.934	Accept

Source: Researcher's Computation using SPSS (2024).

The interpretation of the responses were based on the means, using a cut-off point of 2.5, In this analysis, statements with mean values above 2.5 are considered accepted, while those below 2.5 are rejected.

4.2 Entrepreneurship and Employment

Entrepreneurship has been positively linked to job creation in Eleme, with all three statements under this category showing mean values greater than 2.5, signaling acceptance. The statement that entrepreneurship programs in Eleme LGA have created more jobs scored a mean of 3.09, indicating strong agreement that these programs have had a significant role in increasing employment. Similarly, entrepreneurship training programs (mean = 3.19) are considered effective in preparing individuals for business ventures, while the growth of local businesses (mean = 2.7) is seen as contributing to more job opportunities in the community.

These responses suggest that entrepreneurship has contributed substantially to employment growth in Eleme.

4.2 Entrepreneurship and Welfare

In terms of welfare, the majority of statements reflect positive outcomes, with mean scores above 2.5. The claim that local businesses have increased access to essential services (mean = 2.55) is accepted, showing that entrepreneurship has improved the availability of necessary services in Eleme. The statement regarding the growth of profits from local businesses contributing to community development (mean = 2.51) is also accepted, indicating that entrepreneurship is playing a role in community development. Additionally, improvement in living standards (mean = 2.57) due to entrepreneurship is accepted, suggesting that local entrepreneurial activities have generally enhanced residents' quality of life.

Table 4.2.2 Paired Samples Correlations between Entrepreneurship and Indicators of Economic Development in Eleme LGA, Rivers State

		N	Correlation	Sig.
Pair 1	Entrepreneurship and job creation	340	0.654	0.001
Pair 3	Entrepreneurship and welfare	340	-0.44	0.424

Source: Output from SPSS (2024)

The paired sample correlation analysis conducted on the relationship between entrepreneurship and the two indicators of economic development in Eleme Local Government Area (LGA), Rivers State, offers valuable insights into how entrepreneurial activities might influence job creation and welfare. The data points in the table help us assess the strength and direction of these relationships, as well as whether they are statistically significant. Note that the numbers in the "Correlation" column represent how strongly

entrepreneurship is related to each of these economic indicators, while the "Sig." (Significance) column tells us whether the relationship is statistically significant (i.e., likely to be a real effect rather than a random occurrence).

Pair 1: Entrepreneurship and Job Creation

Starting with job creation, the correlation coefficient of 0.654 suggests a moderately strong positive relationship between entrepreneurship and job

creation. In simple terms, this means that as entrepreneurship increases, job creation tends to increase as well. The p-value of 0.001 indicates that this relationship is statistically significant, meaning it is unlikely to be a random occurrence. This result is in line with the a priori economic expectation that entrepreneurship drives business growth, leading to the creation of new jobs and, consequently, contributing to economic development.

Pair 2: Entrepreneurship and Welfare

The analysis of entrepreneurship and welfare reveals a negative correlation of -0.44, suggesting a moderate inverse relationship. In simple terms, this means that as entrepreneurship rises, welfare outcomes may decline, though this is not a direct cause-and-effect statement. The negative sign of the correlation could imply that resources channeled into entrepreneurial ventures might not directly translate into improvements in public welfare, or it could reflect a shifting focus from social services to business ventures. However, the p-value of **0.424** shows that this relationship is not statistically significant, meaning we cannot confidently say that entrepreneurship directly influences welfare in this case. The lack of significance could be due to various factors, such as a lack of sufficient welfare programs or the type of entrepreneurship that is prevalent in the region.

The summary of key findings revealed that:

- i. Entrepreneurship has a strong, positive, and significant effect on Job Creation
- ii. Entrepreneurship has a negative but insignificant relationship with welfare

In conclusion, entrepreneurship has a positive but weak effect on economic development in Eleme LGA, Rivers State. These results underscore the complexity of how entrepreneurship interacts with various aspects of economic development, suggesting that while entrepreneurship plays a crucial role in certain areas, its influence on broader socio-economic indicators may be more limited or dependent on other contextual factors.

We hereby recommend as follows:

- i. government should support job creation by offering entrepreneurial programs such as training, micro loans, and tax incentives, while encouraging mentorship to sustain local businesses in Eleme.
- ii. local government should integrate welfare and entrepreneurship development by providing social safety nets like health care and financial aids for low-income entrepreneurs to improve both welfare and economic growth.
- iii. government should guarantee loans given to entrepreneurs to encourage borrowing for expansion of entrepreneurial activities to foster economic growth in Eleme.

- iv. Government should provide infrastructure such as roads to ensure ease of movement of goods and services in Eleme.

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