ENTREPRENEURSHIP AND SMALL BUSINESS - THE BEDROCK TO A GLOBAL ECONOMY IN RECESSION

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Abstract

Entrepreneurship, with its focus on opportunities, is often seen as one of the foundations of poverty alleviation. This paper, therefore, seeks to discuss entrepreneurship and small business as the bedrock in the global economy in recession. One of the factors that influence the economy of a nation, either directly or indirectly. It is a fact that entrepreneurship plays a significant part in shaping the landscape of a country's economy. Economists and policy makers recognize this fact. Entrepreneurship is the engine of economic growth and it has come to be perceived as a catalytic agent for expansion and promotion of productive activities in every sphere of economic life all over the world. This research focus on finding out how entrepreneurship influences the global economy in recession. The main objective of this paper is to show the significant of small business impact on the global economy in recession. It is, thus, reasonable to contend that entrepreneurship is instrumental to unlocking economic growth, create employment and reduce poverty. The paper further examines some of the challenges faced by entrepreneurs and small business to global economy in recession. Secondary source of information was adopted and a qualitative technique that focused on conceptual exploration, theory and critical analysis of empirical studies. The literature review was comprehensive and aligned to the research questions. Qualitative method that provides relevant information were used. Data were collected through books, journal and internet. The paper concluded that SMEs are the largest employers of labor and wealth creation. SMEs provide employment, eradicate poverty and help in developing entrepreneurial activities. Lastly, recommendation has been offered to boost SMEs developments in economic recession.

Key Words: Entrepreneurship, Small Business, Bedrock. Global Economy, Recession

Introduction

Entrepreneurs are frequently thought of as national assets to be cultivated, motivated, and remunerated to the greatest possible extent. Great entrepreneurs have the ability to change the way we live and work. If successful, their innovations may improve standards of living, and in addition to creating wealth with entrepreneurial ventures, they also create jobs and contribute to a growing economy. Entrepreneurship is thus important for a number of reasons, from promoting social change to driving innovation (Naude, (2018).

Entrepreneurship is generally described as the ability of an individual or a group of individuals to create or discover an opportunity and utilize it to the benefit of the society, which, in turn, will bring success to the innovators and their organization (Cuervo-cazurra, 2019). The author take a legalistic view of entrepreneurship and define it ‘as the creation of fresh businesses, a stable collection of people who coordinate their efforts to produce fresh value-added economic activity’. His relationship between entrepreneurship and economic growth of a country has increasingly gained a lot of interest from economists and policy makers over the years. However, some view it as a direct relationship, others see it as an indirect kind of relationship. (Pahn, Venkataraman & Velamuri, 2019).

According to Sarkar (2018), this interest has been fuelled by the desire to understand how entrepreneurship influences the economy of a country. Both the economists and policy makers recognize the effort of entrepreneurship on the economy of a country. In fact, entrepreneurship has been considered as the engine of economic growth and it has come to be perceived as a catalytic agent for expansion and promotion of productive activities in every sphere of economic life all over the world, (Galindoa, & Mendez, 2016). The role and significance of entrepreneurship development in numerous nations worldwide were quite significant. Numerous countries leaders and scholars have proposed that entrepreneurship can be a panacea for empowerment, job creation, economic transformation, and poverty reduction. For the past decades, numerous nations in developed and developing nations have moved their policies from being directed towards a managed economy to an entrepreneurial economy. In addition, entrepreneurship largely contributes to proper utilization of resources, the establishment of a developed self-sufficient society, and creation of employment opportunities, (Kshetri, 2018).

The role of entrepreneurship in economic development through job creation has turned out to be a priority for numerous nations against the provision of foreign aid. It calls for various international agencies and governments of other nations to embark on strategies to alleviate the scourge of poverty and promote global economy in recession. In the 1960s most of the Sub-Saharan African countries came out of colonization, hence being influenced to adopt a state-led centrally planned economic structure since they gained independence. Meanwhile, most developed economies in the recent time adopted a different model for their economic growth and development in absolute poverty reduction and employment creation. Africa is witnessing what is referred to as “youth bulge”, or a population dominated by young people. Governments of these African nations should be aware of the significance of making the best advantage of this young population, otherwise, it will be turned into a burden particularly in the prevailing increasing unemployment trend among most of the African nations. Youth unemployment is a problem that affects most countries, especially in Africa. (Mckeever, Anderson &, Jack 2016).

