

Entrepreneurship Development as a Catalyst for Employment Generation in Edo State, Nigeria

Eruteya Ejiro Ernest^{1*} ; Edewhor Vincent²

¹Department of Entrepreneurship Delta State University of Science and Technology Ozoro, Delta State, Nigeria

²Department of Entrepreneurship Delta State University of Science and Technology Ozoro, Delta State, Nigeria.

Corresponding Author: Eruteya Ejiro Ernest¹

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Abstract: This work looked at entrepreneurship development as a catalyst for employment generation in Edo State, a study of some selected local government areas. The study employed a survey research design. The population of the study comprises of 500 participants who have benefited from entrepreneurship development programmes in Edo State. A sample size of 150 respondents randomly chosen from four selected local government areas was used for the study. A well-structured questionnaire was the instrument used to gather data for the study. The questionnaire consists of 10 items structured in a 4-point Likert scale format. The data was analysed using the Statistical Package for Social Sciences (SPSS) software, tables, simple percentages, mean, and standard deviation. The hypotheses were tested using the Chi-square statistical test. The result of the study revealed that entrepreneurship development programmes have a significant impact on employment generation in Edo State, and that the challenge faced in financial accessibility has a significant impact on the sustainability of small and medium-sized enterprises in Edo State. Thus, the study recommended that the government should establish accessible funding programmes and grants to support SMEs and enhance their sustainability because entrepreneurship is the vehicle for national and economic development.

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I. INTRODUCTION

Entrepreneurship plays a vital role in economic growth and development by fostering innovation, creativity, creating job opportunities, and creating wealth worldwide. Entrepreneurship development has emerged as a critical vehicle for employment generation in Edo State, where unemployment rates remain a significant challenge. Small and medium-sized enterprises (SMEs) contribute substantially to the economy by absorbing a large segment of the unemployed population, particularly youths and graduates (Mohammed, 2020). However, despite the potential benefits of entrepreneurship, many aspiring entrepreneurs in Edo State face challenges such as inadequate funding, lack of business knowledge, and poor infrastructural support. The presence of various government and private sector initiatives aimed at promoting entrepreneurship in Edo State has provided opportunities for business development (Nwachukwu, 2021). Programmes such as the Edo State Youth Agricultural Entrepreneurs Programme and others have empowered many young individuals with skills and start-up capital to establish their businesses. For instance, in Edo North and South, several

beneficiaries of these programmes have set up successful ventures in fashion design, poultry farming, and fishery, which have employed others within their communities.

Despite these interventions, Umar (2023) noted that challenges persist, including bureaucratic bottlenecks in accessing financial support, limited market access, and the high cost of production. Many start-ups struggle to sustain operations due to poor business management skills and unfavourable economic conditions. Addressing these issues through improved policies, infrastructure development, and access to mentorship can further enhance entrepreneurship growth, leading to sustainable employment generation and economic progress in the State.

Unemployment remains a pressing challenge in the state, with thousands of youths and graduates struggling to secure sustainable jobs. Despite the government's efforts to promote entrepreneurship through various programs, many businesses fail due to inadequate funding, poor infrastructure, and a lack of managerial skills. The difficulty in accessing loans, coupled with high operational costs and limited market opportunities, stifles entrepreneurial growth.

This persistent unemployment crisis contributes to social vices such as youth restiveness and crime. Therefore, this study examines the impact of entrepreneurship development on employment generation, identifying key challenges and proposing solutions for sustainable economic empowerment in the State. This study intends to examine the relationship between entrepreneurship development programmes and employment generation in selected local government areas of Edo State and to assess the impact of financial accessibility on the sustainability of small and medium-sized enterprises (SMEs) in Edo State.

II. REVIEW OF RELATED LITERATURE

According to Okafor (2022), entrepreneurship development refers to the process of equipping individuals with the necessary skills, knowledge, and resources to identify business opportunities, start, and manage successful enterprises. Okoro (2021) stated that it involves training, mentoring, and providing financial support to foster innovation and self-reliance. By nurturing entrepreneurial abilities, individuals can create jobs, stimulate economic growth, and reduce unemployment. Entrepreneurship development encompasses various aspects, such as capacity building, access to finance, market exposure, and legal support, all aimed at encouraging sustainable business practices. It plays a critical role in addressing economic challenges and enhancing the socioeconomic well-being of communities (Nnadi, 2021).

