Socio-Cultural and Demographic Dynamics in Sustainable Entrepreneurial Development in Nigeria

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Abstract
Entrepreneurial development is now regarded as the magic bullet that can remedy some of the embedded socio-economic challenges facing the modern state. Poverty, unemployment, falling standards of living and dipping personal economies of citizens have conflated to raise the national temperature of various countries to uncomfortable levels as protests, youth restiveness, economic-related crimes and a militant and irascible citizenry have become common symptoms of an existing economic blight. Literature on entrepreneurship points to the positive effect of entrepreneurial activities on the civil population with greater impact on the vulnerable sectors. This has strengthened the argument for greater entrepreneurial culture in a developing country like Nigeria. Job creation, massive product development, strengthening of the macro economy through export of products and services, inter alia, are some of collateral benefits of entrepreneurial activities within the society. In achieving sustainable entrepreneurial development initiatives in Nigeria, actors within the policy, social and business ecologies must address the socio-cultural and demographic dynamics that could hamper an effective maturation of the entrepreneurial development process. Issues of institution building, creating the right environment for small- and medium-scale businesses and initiatives to thrive and a general paradigm shift towards citizen empowerment will help to overcome the hydra-headed challenges of gender bias, population explosion, poverty, corruption, unemployment, poor infrastructure, insecurity and leadership crisis, which are some of the banes that may tackle entrepreneurial development. Leaning on the State Theory’s position that development can be achieved through internal growth, this paper argues that for sustainable entrepreneurial development to happen in Nigeria, certain internal contradictions bordering on socio-cultural and demographic dynamics must be addressed.

Keywords: Socio-cultural dynamics, demographic factors, entrepreneurial development, Nigeria

1. Introduction
All over the world, including both developed and developing societies, entrepreneurship development is now being considered a panacea that can remedy some of the entrenched socio-economic challenges facing the modern state. Poverty, unemployment, falling standards of living and dipping personal economies of citizens have conflated to raise the national temperature of various countries to uncomfortable levels as protests, youth restiveness, economic-related crimes and a militant and irascible citizenry have become common symptoms of an existing global economic blight. Thus, there is a growing but gradual shift away from planned and managed economies and the hegemony wielded by large transnational firms towards an entrepreneurial economy where small to medium firms or entrepreneurs are expected to play greater economic roles (Mordi, Simpson, Singh & Okafor, 2010; Verheul & Thurik, 2000).

It therefore seems that the recourse to entrepreneurship development as an economic survival, development or growth strategy has become a desideratum. Particularly, many developing countries that are witnessing urban explosions with increasing human population are forced to seriously consider entrepreneurialism as a strong escape hatch for their cynical citizens. Berger had adumbrated this situation some years back when she argued that with growth rates estimated as high as 5-8 percent a year, many third world cities would double their populations every ten to fifteen years and will be unable to keep pace with the monumental demographic shifts facing them (Berger, 1991). Consequently, she argued that the population of the urban poor has been forced into the economic and social underground; and since they are unwanted and unaided, lacking in resources and skills, these poorest of the world's poor have been thrown back upon their entrepreneurial ingenuity. Berger (1991) contends that the inhabitants of the barrios and avellas of Latin America, the shanty towns of Africa, and the steaming cities of Asia have prevailed against all the odds, despite being left to their own devices. While this picture may paint in broad strokes the resilience and energy of the rural and urban poor in developing countries and that there exists a rugged dynamism and hope at the bottom of society, in Nigeria, existing socio-cultural and demographic dynamics have continued to hamstring the entrepreneurial abilities of citizens and may continue unabated until something is done about them. This article aims to peruse the socio-cultural and demographic dynamics in Nigeria.
dynamics which could hamper sustainable entrepreneurial development in Nigeria and seeks ways by which these dynamics could be channelled to guarantee a more prosperous future for the country and its peoples.

