

ECONOMICS OF ENTREPRENEURSHIP ACTIVITIES OF MUSLIM YOUTH CORPS IN KANO STATE, NIGERIA

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ABSTRACT

The majority of Nigerians live on less than \$1.90 per day, which clearly reflects Nigeria's high level of poverty. Sadly, the younger generation is being severely affected by this adverse situation. With the population of youth being approximately sixty-eight million, the country could reduce the level of poverty by further promoting youth engagement in entrepreneurship. The promotion of entrepreneurship could make a positive impact and encourage economic growth and development. This white paper is an attempt to investigate the economics of entrepreneurial activities of Muslim youth corps members in Kano state. Its focuses on -Identify various entrepreneurial activities by the Youth Corps members, Examine the factors determining their participation in entrepreneurship activities, and Suggest solutions to identified constraints of entrepreneurial activities. A multistage sampling technique was used to select sixty respondents among corps members and primary data was collected with structured questionnaires. The data was analyzed using descriptive and inferential statistics. The results revealed that more than 80% of the respondents were between 20 and 30 years of age. The majority of the respondents were male and 90% were non-native, while 40% engaged in entrepreneurship. The inferential statistics showed that age, level of parents' education, stipends received and membership of an association, determined participation in entrepreneurial activity. The study therefore recommends raising awareness on the importance of skill acquisition and implementation for income generation among the youth, as well as enactment and implementation of appropriate governmental policies to boost entrepreneurship of economic growth.

KEYWORDS: Poverty, Entrepreneurship, Youths, Economic growth.

1. INTRODUCTION

Africa is blessed with an abundance of mineral resources, a young and skilled workforce and biodiversity and is the world's second largest and second most populous continent. These factors are expected to make its economies flourish and as such, raise the standard of living of its people. Yet many people in Africa are surrounded by poverty so much so that the term 'poverty' is often associated with Africa and African countries. It was such a norm that Africa is only perceived as having poverty, war, corruption and disease, that an eleven-year-old was once asked by her peers, "Did you go to school in Africa?" (Juvane, 2014).

Poverty is a state or condition in which a person or community lacks the financial resources and essentials to enjoy a minimum standard of life and well-being that is considered acceptable in a society (Poverty, 2017). It is worth mentioning that poverty does exist in Africa. For example, the majority of Nigerians live below the poverty line (Dauda, 2016; Khan & Cheri, 2016) and Nigeria is the most populous country in Africa (Mwaniki, 2018). Not only does poverty exist in Africa, but it is also increasing.

In a report by some campaign groups (2017), the authors indicated that the number of poor people in Africa is under reported and rising. Based on the report, the number of extremely poor people in Africa has increased to three hundred and eighty-eight million (388,000,000) compared to two hundred and eighty four (284,000,000) million in 1990. (*Honest Accounts 2017: How the world profits from Africa's wealth, 2017*)

There is no universally accepted definition of the term 'entrepreneurship'. Many scholars define entrepreneurship differently. For example, entrepreneurship has been described by Bade and Parkin (2013) as one of the factors of production and describes it as human resource that manages the land, labor and capital to produce goods and services. Robert and Albert (1989) defined an entrepreneur as someone who specializes in taking responsibility for and making judgmental decisions that affect the location, form, and the use of goods, resources, or institutions (Hebert & Link, 1989).

Wennekers and Thurik (1999) comprehensively define entrepreneurship in an attempt to link it with economic growth as "the manifest ability and willingness of individuals, on their own, in teams within and outside existing organizations, to perceive and create new economic opportunities (new products, new production methods, new organizational schemes and new product-market combinations) and to introduce their ideas in the market, in the face of uncertainty and other obstacles, by making decisions on location, form and the use of resources and institutions." (Wennekers & Thurik, 1999)

On the other hand, Montanye (2006) argued that the theory of entrepreneurship is one of the weakest links in modern economics (Montanye, 2006). He further stated that although the entrepreneur is nowadays viewed as a 'mildly heroic' figure, an entrepreneur had been reviled from classical antiquity. However, as Wennekers and Thurik (1999) argued, many economists and politicians now have an intuition that there is a positive impact of entrepreneurship on the growth of GDP and employment.

Wennekers and Thurik (1999) and Hebert and Link (1989) list some roles that an entrepreneur plays:

- The person who assumes the risk associated with uncertainty.
- The supplier of financial capital.