The role of small and medium enterprises as an instrument of sustainable growth in developing and under-developing economies or countries has been acknowledged and recognized the world over. The development of small and medium enterprises should be seen as an attempt towards accomplishment of a wider socio-economic goal, which involves poverty alleviation and eradicating of social problems among the population of these countries (Cook & Nixson, 2001). Small and medium enterprises drive country‘s development as they create social and economic development via employment generation and enhance the sustainable growth of Gross Domestic Product (GDP) (Titus and Cyril, 2017).

It is pertinent to note that SMEs will utilize labor intensive method and other scientific theories thereby reducing problem of poverty and unrest through wealth and job creation, particularly in developing countries. However, small and medium enterprises are expected to facilitate the growth and development of human, capital and material resources towards sustainable growth and development. (Baumol, Litan & Schramm, 2016). In view of these, many developing countries including Nigeria in particular had in the past devised policies and incentives for the general development of SMEs. The development of many countries is often measured by such indices as the level of industrialization, modernization, urbanization, gainful and meaningful employment for all those who are able and willing to work, income per capital, equitable distribution of income and the welfare and quality of life enjoyed by the population. There is no doubt that small scale enterprises exist in most economic environment, (Harbi, Grolleau & Bekir, 2015).

In recognition of the reasons of small scale enterprises in sustainable development and national growth, there has been a serious interest in recent years for development of Nigeria‘s SMEs particularly since the adoption of the economic reform in 1986. The small and medium scale industry is seen as a key to Nigeria‘s growth and alleviation of economic problems and hardship as well as unemployment in the nation. More so, promotion of SMEs in developing countries like Nigeria is of paramount importance since it brings about high and even distribution of income and wealth, economic self-dependence, creativity development, self-discipline, and host of other positive economic uplifting factors (Aremu, 2016). He further opines that, SMEs play an important role in the economic development and sustainability of any country in accordance with their relative levels of development. He stated that poverty is a worldwide phenomenon and its incidence in Nigeria had been high and on the increase since the first republic era in 1980s.

Aremu and Guru (2016), posited that SMEs provide income, savings and employment generation. They are seen as vital tools for the development of indigenous technology, entrepreneurial spirit which help in boosting economic and commercial activities in the country. It has been estimated that SMEs employ 22% of the adult population in developing countries. This implies that SMEs speed up the rate of socio-economic development of various countries, especially the less and developing countries. SMEs serve as a mechanism for attainment of national objectives and goals in terms of low investment cost, employment creation and expansion and minimizes the rural urban migration and in economic recession of a country. It can be established by the relatively less skilled labor force of a developing economies. It has been noted that SMEs play a significant role(s) in achieving political balance and sustainability in many countries of the world, they contribute to GDP, internal productivity is enhanced, increase export earnings and enhance capital inflow in the economy, (Jalil & Feridun, 2011).

Audretsch, (2019) assert that the significant contribution of entrepreneurship to economic growth lies in its serving as a medium for the spillover of knowledge that might otherwise have stayed un-commercialized. However, empirical evidence on the relationship between entrepreneurship and economic growth is conflicting (Van Stel, Carree, & Hurik 2019). Entrepreneurship on with per capita GDP growth in wealthy countries, its relationship with growth in poor countries is negative. In another study, Reynolds et al., (2018), mentioned that there is a negative correlation between real per capita GDP among all countries and the entrepreneurial activity. Also, some other authors find the similar outcome in their studies, (Baumol 2019). The author juxtaposes entrepreneurship against the hackneyed prescription of Keynesian theory that in times of economic downturn augmented government spending should be the panacea. He affirms that abundantly projects entrepreneurship can act as an alternative means of stimulating growth 'that may hold greater appeal for today's policy makers and global leaders'.