2. Brief Literature Review

2.1 Entrepreneurship

There are a multiplicity of views regarding entrepreneurship as a concept. Finding the middle ground will be appropriate for this work. Meredith, Nelson and Neck (1991) have defined entrepreneurship as the process of organising and coordinating the factors of production and taking necessary decisions to establish a business enterprise and fashion it in line with the dictates of market forces of demand and supply. According to Hisrich and Peters (2002), entrepreneurship is the process of creating something new, assuming the risk involved and reaping the reward attached. This reward can be profit-based or can be social prestige or the achievement of some social goal. It has been argued that the entrepreneurial spectrum is broader and much more inclusive as it extends beyond someone who starts a company from scratch and includes those who acquire an established company through inheritance or a buyout, franchisees as well as franchisees and also intrapreneurs or corporate entrepreneurs (Rogers and Makonnen, 2009). For Sethi (2013), entrepreneurship is a process or action undertaken by an entrepreneur to establish an enterprise. It is a creative activity or process which could involve building a social or economic entity from practically nothing or sensing an opportunity where others see chaos, contradiction and confusion. He further posits that entrepreneurship is the attitude of mind to seek opportunities, take calculated risks and derive benefits by setting up a venture comprising numerous activities involved in the conception, creation and running of an enterprise. While entrepreneurship is the process, the entrepreneur is the actor (Imhonopi, Urim, Suleiman and Amusan, 2013) and is the product of ideational and material constellations able to revolutionise the world of commerce. Consequently, as Imhonopi and Urim (2012) contend, entrepreneurship development is the production of risk takers, innovators, business builders and value creators who through their business ideas, products, services and projects bring value to an existing industry or market and meet the needs of consumers, while satisfying different stakeholders in the process.

2.2 Socio-cultural and Demographic Dynamics

In broad strokes, socio-cultural dynamics refer to a combination of social and cultural factors as they influence or modify social behaviour within a social milieu. Socio-cultural elements are anthropogenic in nature and are social phenomena which affect people’s behaviours, attitudes, belief systems, relationships, perceptions, modus vivendi (way of life), their survival and existence. In other words, socio-cultural dynamics consist of all elements, conditions and influences which shape the personality of an individual and potentially affect his/her attitude, disposition, behaviour, decisions and activities. These socio-cultural dynamics refer to the cultural, religious, gender, educational and social conditioning which moderate or modify people’s beliefs, values, attitudes, habits, forms of behaviour and lifestyles (Adeleke, Oyenuga and Ogundele, 2003; Akpor-Robaro, 2012). These elements are learned and are shared by a society and transmitted from one generation to another through socialisation. Consequently, socio-cultural dynamics, in relation to entrepreneurship, point to all the elements within the social system and culture of a group of people which positively or negatively influence entrepreneurship development or entrepreneurial behaviour and performance. Close to this is the role of demography on sustainable entrepreneurship development in Nigeria. Demography, essentially, is an interdisciplinary study of human populations which deals with social characteristics of such populations and their development through time. In this study, focus is on how the impact of Nigeria’s increasing population has resulted in the endemic poverty scourge, unemployment crisis and fallen standard of living of citizens and how entrepreneurialism could become a panacea in resolving these conundrums.

