

# **ENTREPRENEURIAL SKILL AS A PANACEA TO ECONOMIC DEVELOPMENT**

**5TH CONVOCATION LECTURE OF EDO STATE POLYTECHNIC, USEN.**

**PRESENTED**

**BY**

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## **I. Introduction**

It gives me immense pleasure to address this distinguish assembly which is the 5<sup>th</sup> Convocation ceremony of the Edo State Polytechnic, Usen. This ceremony is more important to me because it is a key milestone in the educational journey of any student as it marks the end of one stage in the journey through life, and the beginning of the next. It is also a significant occasion for our society because the stock of educated and qualified human resources on whom it relies for its development and transformation is increased and strengthened by the number of graduating young men and women. Thus, Convocation provides not only an opportunity for celebration, for graduates, their friends and family, but also an occasion for reflection and for us to reason together.

However, it should be noted that the democratic experience of Nigeria in the educational and human capital development sector since 1999 in our tertiary institutions has shown an agenda that should address socio-economic development from the perspective of entrepreneurial skills acquisition as a core component to the hitherto theoretical education that has proven ineffective when compared to contemporary global economic competitiveness. The story of the new emerging economies in the Middle East, Far East and developed West countries is an attestation that Nigeria as a country is not only lagging behind but must confront the challenge ‘head on’ by redirecting policies that should enhance entrepreneurial skills/ ‘hands on’ if we are to be identified in the class of the above global economic communities.

It is on the basis of the above outlay that this Convocation Lecture title: “Entrepreneurial Skill as a Panacea to Economic Development is apt and contemporary”.

## **II. Understanding the key terms in the title: “Entrepreneur”, “Entrepreneurship”, “Entrepreneurial skills”, and “Economic Development”**

### **a. What is Entrepreneur?**

The term entrepreneur refers to an individual who creates and establishes a new business. This person may work alone or with others to launch their company, taking on the risks and bearing the financial rewards at the same time (Akpan et al, 2012). Entrepreneurs are adept at finding gaps in the market and developing ideas that can be taken to market. Thus, an entrepreneur is an individual who starts and runs a business with limited resources and planning. This individual is responsible for all the risks and rewards of their business venture (Adisa, 2013). The business idea usually encompasses a new product or service rather than an existing business model. Such entrepreneurial ventures target high returns with an equally high level of uncertainty. The entrepreneur is willing to risk their financial security and career, spending time as well as capital on an uncertain venture, arranging for the necessary capital, raw materials, manufacturing locations, and skilled employees. Marketing, sales, and distribution are other important aspects that are controlled by the entrepreneur. Even if some of these functions are outsourced, the risk is still carried by the entrepreneur.

### **b. Meaning of Entrepreneurship**

Entrepreneurship is the ability and readiness to develop, organize and run a business enterprise, along with any of its uncertainties in order to make a profit (Ewubare, 2010). The most prominent example of entrepreneurship is the starting of new businesses. In economics, entrepreneurship connected with land, labour, natural resources and capital can generate a profit. The entrepreneurial vision is defined by discovery and risk-taking and is an indispensable part of a nation’s capacity to succeed in an ever-changing and more competitive global marketplace.

### **bi). Importance of Entrepreneurship**

Entrepreneurship drives the growth and diversification of the economy and contributes to the creation of wealth. Before we get into the specifics of the role of entrepreneurship in economic development, let’s briefly encapsulate its significance. Entrepreneurship’s importance lies in the following:

- Drives economic growth and creates new job
- Encourages innovation by bringing new ideas, products, and services to the market
- Contributes to social change by developing products or services that reduce people’s dependence on outdated technologies

- Addresses social and economic problems by creating solutions that meet the needs of society
- Enables competition which improves business efficiency and lowers prices for consumers

### c. What are Entrepreneurial skills?

Those are skills normally associated with being an entrepreneur, although anyone can develop them. But being an entrepreneur usually means starting and building your own successful business, but people with entrepreneurial skills can thrive within large organizations too (Seth, K. P., 2020). Entrepreneurial skills include but not limited to various skills set such as Leadership, business management, time management, resilience, creative thinking and problem solving. You can apply these skills in many job roles and industries. These skills are vital for promoting innovation, business growth and competitiveness.

#### ci). Types of entrepreneur skills

Often, entrepreneurs may take up several roles to build and grow a business. This requires a variety of skill set. Here are a few types of entrepreneur skills you must develop and master:

**1. Business management skills:** are traits an entrepreneur must have to run a business and ensure all business goals are met. Entrepreneurs with this skill set can oversee and manage operations of different departments because they possess a good understanding of each function. Business management skills include multitasking, delegating responsibilities and making critical business decisions.

**2. Communication and active listening skills:** every entrepreneur must be able to communicate effectively with clients, team members and all other stakeholders. Whether through verbal communication during meetings or sending reports and messages through emails about the project; entrepreneurs require superior written and verbal communication. Apart from communication skills, entrepreneurs must be excellent listeners to understand the project's requirement and discussion during project meetings.

