



# MEETING THE 2030 SDG IN NIGERIA: THE ROLE OF ENTREPRENEURSHIP DEVELOPMENT

By

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## Introduction

The timeline for the Millennium Development Goals (MDGs) ended in 2015. Given the deficiency of many countries in achieving the set-goals, the international community through the vehicle of United Nations and Heads of states of the 193 Member Nations, launched the Sustainable Development Goals (SDGs) as a new developmental strategy for 2030. This strategy which is otherwise known as Agenda 2030, is framed into 17 Goals, with 169 Targets and 230 Indicators. They designed the agenda as a universal call for action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. At the heart of the 2030 agenda of SDG is poverty eradication with a renewed commitment to leave no-one behind. The Global Goals of SDGs like that of MDGs are all laudable and adequately designed to improve the quality of people's lives globally.

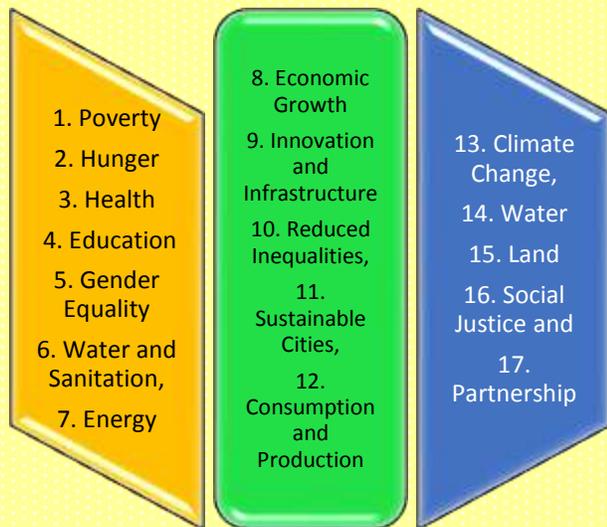
Meanwhile, only 72 out of the 129 countries of the world achieved the MDG targets with some countries missing the target by a small margin. Various African countries including Nigeria were reported to have failed to achieve the MDGs targets. The 2015 MDGs report indicates that Nigeria failed to achieve the target of MDGs on eradication of extreme poverty and hunger by

24.1%. On achieving universal primary education, Nigeria recorded a marginal increase of 2.7% in literacy rate for over 14 years of the MDG program, gender equality and women empowerment were deplorable with only 7.7% of the women in wage employment in the non-agricultural sector. Nigeria fell short of the 2015 target of 64 deaths per 1000 live births by 28%.

The outcome of the SDGs program will not be different if there is no calculated effort to improve entrepreneurship development in Nigeria. China as one of the 72 nations that achieved the MDGs prioritised entrepreneurship development before and during the implementation phase of the program to emerge as one of the leading economies in the world.

## What is Sustainable Development Goals (SDGs)?

Sustainable development goals (SDGs), are sets of seventeen (17) well-articulated global goals put together by the United Nations in conjunction with various governments and agencies of member countries to ensure global sustainable development in the year 2030. The 17 broad goals which were designed to cover a wide range of social and economic development issues include:



These goals are extensions of the MDGs to include areas that will ensure global sustainability for the next generation. China was able to achieve all MDGs because of their commitment to entrepreneurship development. Countries can effectively achieve most of the SDGs (no poverty, zero hunger and decent work and economic growth) if they emphasise the development of the nature, role and productivity of entrepreneurship.

### The State of Entrepreneurship in Developing Countries

In most emerging economies of the world, over 90% of the entire firms in agricultural and non-agricultural sectors are small and micro-enterprises, contributing significantly to their GDP. For instance, in Morocco, 93% of industries are SMEs and accounts for 38% of production, 33% of the investment, 30% of export and 46% of employment. Similarly, in Bangladesh, enterprises with below 100 employees account for 99% of their firms, and 58% of employment. In Ecuador, 99% of all private companies have less than 50 employees, accounting for 55% of employment. (Igwe, Adebayo, Olakanmi Ogbonna and Aina 2013).

Entrepreneurship development can create jobs, increase wealth creation, enhance balanced regional development, improve per capita income, the standard of living, exports and ultimately improve GDP. Entrepreneurship in the developing countries is perceived to be different from that of the developed countries. The dissimilarity between growth-oriented entrepreneurs in developing and developed markets could be explained by the inefficiencies of markets in most developing countries. It is, however, worthy to note that the response of entrepreneurs to these inefficiencies is often surprising and counterintuitive (Lingelbach, De la Viña & Asel 2005). They start with obviously lower odds, and a good proportion manages to survive at least a lifetime.

Most developing countries have abysmal investment climate due to the unstable power supply, inadequate infrastructure, non-reliability of property rights, absence or inadequate guaranty of the rule of law, bureaucratic bottlenecks, weak government policies to improve enabling environment, limited access to finance, multiple taxations and avoidance of formal registration amongst others.