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- An innovator.
 - A decision-maker.
 - An industrial leader.
 - A manager or a superintendent.
 - An organizer and coordinator of economic resources.
 - The owner of an enterprise.
 - An employer of factors of production.
 - A contractor.
 - An arbitrageur.
 - An allocator of resources among alternative uses.
 - The person who realizes a start-up of a new business.

For this paper, entrepreneurship is considered as a human resource that manages the land, labor and capital to produce goods and services. Kevin (2013) believed entrepreneurship can be taught and learned as opposed to those that believed entrepreneurs are born. Consequently, Nigerians could explore entrepreneurship as a means of economic development.

A lot of literature exists on the relationship between the population and economic development. Although some theories suggest a negative relation between population growth and economic development, there are still some that argue in the positive.

A growing population will mean a young population and hence a huge labor pool and ‘a huge labor pool also means opportunities for rapid economic growth’ (Adekoya, 2013).

To help change the notion that “Africa is poor”, researchers believe that the promotion of active engagement in entrepreneurship by the youth will have the potential to improve the image of Africa on the world stage, and to upgrade the actual standard of living of its people. Consequently, the paper presents the findings of investigations of the economics of entrepreneurial activities engaged in by the Muslim youth corps members in Kano state. The paper, therefore, aims to:-

- Investigate corps members’ participation in entrepreneurial activity.
- Identify the entrepreneurial activities engaged in by the corps members in the study area.
- Examine the factors determining their participation in entrepreneurship activities.
- Highlight some of the constraints faced by entrepreneurs in the study area.
- Suggest solutions to the identified constraints of entrepreneurial activities.

2. REVIEW OF LITERATURE

The survey research design was adopted for this work. This is because a survey research design allows data to be obtained from a sample of the population for study and analysis purposes. Subsequently, the findings from the representative sample can be generalized through inference to

the general population. Questionnaires were used as a means of collecting data. Some corps members were served questionnaires. The number served and those returned were recorded. The response from the survey was codified for statistical analysis, then analyzed based on its contents. Stratified random sampling technique was also used. Corps members were stratified into those that are involved in entrepreneurial activities and those who are not.

In total, sixty respondents among members of the National Youth Service Scheme (NYSC) Muslim Corpers' Association of Nigeria (MCAN) were randomly selected. Twenty-four (24) of the respondents engage in entrepreneurship activity, while thirty-six (36) of them do not, representing 40% and 60% respectively.

Corps members were selected for this work because only graduates are called upon to serve. This ensured that all the participants were knowledgeable with an awareness of what would likely benefit them. Also, the NYSC is a program that involves the youth. NYSC is "a mandatory one-year national service for all universities and polytechnic graduates that are thirty (30) years of age or less and not serving in the military" (About the Scheme, 2017).

This study was conducted in Kano State which has approximately 9.4 million people as per its 2006 national census. Ibrahim (2014) estimated that the Kano population as of 2013 was 29,050,081. The high population of the state provides a large market for almost any commercial activity. Kano is the most populous state in Nigeria. More than 95% of the people in Kano are Muslims, and more than 99% of its indigenous people are Muslims. Hence the selection of the Muslim Corps for the representation of the population.

3. RESEARCH METHODOLOGY

This section presents the data extracted from the field work and the analysis of the information gathered. A total of sixty questionnaires were completed by Muslim youth corps members who were serving the Kano metropolitan area during the 2016 – 2017 service year. Descriptive statistics was used to describe the respondents' involvement in entrepreneurial activity. Likewise, inferential statistics was used to examine the factors determining participation of respondents in entrepreneurial activities in the study area, and then enumeration of some constraints to entrepreneurial activities in the study area. The paper concludes with some recommendations for governments, researchers and stakeholders.

3.1 Participation of Respondents in Entrepreneurial Activity

The research found that only 40.0% of the respondents were engaged in entrepreneurial activity, while 60.0% do not, as indicated in Table 1. This means that there are more young people that could add value to their community by engaging in productive activities.

Since the respondents were selected highly educated persons, and less than half of them do engage in entrepreneurship, it implies that the number of people that engage in entrepreneurship among the rest of the youths that are less educated is expected to be much lower. Considering that the population percentage of young people in Nigeria is high (60%), it means the future is bright with the right efforts by government and individuals.

3.2 Entrepreneurial Activities Engaged-in by the Respondents

The entrepreneurial activity in which the corps members participated include financial services, food services, personal services (inclusive of laundry services, personal, hair styling), repair

services, rental services, farming, tailoring, trading, and Information Technology services. It was discovered, as shown in Table 2, that 7.1% of the total entrepreneurial activity engaged by the Muslim corps members in the study area was financial services, while 25.0% of the activity was in food services.