Evidence from West Germany indicates that entrepreneurship positively impacts growth, (Jiang,Wang, & Wu, 2017). Report from West Germany states that innovation efforts have an indirect effect on economic performance through entrepreneurship and that knowledge-based entrepreneurship positively explain regional economic performance. Mueller (2016) tests the hypothesis that entrepreneurship and university–industry relations promoted economic growth in West German regions between 1992 and 2002 and reports that regions with a prominent level of entrepreneurship and university–industry relationships record greater productivity, and consequently, economic growth. Both start-ups in innovative industries and university research in engineering science are found to advance economic growth. Mueller (2016), tests whether entrepreneurship is an important medium for knowledge flows and economic growth for the West German regions between 1990 and 2002 and finds that a rise in innovative start-up activity is more effective than an increase in general entrepreneurship in accelerating economic growth.

In another study, Stefanescu, (2019) examines the correlation between economic development and entrepreneurial activity in the European context. The group of nations as defined by the Global Entrepreneurship monitor employed for the survey are efficiency driven nations such as Turkey, Latvia, Croatia, Hungary, and Romania; and innovation-driven nations such as Switzerland, Greece, Norway, Slovenia, Germany, Belgium, Italy, United Kingdom, Ireland, Finland, Denmark, France, Portugal, Spain, Netherlands, Sweden, and Iceland. The survey discovers that nations with diverse economic development level are distributed based on their entrepreneurial activity during the international crisis'.

Harbi, Grolleau, & Bekir, (2011), explore the causal relationship between entrepreneurship and economic growth with data (1996– 2007) from 34 OECD countries and report that there is a unidirectional causality running from entrepreneurship to economic growth. The results also suggest that increases in self-employment promote economic growth over the short term but reduce economic growth in the long-term horizon. According to Galindoa and Mendez (2014), the authors examine whether feedback effects exist among entrepreneurship, economic growth and innovation employing statistics from thirteen developed nations. The authors discover proof in support of feedback effects economic activity supports entrepreneurship and innovation activities. The authors discover that innovation activities give backing to economic activity as well. Entrepreneurs play an essential role in bringing innovation to an economy, notably innovative technologies and production methods. (Schultz, 2016).

According to African Economic Outlook 2017, Entrepreneurship also pushes up total productivity through the process of "churning". New innovative firms put pressure on older firms to innovate. Entrepreneurship encourages diversification into new economic sectors and adapts foreign technologies to local markets for its growth. It is evident that with factors such as technological product, costs, and process, innovations have graduated to become one of the keys to competitiveness and business success. Competition in the global economy has now become knowledge-based and this is what Africa need to adapt to grow their economic sectors. Most countries in the Africa are known of traditional economic sectors such as textiles, leather, and food processing (Kshetri 2018). Such sectors need innovation and technological advancement for them to support modern entrepreneurship that will bolster economic growth.

Economic Recession

The National Bureau Economic Research (NBER) defines a recession as "a significant decline in economic activity spread across the economy, lasting more than a few months, visible in the real gross domestic product (GDP), real income, employment, industrial production, and wholesale-retail sales". A recession is also said to be when businesses cease to expand, the GDP diminishes for two consecutive quarters, rate of unemployment rises, and housing prices decline. A recession is a general downturn in any economy. A recession is associated with high unemployment, slowing gross domestic product, and high inflation. Is a period of general economic decline and is typically accompanied by a drop in the stock market, an increase in unemployment, and a decline in the housing market. Generally, a recession is less severe than a depression. The blame for a recession generally falls on the federal leadership, often either the president himself, the head of the Federal Reserve, or the entire administration.

Factors that Cause Recessions

High interest rates are a cause of recession because they limit liquidity, or the amount of money available to invest. Another factor is increased inflation. **Inflation** refers to a general rise in the prices of goods and services over a period of time. As inflation increases, the percentage of goods and services that can be purchased with the same amount of money decreases.

Reduced consumer confidence is another factor that can cause a recession. If consumers believe the economy is bad, they are less likely to spend money. Consumer confidence is psychological but can have a real impact on any economy.

Reduced real wages, another factor, refers to wages that have been adjusted for inflation. Falling real wages means that a worker's paycheck is not keeping up with inflation. The worker might be making the same amount of money, but his purchasing power has been reduced.

Recessions and Gross Domestic Product

An economic recession is typically defined as a decline in **gross domestic product (GDP)** for two or more consecutive quarters. GDP is the market value of all goods and services produced within a country in a given period of time. An example of one type of GDP would be the value of all the automobiles produced within the United States for one year. GDP only takes into account new products that have been manufactured. Therefore, if a pre-owned car lot were selling pre-owned cars, they would not be included in the GDP calculation. Though an official recession has not yet been declared, the economy is clearly heading in that direction. A major cause is obviously evident in the real economic shock of the widespread disruption of global and domestic supply chains and direct damage to businesses across all industries, due to the Covid-19 epidemic and the public health response. Both the impact of the epidemic and the fear and uncertainty surrounding it are important.