Schaumburg-Müller, Jeppesen & Langevang (2010) posit that there exists little evidence in the literature that shows that entrepreneurship in Africa leads to economic growth. This their position is justified by the fact that most of them start up entrepreneurial endeavours based on the lack of paid jobs and not by choice of a business opportunity nor taking advantage of an idea. Some entrepreneurs still think it is temporary and desire to leave as soon as they get a better source of income and therefore may not have the desired drive to expand and take strategic decisions such as integration with other firms or open up to the partnership.

Nevertheless, entrepreneurship remains a crucial tool in the development of Africa given the abundance of natural resources, potential market, substantial available labour and unexploited land amongst others. Moreover, with a renewed effort in the orientation of entrepreneurs,

entrepreneurship development in developing countries will generate the required impact on the economies of these countries.

## **Entrepreneurship Development and SDGs in Nigeria**

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The concept of entrepreneurship describes a process of designing, launching and running a new business which is often a small business at inception. It is the willingness and capacity to develop, organise and manage a business venture along with its risk to make a profit. Entrepreneurship has been identified as a vehicle for economic and social re-engineering in developing countries of the world. A study by UNIDO 2012 indicates that micro, small and medium scale enterprises (MSMEs) have the capacity and potential to drive Nigerian economy to sustainable growth. The data provided by the report shows that there were over 17 million MSMEs in the country as at 2012, which employed a total of 31 million Nigerians. The report further show that MSMEs accounted for 80% of the existing enterprise in Nigeria, employing over 75% of the total workforce as at 2012. The 2015 World Bank enterprise survey in Nigeria however, indicates that MSMEs has increased to over 90% of the enterprises in the country, with sole proprietorship accounting for 81.6% of Small firms (1-19 employees), 60% of medium firms (20-99 employees) and 46% of firms with 100+ employees. The potentials in entrepreneurship if well harnessed can fast-track the achievement most of the SDGs, but especially, the following:

1. **No Poverty:** Entrepreneurship provides an opportunity for job creation, increased production by developing and adopting innovations that lead to improvements in the quality of life of their proprietors, employees, customers, and other stakeholders in the community. If 76.6 million Nigerian youths who are unemployed are provided with adequate training and financial support to become entrepreneurs, the goal one of no poverty can be achieved.

2. **Zero Hunger:** Food security is a relevant factor in achieving zero hunger, entrepreneurship can revolutionise the agricultural sector through innovation and technology, hence ensuring adequate food security.

3. **Decent Work and Economic Growth:** There are over 17 million units of MSMEs in Nigeria, and each new addition to these 17 million units makes use of even more resources like land, labour and capital to develop products and services. These products and services will add to the national income, national product and per capita income and as well provide decent jobs for the citizens.

## **Conclusions and Recommendations**

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Despite the beautiful design of the MDGs, many countries across the world were not able to meet the goals. Only about 72 out of a total of 129 countries of the world achieved the MDG targets. The 2015 report of MDGs indicates that Nigeria could not achieve the MDG target of reducing extreme poverty and hunger by 24.1%. The outcome of the current SDG program will not be different if there is no calculated effort to improve prioritised entrepreneurship as China did for the MDGS. Effort should be made by both national, state and the local governments to provide an enabling environment as well as start-up training and financial support to the teeming unemployed youths in Nigeria to ensure the achievement of SDGs 2030 agenda. The study, therefore, recommends:

1. **Funding by the government:** Increased budgetary allocation to enterprise promoting agencies of government should be encouraged to increase the number of entrepreneurs who receive training and financial support, which enable them to engage in productive activities. The government can achieve this by reducing the humongous spending on political office holders.

2. **Increased loans to SMEs:** Financial institutions should be encouraged to provide loans to SMEs and as well monitor the conditions for their distribution to beneficiaries. The provision and monitoring can be achieved through adequate supervision of the financial institution and their condition for credit extension.
3. Entrepreneurs need to be re-oriented to see the potential of businesses and ways of expanding it for purposes of sustainability. Government agencies concerned with entrepreneurship as well as civil societies should also be encouraged.
4. **Provision of Infrastructures:** The government should provide adequate infrastructural facility to enhance ease of doing business in Nigeria. The government should put mechanisms in place to ensure effective implementation of budgetary provisions in the capital budget to achieve this.
5. **Encourage Creativity and self-reliance:** Emphasis should be directed towards encouraging creativity and self-reliance among Nigerian youths through entrepreneurship education not only at the tertiary education level but also at primary and secondary levels. The emphasis will engender creativity and productivity that will contribute to employment and economic growth.
6. **Increased collaboration among SMEs:** Nigerian SMEs should learn from the experience of Asia SMEs who formed clusters of SMEs to enable member firms seek funding collectively, provide a collective guarantee, or even set their own financial body. The collaboration will enhance access to funding, improve the exchange of ideas and provide an opportunity for growth.

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