**3. Risk-taking skills:** being able to take calculated and intelligent risks is one of the essential entrepreneurial skills to learn. Employees with an entrepreneur mindset never shy away from taking risks because they understand that calculated risks result in tremendous success. They know that risk is an opportunity to learn and grow a business to the next level. Employers want candidates who can take risks in pursuit of potential gains and profit.

**4. Networking skills:** networking involves building and managing relationship with other professionals to grow and promote a business. Effective networking skills open up future opportunities and help build a solid brand. Networking allows entrepreneurs to meet like-minded professionals, build future teams and stay up-to-date with industry trends. It is one of the most desirable skills for entrepreneurs because, through a solid network, they can meet professionals to fund their ideas, access professional business expertise and get feedback on their new venture or idea.

**5. Critical thinking skills:** is an entrepreneur skill that objectively analyses the information and draws a rational conclusion. It helps entrepreneurs assess a situation and come up with a logical solution. Employers look for candidates with critical thinking because it helps solve problems and build strategies

for business growth. Usually, a critical thinker is independent, competent and reflective. This skill helps entrepreneurs logically connect ideas, scrutinize information, evaluate arguments, find inconsistencies in work and solve complex issues. Instead of memorizing information, such candidates use the information to deduce meaningful insights.

**6. Problem-solving skills:** often, entrepreneurs face challenging and unexpected situations; an entrepreneur must possess excellent problem-solving skills to handle stressful situations and calmly identify alternate solutions. Exceptional problem-solving skills ensure they reach their business goal.

**7. Creative thinking skills:** is a valuable yet under-appreciated skill in the digital world. Creative thinking is the backbone for innovation and it forces employees to think differently. Entrepreneurs with creative thinking skills are never hesitant to try solutions that others may overlook because of fear of failure. Such people think out-of-the-box and always seek input from professionals in a different field for understanding a new perspective. It is one of the most sought-after entrepreneurial skills because it allows them to see patterns (even when there are no patterns) and develop innovative ways to solve business issues.

**8. Customer service skills:** quality customer service promotes the brand and increases loyalty. Regardless of the industry, excellent customer service skills are essential for business success. From talking to clients to discussing funding opportunities, customer service skills help entrepreneurs connect with their potential customers.

**9. Financial skills:** is the ability to handle resources, and assess investments. Apart from this, they must know how to use accounting and budgeting software to keep track of all the financial processes. By learning financial skills, entrepreneurs avoid overspending and optimally allocate resources.

**10. Leadership skills:** is being able to inspire colleagues, empower the workforce and lead from the front through excellent leadership skills. Exemplary leaders lead by examples and can take a leadership role and work as a part of a team. Entrepreneurs with leadership skills motivate their employees, manage operations and delegate tasks to reach the business goal.

**11. Time management and organisational skill:** effective time management increases productivity and organises your workspace. Entrepreneurs with time management and organisational skills understand different ways to prioritise tasks and avoid procrastination. For ensuring timely completion of projects, entrepreneurs analyse their time and their team's time, set time limit for each task, complete priority tasks first, delegate work to others, create a 'to-do-list' and use technology to keep the workspace organised.

**12. Technical skills:** these are hard skills that are gained by using digital tools and software. Entrepreneurs must know how to use planning, marketing and budgeting software. Knowledge of software helps in managing projects, tracking sales and allocating a viable budget for the project.

**13. Resilient skills:** is the entrepreneurs ability to adapt to changes in their business environment and rebound after experiencing adverse situations (Bullough, Renko & Myatt, 2014). An entrepreneurs resilience becomes a primary factor that underlies his or her success (Markman & Baron, 2003).

#### **d. Definition of Economic Development**

Economic development, is the process whereby simple, low-income national economies are transformed into modern industrial economies. Although the term is sometimes used as a synonym for economic growth, generally it is employed to describe a change in a country's economy involving qualitative as well as quantitative improvements (Myint & Krueger, 2016). The theory of economic development—how primitive and poor economies can evolve into sophisticated and relatively prosperous ones—is of critical importance to underdeveloped countries, and it is usually in this context that the issues of economic development are discussed.

Economic development first became a major concern after World War II. As the era of European colonialism ended, many former colonies and other countries with low living standards came to be termed underdeveloped countries, to contrast their economies with those of the developed countries, which were understood to be Canada, the United States, those of western Europe, most eastern European countries, the then Soviet Union, China, Japan, South Africa, Australia, and New Zealand. As living standards in most poor countries began to rise in subsequent decades, they were renamed the developing countries.