But a major underlying cause is also the over extension of supply chains, the over investment in marginal business, and the razor-thin inventories and fragile business models that have all become the norm over the decade of extreme low interest rates and monetary policy by central banks everywhere, and especially the Federal Reserve, since the last recession. The deep distortions in business, investment, and consumer behavior, that by 2020 have all become thoroughly addicted to an endless flow of easy money, laid the groundwork for the economic devastation that is currently underway by leaving the economy with zero margin of resilience to buffer against negative economic shocks.

The Great Recession of 2007-2008

Poor and irrational lending policies from the financial industry led many people to buy houses they could not afford because everyone thought housing prices would continue to rise. In 2006, the bubble burst as housing prices started to decline. An escalating foreclosure rate caused panic, many banks and hedge funds who had bought mortgage-backed securities on the secondary market suddenly realized they were facing huge loses. By August 2007, banks became afraid to lend to each other because they did not want these toxic loans as collateral. This led to the $700 billion bailout from the government to help save several large financial institutions from bankruptcy. By December 2008, employment was declining faster than in the 2001 recession, and the United States fell into a deep recession.

- A recession is in essence a rash of simultaneous failures of businesses and investment plans.
- Explaining why they happen, and why some many businesses can fail at once, has been a major focus of economic theory and research, with several competing explanations.
- Financial, psychological, and real economic factors are at play in the causes and effects of recessions.
- Causes of the incipient recession in 2020 include the impact of Covid-19 and the preceding decade of extreme monetary stimulus that left the economy vulnerable to economic shocks.

The nature and causes of recessions are simultaneously obvious and uncertain. Recessions are in essence a cluster of business failures being realized simultaneously. Firms are forced to reallocate resources, scale back production, limit losses and, usually, lay off employees. Those are the clear and visible causes of recessions. There are several different ways to explain what causes a general cluster of business failures, why they are suddenly realized at the same time, and how they can be avoided. Economists disagree about the answers to these questions and several different theories have been offered. The NBER officially declared an end to the economic expansion in February of 2020 as the U.S. fell into a recession amid the coronavirus pandemic.

Macroeconomic and Microeconomic Signs of a Recession

The standard macroeconomic definition of a recession is two consecutive quarters of negative GDP growth. Private business, which had been in expansion prior to the recession, scales back production and tries to limit exposure to systematic risk. Measurable levels of spending and investment are likely to drop and a natural downward pressure on prices may occur as aggregate demand slumps. GDP declines and unemployment rates rise because companies lay off workers to reduce costs. At the microeconomic level, firms experience declining margins during a recession. When revenue, whether from sales or investment, declines, firms look to cut their least-efficient activities. A firm might stop producing low-margin products or reduce employee compensation. It might also renegotiate with creditors to obtain temporary interest relief. Unfortunately, declining margins often force businesses to fire less productive employees. (Feridun, 2017).

A range of financial, psychological, and real economic factors are at play in any given recession. Financial factors can definitely contribute to an economy's fall into a recession, as we found out during the U.S. financial crisis. The over extension of credit and debt on risky loans and marginal borrowers can lead to enormous build-up of risk in the financial sector. The expansion of the supply of money and credit in the economy by the Federal Reserve and the banking sector can drive this process to extremes, stimulating risky asset price bubbles. And when the music stops the repercussions can carry over into the real economy. (Lehmann, 2019).

Even worse, artificially suppressed interest rates during the boom times leading up to a recession can distort the structure of relationships among businesses and consumer by making business projects, investments, and consumption decisions that are interest rate-sensitive, such as the decision to buy a bigger house or launch a risky long term business expansion, appear to be much more appealing than they ought to be. The ultimate failure of these decisions when rates rise to reflect reality constitutes a major component of the rash of business failures that make up a recession (Sarkar, 2018).