Lodging, transport, and tourism and recreational services were not among the entrepreneurial activity engaged by corps members in the study area. Personal services (which includes laundry, personal tutor, hair styling, etc.) constituted 14.3% of all the entrepreneurial activity engaged by the respondents. Repair services and rental services constituted 10.7% each, while other activity constituted 32.1% of all the entrepreneurial activity. The ‘other activity’ categories include farming, tailoring, trading, and Information Technology. Apart from the activity mentioned, there are many others that could add value to people in order to make life easier.

3.3 Factors That Determine Corps Members Participation in Entrepreneurial Activity

Table 3 indicates that the age of the respondents, educational level of parents, monthly stipends from home and being a member of an association are the determinants of participation in entrepreneurial activity in the study area. Age of the respondents, educational level of parents and being a member of an association positively influenced corps members’ participation in entrepreneurial activities, while monthly stipends from home negatively affected it.

At 10% level of significance, the probability that corps members will participate in entrepreneurial activity in the study area increases as the age of the respondents and their parents’ educational level increases. Since association with people of knowledge advanced one’s knowledge and awareness, it will be expected that the respondents that come from the elite homes will be more likely to understand their societies and benefit from entrepreneurial involvement in the society. Also, as age increases, peoples’ needs expand, especially in the poverty-stricken communities. For example, a wage earner after 10 years of receiving the same amount of income cannot be able to cater for his needs with that income in the tenth year the same way as he had done in the first or second year of the job. Hence, older respondents are more likely to be involved in entrepreneurship due to their understanding and needs.

Likewise, being a member of an association at 1% level of significance increases the likelihood of participation in entrepreneurial activity by the corps members. This is because there exists a direct relationship between being a member of an association and participation in entrepreneurial activity.

Associating with people, especially people with experience, tends to motivate and influence individuals to take more risk in achieving their goals. Interaction with people of experience and knowledge influences people. Entrepreneurs learn, vet and improve their ideas by the assistance acquired through a network of colleagues, seniors and sometimes even people that are on lower level.

To succeed in reaching a desired social level, entrepreneurs need to “establish a diverse network of individuals who think big and understand what it takes to arrive at that level”. As Reid Hoffman, founder of LinkedIn, told a group of entrepreneurs in Cambridge, “Talk to as many people as you can. What you want are the people who will tell you what is wrong with your idea. They are the ones you can learn from.” (Johnson, 2013)

Conversely, at 5% level of significance, the likelihood that corps members will participate in entrepreneurial activity decreases as their monthly stipends from home increases. This does not follow the fortiori. It may be because many of these graduates lack the required entrepreneurial

skills needed for such activities, particularly those from elite homes, and the fact that their needs are met, which makes them afraid of losing the comfort they enjoyed when they dive into entrepreneurial world.

A lack of entrepreneurial understanding and adhering what one is accustomed to prevents many from starting a new business. This follows the logic presented by Bade and Parkin (2013) presented in comparing US and Peruvian citizens that there were more entrepreneurs in Peru than in the United States.

3.4 Some Identified Constraints to Entrepreneurship in the study area

Some of the major issues towards engaging in entrepreneurship activity mentioned by many respondents were financial constraints (43.1%), high transportation cost (29.4 %), communication problem (15.7 %) and absence of motivation/enabling environment (11.8 %) (See Table 4).

Other identified constraints were multiple taxation from governmental institutions, poor standards of living of the people, poor supply of raw materials and basic services, lack of governmental policies that would encourage entrepreneurship, many debtors, inefficiency of governmental supervisory agencies, absence of central database where information will be readily available for researchers or entrepreneurs and absence of support of entrepreneurs by the government and community.

4. RESULTS & DISCUSSION

The purpose of this study was to examine the economics of entrepreneurial activity of Muslim Youth Corps in Kano State, Nigeria with a view to promoting entrepreneurship among the youth for sustainable economic development and reduction of the poverty level in the populace. The research was based on the concept that economic development leads to the reduction of poverty in society, and that entrepreneurship is among the factors that drive the economy towards development and growth. It was also on the belief that the young people in every community have a great role to play in the well-being of that community.

The research found that only 40% of the respondents are engaged in entrepreneurship. Therefore, the need to double efforts in involving more youths to entrepreneurship is required. Furthermore, it was found that farming, tailoring, trading, financial services, food services, personal services and information technology related services were among the activities engaged in by the youth corps members.