As a corollary, there is a general consensus that socio-cultural and demographic dynamics influence entrepreneurship in the society (Akpor-Robaro, 2012; Berger, 1991; Imhonopi and Urim, 2012; Ogundele and Ahmed-Ogundipe, 2010; Urim and Imhonopi, 2013). Specifically, some studies have identified the role that demographic and personality characteristics of entrepreneurs play in determining entrepreneurship development. In his study, Hornaday (1990) considered the place of class and educational background, age and gender as they influence entrepreneurialism in society. Pointing to historical accounts, Bolton (1971) asserts that the majority of individuals who entered business did so through existing family interests. As Mehralizadeh and Sajady (2006) observed, regarding personality traits, there is an emerging view held by economists that particular traits characterise the successful entrepreneur (Chell, Haworth & Brearley, 1991; Miner 1997; Sullivan, Warren and Westbrook, 1998; Ward, 1992). Particularly, Miner (1997) proposes that there is not just one kind of person who has the potential to succeed as an entrepreneur, rather there are four types, namely: the Personal Achiever, the Super salesperson, the Expert Idea Generator, and the Real Manager. While the main interest for the Personal Achiever is the need to achieve stated goals in his/her entrepreneurial efforts, he/she often has insufficient
knowledge to run the business/organisation effectively and is likely to expand the business too quickly in his/her pursuit of success. Super salespeople are experts at bringing in new customers, but often lack the necessary management skills to run a successful business, and therefore need someone else to oversee the operations. This is where the Real Manager comes in because the individual provides stability, decisiveness and authority required to run the organisation. While Miner’s thesis may be criticised for being too simplistic and overly generalised, it bears some truth in the sense that the entrepreneurial space comprises people with differing strengths and weaknesses and there might be room for everyone. Additionally, the psychological characteristics used to describe successful entrepreneurs have frequently included: the need for achievement, propensity for risk-taking, personal and interpersonal values and innovativeness (Low and MacMillan, 1988).

The role socio-cultural factors play in entrepreneurship is not novel because more than 100 years ago, Weber in his path-breaking study examined the relationship between religious-ethical motivations and entrepreneurship development (Bergmann and Sternberg, 2007). Weber put forward the argument that Protestant labour ethics had made a substantial contribution to the development of modern capitalism because it had changed the attitude towards labour. Although his thesis has been criticised for pointing to religious motivations as the trigger for entrepreneurialism in society, Weber’s identification of the role culture plays in stimulating enterprise has been adjudged as groundbreaking and as a major contribution to the discourse on factors that stimulate entrepreneurial development in the society. Building on this Weberian stance, Bergmann and Sternberg (2007) have observed that culture indeed influences economic activity in many ways: (i) Culture is known to influence attitudes towards work and consumption; (ii) Culture has an influence on the organisation of economic activity and the shaping and effectiveness of institutions, and (iii) culture also has an impact on social networks and confidence building within social groups.

Taking this argument further, Akpor-Robaro (2012) has identified reasons people opt for entrepreneurship as against paid employment. He lists these as family orientation, educational incubation factors, displacement factors and push-pull factors. Family orientation, in this sense, means that family background and orientation are sources for entrepreneurial characteristics and the reason for entrepreneurship development for some people. Thus, family is the fulcrum on which entrepreneurial passions and initiatives turn. The thinking here is that the home atmosphere and values of an entrepreneurial family can provide a great deal of nurturing and support for development of entrepreneurial personality or character. Thus, the family background serves as a strong source of influence whether the individual would be an entrepreneur or not. However, as Akpor-Robaro (2012) aptly noted, the validity of this theory is subject to debate because sometimes, if not most times, offspring of entrepreneurial families may choose a different career path from their parents’ which may jeopardise the future or sustainability of such businesses. Thus, family orientation in stimulating entrepreneurial initiatives suffers as a result of lack of entrepreneurial succession.

The educational incubation factor posits that educational development aids entrepreneurship development because it creates awareness and new orientation and knowledge for beneficiaries. It is contended that societies with high level of education tend to produce more entrepreneurs than societies with less educated people. Advanced societies are cited as examples of such societies and for this reason premium is placed on the educational development of citizens in such societies. However, some believe that educational development rather than spawn entrepreneurial initiatives inhibits the creative and challenging nature of entrepreneurship (Akpor-Robaro, 2012; Shapero, 1975). From observation of business ownership in a country like Nigeria, this argument appears to be valid as most small and medium business ventures are not owned by people with high formal education but semi-literate or secondary school graduates. Most times, majority of those with formal education only possess first degree or HND certificates. This is because, highly educated people are more rational in their thinking, middle-class in their orientation and may not be too comfortable with the idea of starting a young business which they know could fail for real or imagined causes. Therefore, highly educated people settle for the golden handcuffs of corporate employment.