### **III. Role of Entrepreneurship in Economic Development**

The role of entrepreneurship in economic development is substantial. After all, entrepreneurs do not just build businesses and grow their personal wealth; they also impact the economy by creating new jobs and opportunities, driving innovation, and developing new markets, products, and services (Seth, 2021). This lecture gives you a complete overview of the role of entrepreneurship in a country's economic development. Some of the salient takeaways in this context include:

#### **1. Raises Standard of Living**

A significant role of entrepreneurship in economic development is that it can greatly enhance the standard of living for individuals and communities by setting up industries and creating wealth and new positions. Entrepreneurship not only provides large-scale employment and ways to generate income, it also has the potential to improve the quality of individual life by developing products and services that are affordable, safe to use, and add value to their lives. Entrepreneurship also introduces new products and services that remove the scarcity of essential commodities.

#### **2. Economic Independence**

Entrepreneurship can be a path to economic independence for both the country and the entrepreneur. It reduces the nation's dependence on imported goods and services and promotes self-reliance. The manufactured goods and services can also be exported to foreign markets, leading to expansion, self-reliance, currency inflow, and economic independence. Similarly, entrepreneurs get complete control over their financial future. Through their hard work and innovation, they generate income and create wealth, allowing them to achieve economic independence and financial security.

#### **3. Benefits of New Firms and Businesses**

Entrepreneurs identify market needs and develop solutions through their products and services to begin their business venture. By starting new firms and businesses, entrepreneurs play a key role in shaping the economy and creating a more dynamic and diverse business landscape. Entrepreneurship also promotes innovation and competition, leading to new and improved products and services that contribute to economic growth and development.

#### **4. Creation of Jobs**

Entrepreneurship is a pivotal driver of job creation. Running the operations of new businesses and meeting the requirements of customers results in new work opportunities. Entrepreneurship also drives innovation and competition that encourages other entrepreneurs and investments, creating new jobs in a wide range of industries, from manufacturing and construction to service and technology sectors.

#### **5. Encourages Capital Formation**

Capital formation is the process of accumulating resources, such as savings and investments, to fund new business ventures and support economic growth. Entrepreneurship can encourage capital formation by attracting investment. In addition, the creation of new businesses and the growth of existing firms can also contribute to the development of a more diverse and dynamic economy that encourages capital formation and opens the door to a wide range of investment opportunities.

#### **6. Elimination of Poverty**

Entrepreneurship has the potential to lift people out of poverty by generating employment and stimulating economic activity. Entrepreneurship also contributes to the development of local economies and helps improve the overall standard of living.

#### **7. Community Development**

Entrepreneurship promotes economic growth, provides access to goods and services, and improves the overall standard of living. Many entrepreneurs also make a positive impact on their communities and improve their well-being by catering to underserved areas and developing environment-friendly products. Their work can help build stronger, more vibrant communities and promote social and economic development.

#### **8. Optimal Use of Resources**

Entrepreneurship can help identify market opportunities and allocate resources in the most effective way possible. Entrepreneurs also play a key role in developing innovative products and services that meet the needs of customers while optimizing the use of available resources.

#### **9. Increases Gross National Product and Per Capita Income**

Entrepreneurship can play a significant role in increasing economic growth and prosperity by increasing Gross National Product (GNP) and Per Capita Income (PCI). GNP measures the total economic output of a country while PCI calculates the average income per person. The increase in GNP can lead to a rise in

PCI. Entrepreneurship can contribute to GNP by creating new businesses and industries, which can lead to job creation, increased consumer spending, and higher tax revenue.

#### **IV. CONCLUSION**

In a radical approach by Nigerian government to promote entrepreneurial skills as a panacea to economic development, the Presidency directed in 2006 all Nigerian higher education institutions to include entrepreneurship education as a compulsory course for all students with effect from the 2007/2008 academic session.

As a furtherance to the institutional mandate, the Nigerian government had established numerous agencies and programmes such as; Small and Medium Enterprises Development Agency (SMEDAN), Bank of Industry, N-Power programme, Government Enterprise and Empowerment Programme (GEEP), You-win programme, TraderMoni, reduction of the amount for business name registration and a whole lot of other interventions to promote entrepreneurial activities by facilitating access to funds, training and other resources needed for SMEs to thrive Nigeria.

All these government policies and efforts towards promoting entrepreneurship skills and entrepreneurial development in Nigeria are noble, but are they actually yielding positive results? Are our Small and Medium Enterprises (SMEs) thriving – contributing adequate quota to our GDP growth? These are questions begging for answers.

Irrespective of the various doubts about entrepreneurial skills as panacea for economic development, I wish to anchor my lecture by stating that, Nations especially developing nations globally are implementing policies to promote entrepreneurial activities that will add to the overall economic growth of those nations. Nigeria is not and should not be an exception to this strategy as the government from time to time should implements, monitor and evaluate policies that will accelerate entrepreneurship development through various Ministries, Departments and Agencies of government alongside with multi-lateral stakeholders in the private sectors, NGO's and other Civil Society Organizations. In all of these, I want to urge all of you graduates of this great institution- The EDO POLYTECHNIC, USEN to go out there to prove your worth in the global arena. I see all of you at the top soonest.

Once again, I congratulate you all, and Thank you for listening.

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