Psychological factors are frequently cited by economists for their contribution to recessions also. The excessive exuberance of investors during the boom years that bring the economy to its peak, and the reciprocal doom-and-gloom pessimism that sets in after a market crash at a minimum amplify the effects of real economic and financial factors as the market swings. Moreover, because all economic actions and decisions are always to some degree forward looking, the subjective expectations of investors, businesses, and consumers are always involved in the inception and spread of an economic downturn.

Real changes in economic fundamentals, beyond financial accounts and investor psychology, also make critical contributions to a recession. Some economists explain recessions solely as a result of real economic shocks, such as disruptions in supply chains, and the damage they can cause to a wide range of businesses. Shocks that impact key industries such as energy or transportation can have such widespread effects that they cause many businesses across the economy to retrench and cancel investment and hiring plans simultaneously, with ripple effects on workers, consumers, and the stock market.

Some real economic factors can also be tied back into financial markets. Because market interest rates represent not only the cost of financial liquidity for businesses, but also the time preferences of consumers, savers, and investors for present versus future consumption, artificial suppression of interest rates by a central bank during the boom years before a recession distorts not just financial markets but real business and consumption decisions. (Jack, 2016).

Interest rates are a key linkage between the purely financial sector and the real economic preferences and decisions of businesses and consumers. In turn, the real preferences of consumers, savers, and investors place limits on how far such an artificially stimulated boom can proceed. These manifest as real economic constraints on continued growth, in the form of labor market shortages, supply chain bottlenecks, and spikes in commodity prices (which lead to inflation) when not enough real resources can be made available to support all the overstimulated business investment plans based on easy-money policies. Once these set in, a rash of business failures begins in the face of increased production costs and the economy tips into recession. (Kshetri, 2018).

Leading indicators were already flashing warning signs in 2019, long before Covid-19.

This had become clear as early as 2018 and 2019, when widespread shortages of needed employees and generally tight labor market conditions came to a head and spurred the Fed to very slightly slow the expansion of money and credit. The stock market plunged and leading indicators such as the yield curve quickly began flashing warning signs of impending recession. As serious a challenge as Covid-19 and the associated lockdowns represent over recent months, the economic fallout has been years in the making. The economy was sitting on a powder keg, and Covid-19 was a match.

How the Federal Reserve Fights a Recession

The U.S. central bank, the Federal Reserve, has a dual mandate: to work to achieve low unemployment and to maintain stable prices throughout the economy. During a recession, unemployment rises, and prices sometimes fall in a process known as deflation. The Fed, in the case of steep economic downturns, may take dramatic steps to suppress unemployment and bolster prices both to fulfill its traditional mandate and also to provide emergency support to the U.S. financial system and economy. At the onset of a recession, some businesses begin to fail typically due to some combination of real economic shocks or economic bottlenecks that result from the incompatibility of production and consumption activities that results from previously distorted interest rate and credit conditions. These businesses lay off workers, sell assets, and sometimes default on their debts or even go bankrupt. All of these things put downward pressure on prices and the supply of credit to businesses in general, which can spark a process of debt deflation.

Key Takeaways

- The Federal Reserve has a dual mandate from Congress to maintain full employment and prices stability in the U.S. economy
- To help accomplish this during recessions, the Fed employs various monetary policy tools in order to suppress unemployment rates and re-inflate prices.

- These tools include open market asset purchases, reserve regulation, discount lending, and forward guidance to manage market expectations.
- Most of these tools have already been deployed in a big way in response to the economic challenge imposed by recent public health restrictions on the economy.

Deflation, in the form of falling prices, is not, in general, a harmful process for the economy or a problem for most businesses and consumers by itself. It is, however, widely feared by central banks and the broader financial sector, especially when it involves debt deflation because it increases the real value of debts and thus the risk to debtors. Banks and related institutions are typically among the largest debtors in any modern economy. In order to protect its constituent banks from defaulting on their overextended debts, the Federal Reserve does not hesitate to take action in the name of stability. The Federal Reserve has a number of tools to attempt to re-inflate the economy during a recession in pursuit of these goals.