Regarding displacement as a factor for entrepreneurship development, two main types have been identified within the socio-cultural environment, i.e. cultural displacement and economic displacement. While cultural displacement exists because of exclusion from certain jobs or professions as a result of cultural factors such as ethnic background, religion, race and gender, economic displacement arises when there are complex economic problems such as a recession or depression which could lead people to opt for entrepreneurship as a survival strategy. This school of thought is probably true in developing societies like Nigeria where subjective criteria such as ethnicity, cronyism and nepotism have been known to be benchmarks for accessing or enjoying citizen rights, privileges and opportunities (Onifade and Imhonopi, 2013). Tangentially related to this, people opt for entrepreneurship because there are no jobs in sight.
The pull-push school of thought states that entrepreneurial motivation can be observed by the impact of pull and push factors. Simply, this school argues that some entrepreneurs are pulled into starting up a business while others are pushed into it. While the pull factors are positive because here the entrepreneur wants to realise his passion, become his/her own boss and gain financial independence, the push factors are negative because such entrepreneurs might have been forced into entrepreneurship as a result of negative life experiences such as loss of jobs, unemployment, existing low-paying jobs or due to some other negative life occurrences. There is the thinking that “pull” entrepreneurs tend to be more successful than the “push” entrepreneurs. This is because while the latter may abandon their entrepreneurial initiatives when their conditions improve for instance when they get a high-paying job, the pull entrepreneurs are in business as a result of passion or to achieve a social and/or economic goal.

3. Theoretical Backcloth

State theory is one of the development theories that arose as a critique of the Modernisation and World System theories. Modernisation theory states that development within the society could only be achieved through internal dynamics, social and cultural structures and the adaptation of new technologies to be copied from developed countries. State theory arose as a strong counterpoint to that school of thought. According to this theory, the economy is intertwined with politics and therefore the take-off period in development is unique to each country (Imhonopi and Urim, 2010). State theory emphasises the effects of class relations and the strength and autonomy of the state on historical outcomes. Thus, development involves interactions between the state and social relations because class relations and the nature of the state impact the ability of the state to function. Development is therefore dependent on state stability and influence externally as well as internally. State theorists argue that internal situations in societies seriously affect the processes of modernisation. For instance, a state in which favourites are rewarded and state or official corruption is prevalent causes the state to suffer in terms of modernisation. This inhibits economic development and productivity of the state and makes the state unattractive for foreign direct investments. This status quo slows the process of modernisation and creates the need to sort out internal contradictions so as to aid the process of modernisation. From the standpoint of state theorists, looking at development from the interaction between the metropolis and periphery does not arise because the state has a key role to play in the development of the institutions in developing countries. Besides, state theorists believe that development is not a unilineal process but is dependent on the internal make-up or composition of each state. Thus, they argue that developing economies have hope of turning around the fortunes of their institutions and the polity by pursuing internal growth through strengthening the institutions and agencies of government, putting in place a value system to which all stakeholders must subscribe and committing to the development agenda of government. Applying this theory to the question of sustainable entrepreneurship development in Nigeria, it is imperative that the Nigerian state should address those socio-cultural and demographic challenges facing the citizenry. In this case, entrepreneurship development is one vehicle through which the Nigerian state could galvanise economic growth and development, create multiple jobs for the unemployed, empower the vulnerable sectors and hasten the country’s modernisation process.

4. Socio-cultural and Demographic Dynamics Affecting Sustainable Entrepreneurial Development in Nigeria

While the Nigerian government has put in place different initiatives at various times and by different administrations to stimulate enterprise development in the country, there are many socio-cultural and demographic forces that have combined to frustrate the envisaged advantageous outcomes or deliverables that such programmes portend. This section will examine these dynamics.