Age of the respondents, parental level of education and social association were found to have a positive relationship with entrepreneurship. On the other hand, stipend received the home has a negative relationship with entrepreneurship. Moreover, some of the constraints identified were unavailability of capital, poor standards of living, transportation related issues, and absence of a central database where information is readily available for researchers or entrepreneurs.

5. CONCLUSION & RECOMMENDATIONS

This study aimed to examine the economics of entrepreneurial activity of Muslim Youth Corps in Kano State, Nigeria with a view to promoting entrepreneurship among the youth for sustainable economic development and reduction of the poverty level in the populace. Generally, this study found that only 40% of the respondents are engaged in entrepreneurship. The study suggests that

there should be a massive campaign for awareness to enlighten young people of the need to actively engage in entrepreneurship for their personal and national development. There should also be individuals or groups in communities that will be responsible for guiding aspiring entrepreneurs to realizing their aims. This can be done by supporting those individuals and groups through government initiatives that will also provide guidance, necessary skills, and advice to the youth in the field of entrepreneurship.

The government should encourage youth in entrepreneurship through providing interest-free loans to entrepreneurs and small business start-ups as well as streamlining taxes or even providing tax holidays to new businesses. There is also the need for the enactment of policies that will provide an enabling environment for entrepreneurs and act as a form of shield to them from the volatility of the market.

The government may concentrate spending of their major infrastructural projects to ensure accident-free roads and connection of most rural areas to the cities, so that this network will enhance development there by reducing poverty from the grass roots. Government should also ensure that its agencies are discharging their duties as effectively as possible.

Furthermore, there is an urgent need for Government-academia coalition to support research and development, particularly through the promotion of entrepreneurship, and implementation of research findings for national development.

Finally, there still exists the need to investigate ways and means to encourage and support entrepreneurship among young people and, to investigate the connection between individual actions and macroeconomics.

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APPENDICES

TABLES

Table 1: Distribution of Respondents by involvement in entrepreneurial activity

Engaged in Entrepreneurship	Frequency	Percentage
Yes	24	40.0
No	36	60.0
Total	60	100

Note: Source: Field Survey, 2018. The ‘Yes’ represents those corps members that consider themselves to be involved in entrepreneurship. While the ‘No’ are for those corps members that do not consider themselves to be involved in entrepreneurial activity.

Table 2: Distribution of Respondents by Entrepreneurial Activity

Entrepreneurial Activity	Frequency	Percentage
Financial services	2	7.1
Food services	7	25.0
Lodging services	0	0
Personal services (laundries, making hair, Personal tutor)	4	14.3
Recreational & tourism services	0	0
Rental services	3	10.7
Repair services	3	10.7
Transport services	0	0
Others	9	32.1
Total	28	100

Note: Source: Field Survey, 2018

Table 3: Factors Affecting Participation in Entrepreneurial Activities

Entrep	Coef.	Std. Err.	z	P>z	[95% Conf. Interval]
Rds	-1.046046	.8899084	-1.18	0.240	-2.790234 .6981424
Sex	-.1332584	.3706388	-0.36	0.719	-.859697 .5931803
Age	2.654565*	1.508270	1.76	0.090	-1.043205 1.174119
Ms	.1989331	.6235451	0.32	0.750	-1.023193 1.421059
Educ	-.4975628	.542695	-0.92	0.359	-1.561225 .5660998
edu_pt	.4496755*	.2310458	1.95	0.052	-.0031659 .9025169
polyg	-.3262533	.483179	-0.68	0.500	-1.273267 .6207602
hm_inc	-1.00031**	.042585	-2.349	0.019	-.0000959 .0000339
pri_ass	.0000247	.0000338	0.73	0.466	-.0000416 .000091
hh_sz	.002709	.0468333	0.06	0.954	-.0890827 .0945006
assc	.1275656***	.03842	3.32	0.005	-.6568108 .911942
cons	-1.471408	1.722115	-0.85	0.393	-4.846692 1.903876

Note: Source: Author’s Computation

Dependent Variable: Participation in entrepreneurial activities

*** Significant at 1%, ** Significant at 5%, * Significant at 10%

Table 4: Distribution of Respondents According to Constraints to Entrepreneurial Activity

Entrepreneurial Activity	Frequency	Percentage
Financial constraints	22	43.1
High transportation cost	15	29.4
Communication problem	8	15.7
Absence of motivation/enabling Environment/ Personal tutor)	6	11.8
Total	51	100

Note: Source: Field Survey, 2017

*Multiple Responses