Entrepreneurs Spur Economic Growth

New products and services created by entrepreneurs can produce a cascading effect, where it stimulates related businesses or sectors that need to support the new venture, furthering economic development. For example, a few information technology companies made up the IT industry in India during the 1990s. The industry quickly expanded and many other sectors benefited from it. Businesses in associated industries such as call center operations, network maintenance companies, and hardware providers flourished. Education and training institutes nurtured a new class of IT workers who were offered better, high-paying jobs. Infrastructure development organizations and even real estate companies capitalized on this growth as workers migrated to cities where employment was growing. Similarly, future development efforts in underdeveloped countries require robust logistics support, capital investments, and a qualified workforce. From the highly qualified programmer to the construction worker, entrepreneurship benefits a large part of the economy, (Schultz, 2016).

Entrepreneurs Add to National Income

Entrepreneurial ventures help generate new wealth. Existing businesses may remain confined to existing markets and may hit the glass ceiling in terms of income. New and improved products, services or technology from entrepreneurs enable new markets to be developed and new wealth to be created. Additionally, increased employment and higher earnings contribute to better national income in the form of higher tax revenue and higher government spending. This revenue can be used by the government to invest in other, struggling sectors and human capital. Although it may make a few existing players redundant, the government can soften the blow by redirecting surplus wealth to retrain workers. (Galindoa & Mendez, (2016).

Entrepreneurs Create Social Change

Through offering unique goods and services, entrepreneurs break away from tradition and reduce dependence on obsolete systems and technologies. This results in an improved quality of life, improved morale, and greater economic freedom. For example, the water supply in a water-scarce region will, at times, forces people to stop working to collect water. This will impact their business, productivity, and income. Imagine an innovative and automatic pump that can fill people's water containers automatically. This type of innovation ensures people are able to focus on their jobs without worrying about a basic necessity like water. More time to devote to work translates to economic growth. For a more contemporary example, smartphones and apps have revolutionized work and play across the globe. Smartphones are not exclusive to wealthy countries or people. As the growth of the smartphone market continues, technological entrepreneurship can have a profound, long-lasting impact on the world, (Aremu, 2014).

Moreover, the globalization of technology means entrepreneurs in lesser-developed countries have access to the same tools as their counterparts in richer countries. They also have the advantage of a lower cost of living, so a young entrepreneur from an underdeveloped country can compete with a multi-million-dollar existing product from a developed country. According to Boudreau and Ramstad (2005) as cited in Wales (2013) organizational sustainability is a contemporary issue that refers to achieving business success today without compromising the needs of the future generation. The Charter of the Sustainability Committee created by the Board of Directors at Ford focuses on sustainability growth, and defined it as the ability to meet the needs of present customers while taking into account the needs of future generation, (Ford, 2012) as cited in Wales, (2013). In other words, organizational sustainability deals with the ability to satisfy the needs of the present generation without jeopardizing the future generation‘s ability to satisfy their needs. This new dimension in global business thinking is evidence that the worldview about business organization expectations has changed from one dimensional economic (profit) expectation only to three-dimensional expectations of satisfying economic, social and environmental needs.

According to Dim and Dapper (2016), Georgia-Pacific believes that organizational sustainability has three dimensions: economic, social and environmental sustainability which are usually referred to as profit, people, and planet. They pointed out that in making business decisions, organizations should determine the right balance among the dimensions. According to them, economic dimension consist of: be profitable, manage the costs effectively so that customers can afford the product(s), make product(s) that people wants, support the community by buying local goods and services, pay taxes and participate in local activities. Social dimension consist of: make products that improve people‘s lives, support the communities in which the business exists, maintain quality work environment and source materials responsibly. Environmental dimension consist of: use resources wisely, comply with laws, minimize the facilities impact by operating safely, responsibly and efficiently, and also reduce the adverse impact of the products, (Jalil & Feridun, 2017).

Community Development

Entrepreneurs regularly nurture ventures by other like-minded individuals. They also invest in community projects and provide financial support to local charities. This enables further development beyond their own ventures. Some famous entrepreneurs, such as Bill Gates, have used their money to finance good causes, from education to public health. The qualities that make one an entrepreneur are the same qualities that help motivate entrepreneurs to pay it forward.

- Entrepreneurship is important as it has the ability to improve standards of living and create wealth, not only for the entrepreneurs, but also for related businesses.
- Entrepreneurs also help drive change with innovation, where new and improved products enable new markets to be developed.

- Economy wise, higher earnings thanks to entrepreneurship can help boost national income and tax revenue.
- Entrepreneurs contribute in other ways as well, such as investing in community projects and supporting local charities.
- Too much entrepreneurship (i.e, high self-employment) can be detrimental to economic development.