First, a challenge facing Nigeria and which has throttled its ambition to trigger economic growth especially through entrepreneurial development has been the embedded ascriptive tendencies of the state in the distribution of state resources, opportunities and benefits. In other words, state resources and benefits are distributed based on subjective considerations such as ethnicity, religious affinity, nepotism, cronynism and favoritism (Onifade and Imhonopi, 2013). In Nigeria, one’s closeness or relationship to the power wielders has become a precondition for accessing benefits and opportunities in the state. Merit is, therefore, sacrificed on the slab of ascription. This has a negative spiral effect on entrepreneurship development because the latter thrives in an environment of free enterprise and merit. For instance, many of the credit facilities provided by government through agricultural and development finance banks are accessed not because the beneficiaries have bankable business plans and that their business looks feasible and profitable, but because such individuals are close to the political managers of the state. This frustrates enterprise development as many young and bright Nigerians with
great business ideas cannot access funding or business development services because they are strangers in the corridors of political power.

Second, population explosion has remained an albatross to sustainable entrepreneurship development in Nigeria. According to a report, Nigeria’s population increased from 120 million in 2000 to 160 million in 2010 and the latter figure might be revised upwards by as much as 40% when the country completes the rebasing of the economy in 2013 (NNBS, 2012). This population explosion with over 65% of the country’s population as youth puts pressure on the resources of government and existing infrastructure and leads to unabated rural-urban drift. With dwindling oil receipts, as a result of sustained oil theft, oil pipeline vandalisation and militancy in the Niger Delta region, the government has continued to fail in meeting its obligations to citizens. Thus, the human development indices of the country especially quality of life, education, health and security of the people have continued on a downward spiral (Edewor, 2002, 2007). Since the resources of government are limited, creating a favourable ambience for the flourishing of sustainable entrepreneurialism in the country becomes Herculean for government.

Third, official corruption has also contributed to the dwindling resources of government. According to Onifade, Imhonopi and Urim (2013), official corruption in Nigeria manifests in the incapacity of government to deliver public goods to its citizens. This lack of basic necessities by the Nigerian people has created a growing army of frustrated people who resort to violence at the slightest provocation or opportunity. Although Nigeria has the resources to provide for the needs of its people, the entrenched culture of corruption in public service has resulted in the dearth of basic necessities, leading to what Hazen and Horner (2007) call a “Paradox of Plenty”. Sustaining entrepreneurial development in an atmosphere of crass kleptomania of state resources leaves little or nothing left for the development of the entrepreneurial space. Closely related to official corruption is the issue of a culture of waste. The Nigerian government bizarrely runs an expensive democratic governance which benefits only 1% of the population (Rogers and Sedghi, 2011). As Imhonopi and Urim (2012) observed, granted that democracy is expensive everywhere, but the cost of running the Nigerian democracy has become simply an obscenity. They argue that government manages wealth, and does not create it, and a society which rewards the most those who create the least wealth is an unjust one. Within this governance matrix of waste, no meaningful development can happen or has happened in the entrepreneurial space.

Fifth, poverty has become a ubiquitous social problem visible all over the place in Nigeria. Many citizens are barely surviving on less than a dollar a day. This situation produces multiple negative outcomes. There is continuous scramble for state resources as citizens vie with one another in an effort to outdo others so that when they access elected, public service or political positions, they can enrich themselves to the point of perpetuating such wealth for many generations. This is the reason public and political institutions in Nigeria are the largest employer of labour and the greatest inheritor and beneficiary of state resources. This is why there are so many political assassinations, party factionalisation and fractionalisation and stiff competition for political offices and public service positions. Thus a culture that is anti-entrepreneurship has emerged: it is a culture that believes that to be wealthy, get close to public office holders or get hold of a public office yourself. Young Nigerians, therefore, have few role models to learn from whose wealth was made purely from their entrepreneurial initiatives, creativity and innovation.

Sixth, sustainable entrepreneurship development cannot blossom when half of the population, i.e. the womenfolk are denied access to finance, inheritances, opportunities and benefits because of their gender. Hence, the androgenisation of the entrepreneurial space such that men are more advantaged at the expense of the womenfolks leaves half of the entire population of the country on the fringes of economic or entrepreneurial marginalisation. Seventh, a prebendal or rentier economy in which the entire social pecking order, top-to-bottom and bottom-up, lives on rent collected from multinational corporations, the public and private sectors does not allow for the flourishing of entrepreneurial initiatives. For instance, many cities in Nigeria are hosts to an army of young Nigerians whose job is to work as motor boys or touts collecting rent from road users, commercial bus drivers and hawkers. Since these monies go into private pockets, a culture of free money is ingrained in the consciousness of these young Nigerians. Everyone, therefore, aims to join this ragtag army to get their own share of the “national cake”. Thus, an anti-entrepreneurship culture is sown and nurtured with negative harvests of increasing street urchins, violent youths, gangsters, youth robbers and sociopaths.