In the words of Eze (2021), entrepreneurship development has a significant impact on employment creation in Nigeria, addressing the country's high unemployment rate, which stood at 33.3% in 2024, but we know that it is alarming. The number of unemployed youths in the country is nothing to write home about. By fostering entrepreneurship, individuals are empowered to create businesses, which in turn generate jobs for others. Programs like the National Enterprise Development Programme (NEDEP) and the Youth Empowerment and Entrepreneurship Programme (YEEP) have supported thousands of Nigerians in setting up small and medium-sized enterprises (SMEs). For instance, Chukwu (2020) remarked that the Nigerian government's Npower programme has trained over 500,000 youths in various skills, leading to self-employment and job creation. However, challenges such as limited access to capital, inadequate infrastructure, and regulatory bottlenecks hinder the full potential. Despite these obstacles, entrepreneurship remains a vital tool for tackling unemployment and promoting economic stability in Nigeria.

According to Adebayo (2020), entrepreneurship development in Nigeria faces several challenges, including limited access to finance, with high-interest rates and stringent loan conditions hindering start-ups. Inadequate infrastructure, such as unreliable electricity and poor transportation networks, increases operational costs. Furthermore, Afolabi (2021) posited that bureaucratic red tape and complex regulatory environments make it difficult to register businesses and comply with tax laws. Lack of

entrepreneurial skills and mentorship also limits the capacity of many potential entrepreneurs to manage businesses effectively. Additionally, insecurity and political instability in certain regions deter investment and disrupt business activities. These challenges create significant barriers to the growth and sustainability of entrepreneurial ventures in Nigeria.

Umar (2023) investigated the challenges of entrepreneurship development in Kebbi State, focusing on the relationship between education, training, and business growth. The population comprised small-scale business owners, and a sample of 200 was selected using stratified sampling. Data was collected through interviews and questionnaires, with a reliability coefficient of 0.85. Descriptive statistics and correlation analysis were used. The study revealed that education and training positively impacted business growth, though entrepreneurs faced significant financial constraints. Umar recommended better funding and training programs. The present study differs by focusing on a broader range of entrepreneurial support mechanisms beyond education and training.

Akinyemi (2022) explored the impact of government intervention on entrepreneurship development in Lagos State. The study targeted entrepreneurs in Lagos, with a sample size of 250 selected using simple random sampling. Data was collected through surveys, with a reliability coefficient of 0.82. Regression analysis was applied to assess the impact of government interventions on entrepreneurship growth and job creation. It was discovered that government intervention positively influenced entrepreneurship, though challenges like corruption and bureaucracy hindered effectiveness. Recommendations included improved transparency in interventions. The present study, focused on Edo State, expands the scope beyond government interventions, considering other entrepreneurial factors.

Nnadi (2021) examined the role of youth entrepreneurship in economic development in Kano State. The population included 300 youths involved in various entrepreneurial activities, with a sample size of 150 selected through systematic sampling. Data was collected using questionnaires, with a reliability coefficient of 0.88. Descriptive statistics and correlation analysis were used to determine the relationship between youth entrepreneurship and economic development. Nnadi found that youth entrepreneurship contributed to economic development by creating jobs and reducing poverty. The study recommends increased investment in youth entrepreneurship programs. This study aligns with the present research but is more focused on youth rather than a broader entrepreneurial ecosystem.

III. THEORETICAL FRAMEWORK

This study is based on Human Capital Theory. The theory posits that investments in human capital, such as education, skills development, training, and health, lead to increased productivity, which ultimately results in higher economic output and personal earnings. The fundamental idea is that individuals, much like physical capital, can be developed through education and training to become more productive, leading to enhanced economic performance for both individuals and society. The foundation of Human Capital Theory is rooted in the belief that human beings possess knowledge, skills, and abilities that are valuable economic resources. These can be cultivated through various forms of education, formal training, or experiential learning, which improve individuals' employability, entrepreneurial potential, and their ability to generate economic value. The theory has been widely applied in labour economics and is particularly useful in explaining how education and training contribute to productivity, wage differentials, and job creation.

Relating this theory to the study on “entrepreneurship development and employment generation in Edo State,” it underscores the importance of equipping individuals, especially the youth, with entrepreneurial skills and knowledge to foster economic independence and reduce unemployment (Ibrahim, 2023). By focusing on enhancing human capital through entrepreneurship education and skill-building programs, the study aligns with the notion that investment in human capital is essential for creating self-sustaining businesses. These businesses, in turn, contribute to employment generation in Delta State. Therefore, Human Capital Theory provides a critical framework for understanding how entrepreneurship development can empower individuals with the tools necessary to create jobs, drive economic growth, and tackle unemployment in the state.

IV. RESEARCH METHODOLOGY

This study adopted a survey research design, which is suitable for gathering information from a large group of

individuals. The design allowed for a comprehensive assessment of entrepreneurship development programs and their impact on employment generation in Edo State. The population for this study consisted of 500 participants who had benefited from entrepreneurship development programmes across selected local government areas in the state.