Eighth, the manufacturing sector in Nigeria which was once reckoned as the second largest employer of labour is comatose because of multiple challenges inherent in the business environment such as high cost of running businesses in Nigeria, multiple taxation, poor infrastructure which puts more pressure on business owners and an import dependent economy where everything from luxury goods to basic items like match boxes are imported from abroad. Therefore, it seems the Nigerian state takes delight in creating jobs for other economies and sustaining businesses in such countries than it should have done for the country. Without jobs, citizens who strive to break out of the various negative cultures that are a constraint to entrepreneurship development are not able to make a headway in their entrepreneurial pursuits because of the convoluted power, infrastructural and
financial challenges. As a corollary, the business climate in Nigeria is inclement for entrepreneurship to thrive in the country.

Ninth, a mono-cultural economy that is dependent on oil receipts forces citizens to throng to the sector for jobs and opportunities. Many Nigerian youths will prefer to work in the oil sector even as blue-collar workers than create new businesses that have potential of growth and profitable. Thus, continued dependence on oil has become a Dutch disease that has eaten into the very soul of the country.

All these internal contradictions have slowed down efforts to stimulate sustainable entrepreneurial development in the country and reduced the programmes of government to just programmes without impact. Resolving the contradictions, as the State Theory canvasses, is one way to free resources, create the right business ambience and cultivate the right values that will enable the state to achieve its goal of sustainable entrepreneurial development for economic growth.

5. Conclusion and Recommendations

There is a dominant consensus that entrepreneurship development has become a desideratum for national development as countries now see the sector as having the potential to drive their various economies, engender employment opportunities, foster massive product development, support the manufacturing value chains and engage the youth, women and other vulnerable members of society. However, in Nigeria, extant socio-cultural and demographic dynamics have continued to delay the gains Nigeria could have been reaping from the various programmes of government to bring about economic renaissance through entrepreneurial development initiatives. Therefore, while the authors contend that Nigeria has the capacity to regenerate its economy through entrepreneurial development, just as state theorists have observed, this can only happen when the government or representatives of the state consciously begin to wean itself off the various internal contradictions which are carcinogenic to economic growth and development. Hence, the political leadership must stop to pay lip service to the issue of ethical and popular leadership that places the interest of the people above that of elected and appointed officials of government.

Government needs to take the issue of infrastructural development seriously. It is important that government sees to the crystallisation of the ongoing power sector reforms. Other items of infrastructure like good roads, potable water, housing and other amenities must be adequately provided for to take care of the burgeoning population, on one hand, and on the other, create the right ambience that is clement for entrepreneurship to flourish. Government must lead by example by making sacrifices on its own through the reduction of the cost of governance. The duplication of government offices, ministries, departments and agencies should be addressed. Official corruption should be discouraged. Government must evolve stiffer punishment for political or economic corruption against the state and its resources to dissuade young Nigerians and other citizens from seeing public or political office as the primrose path to undeserved fortunes and wealth. The value system in the country must be reappraised so that no longer will corrupt government officials be seen as heroes and celebrities. Rather, hardworking business people, entrepreneurs and professionals must be seen as those who make the economy to run its full course. Fighting poverty must become a sincere war that government must be determined to win. To do this, empowerment programmes through financially viable skills acquisition and training must be made available to Nigerian youths, women and other vulnerable sectors so that these people can acquire the right skills, training and attitude to venture into entrepreneurship. Since everything rises and falls on leadership, the political leadership must brace up to make change happen by removing the identified socio-cultural and demographic hurdles in the way of sustainable entrepreneurship development in Nigeria.

References