The study had a sample size of 150 respondents. These respondents were individuals who had participated in entrepreneurship programmes across the four selected local government areas. The sample size was determined to provide a representative data set for the research.

A simple random sampling technique was used to select participants from the population. This technique ensured that every participant had an equal chance of being included in the study, promoting fairness and reducing bias. Data was gathered directly from the respondents who participated in entrepreneurship programmes through the use of questionnaires.

The validity of the instrument was ensured through review by two experts in entrepreneurship development. Their feedback helped refine the questionnaire to ensure that the items addressed the research topic comprehensively. The experts' comments were valuable in improving the instrument's relevance and clarity.

Reliability of the instrument was assessed using the Cronbach's Alpha method. A coefficient value of 0.79 was obtained using SPSS, while Chi-Square was employed to test the hypotheses, assessing the relationships between entrepreneurship development and employment generation in the selected local government areas.

A. Testing of Hypotheses

- *Hypothesis One: There is no significant relationship between entrepreneurship development programmes and employment generation*

Table 1: Chi-Square Statistical Result for Hypothesis One

N	X ² Calculated Value	X ² Critical Value	Level of Significance	Remark
150	34.167	21.026 (P<0.05)	0.05	Significant

Since Chi Square (X²) calculated value (34.167) was greater than X² table value (21.026), the null hypothesis (H₀) was rejected, which states that there is no significant relationship between entrepreneurship development programmes and employment generation in the State. Moreover, the alternative hypothesis (H₁) was accepted, which states that there is a significant relationship between entrepreneurship development programmes and employment generation.

➤ *Hypothesis Two: Financial accessibility does not have a significant impact on the sustainability of small and medium-sized enterprises (SMEs)*

Table 2: Chi-Square Statistical Result for Hypothesis Two

N	X ² Calculated Value	X ² Critical Value	Level of Significance	Remark
150	55.428	21.026 (P<0.05)	0.05	Significant

Since chi-square (X^2) calculated value (55.428) was greater than X^2 table value (21.026), the null hypothesis (H_0) was rejected, which states that financial accessibility does not have a significant impact on the sustainability of small and medium-sized enterprises (SMEs). On the other hand, the alternative hypothesis (H_i) was accepted, which states that financial accessibility has a significant impact on the sustainability of small and medium-sized enterprises (SMEs) in the State.

V. DISCUSSION OF FINDINGS

The findings of this study highlight a strong relationship between entrepreneurship development and employment generation in some selected local government areas across Edo State. The results from research question one indicate that entrepreneurship serves as a vital driver of job creation, with many businesses emerging through various development programmes. This aligns with Nwachukwu (2021), who found that effective entrepreneurship policies in Rivers State significantly contributed to employment generation. However, unlike the present study, which focuses on practical entrepreneurship development, Nwachukwu emphasized policy formulation and implementation.

Similarly, Adebayo (2020) found that entrepreneurship education in Ogun State played a crucial role in fostering job creation among youths. While both studies agree on the positive impact of entrepreneurship, Adebayo’s research highlights the role of education, whereas this study emphasizes direct business development and employment outcomes.

The second research question examined financial accessibility as a key factor in sustaining SMEs in the State, revealing significant gaps in institutional support. The findings suggest that while entrepreneurship development promotes employment, financial constraints hinder business sustainability. This aligns with Umar (2023), who explored challenges of entrepreneurship development in Kebbi State and found that inadequate funding and lack of training limited business growth. However, Umar’s study emphasized the role of education and training in overcoming financial limitations, whereas the present study underscores financial accessibility as a direct challenge. Similarly, Ibrahim (2023) examined cultural factors influencing entrepreneurship in Sokoto State and found that while cultural attitudes impact business growth, financial barriers remain a critical challenge, reinforcing the need for better financial support mechanisms, as also highlighted in this study.

VI. CONCLUSION

This study concludes that entrepreneurship development significantly contributes to employment generation in the State, reinforcing its role in economic growth. However, financial constraints remain a major challenge, limiting SME sustainability. While entrepreneurship fosters job creation, inadequate funding and weak institutional support hinder long-term success. Addressing these financial barriers through enhanced funding mechanisms and policy interventions is essential for strengthening entrepreneurship and ensuring sustainable employment opportunities.

RECOMMENDATIONS

- The government should establish accessible funding programmes and grants to support SMEs and enhance their sustainability.
- Financial institutions should create flexible loan policies with lower interest rates to help entrepreneurs overcome financial constraints.
- Entrepreneurship development programs should incorporate financial literacy training to equip business owners with skills for effective financial management.

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