Inability to recognize business opportunities: The problems associated with why motivated entrepreneurs fall is that they fail to analyze and evaluate business opportunities and ideas. They do not fail because they make mistake or commit errors at the start up stage but their inability to fully subject their business ideas and recognize opportunities to test, has been the reason for the failure of most entrepreneurship activities.

The role of entrepreneur in the development of Nigeria

Adequate planning: To stress the need for adequate planning before starting up a business venture so that the business will not fail. The motivated entrepreneur is to plan well on the type of goods to produce and what type of services to render to members of the public, employment of experienced worker so that the establishment will not lack behind, adoption to change in terms of technological changes, so in order to fasten productivity, mechanized tools should be used.

The role of Government

Regulation plays a crucial role in nurturing entrepreneurship. Unregulated entrepreneurship may lead to unwanted social outcomes including unfair market practices, pervasive corruption, and criminal activity. Findings from the United Nations University also indicate the possible implications of "over-nurturing" entrepreneurship. European economist Wim Naudé (2017) argues that "while entrepreneurship may raise economic growth and material welfare, it may not always result in improvements in non-material welfare (or happiness). Promotion of happiness is increasingly seen as an essential goal."

Paradoxically, a significantly high number of entrepreneurs may lead to fierce competition and loss of career choices for individuals. With too many entrepreneurs, levels of aspirations usually rise. Owing to the variability of success in entrepreneurial ventures, the scenario of having too many entrepreneurs may also lead to income inequality, making citizens unhappy. The relationship between entrepreneurship and economic development is important to understand for policymakers and business owners. Understanding the benefits and drawbacks of entrepreneurship allows a balanced approach to nurturing entrepreneurship to be taken, which can result in a positive economic and societal impact, (Mckeever, Anderson & Jack, 2016).

Small business is among the most powerful symbols of modern capitalism. Small business owners are frequently described as virtuous, self-reliant, and independent. The same characteristics Thomas Jefferson (2019) ascribed to free farmers in pre-industrial society, or that Max Weber used to explain the Protestant work ethic which, he argued, undergirded industrial capitalism in the late 19th century. Just as important, small business, by virtue of its limited scale and scope, avoids the moral baggage often attributed to Big Business, bureaucracy, market manipulation, and good-old-boy networking.

Like many powerful symbols, small business is extremely hard to define. When creating the Small Business Administration (SBA) in 1953, the US government officially defined one as 'independently owned and operated and not dominant in its field of operation'. Today, to qualify for an SBA loan, US manufacturers must have fewer than 500 employees, and non-manufacturers must have annual receipts below $7.5 million (although the government reserves the right to make exceptions). More qualitative traits like the absence of managerial hierarchies, less formalised labour relations, and closer ties to local communities also influence how some scholars define small businesses. To make things more complicated, 'small business' covers a diverse range of business functions, counting everyone from the small-town dry cleaner to the wealthy software start-up.

Historically, however, 'small business' did not exist in any meaningful sense until the advent of 'Big Business' in the late 19th century. Before the emergence of large, vertically integrated, and diversified corporations, 'small business' was simultaneously everywhere and nowhere, and no one spoke on its behalf. Steel, oil, sugar, and cigarette producers emerged as the first Big Businesses, and in 1890 the *Sherman Act* inaugurated American anti-trust policy to protect smaller competitors from their monopolistic practices. Big corporations, with big research grants from big government agencies, worked with big universities to bring you modern life. The real boom in small business political consciousness came in the early 20th century, with the rise of the chain store model. Rooted in the anti-trust tradition, the anti-chain movement championed small retailers who faced destructive competition from mail-order houses and department stores.

In the United States, the representative Wright Patman stepped up as the face of the anti-chain movement. Patman was a doughy, balding populist and segregationist Democratic congressman from rural Texas. First elected to Congress in 1928, the son of tenant farmers made his name as an avid defender of small companies the 'common man' against the predations of eastern bankers, industrialists, and chain stores. In 1935, Patman pushed legislation that limited the discounts large retailers could offer. Hailed as the 'Magna Carta for small business', the *Robinson-Patman Act* (Senate Majority Leader Joseph Robinson (D-AR) was the co-sponsor) became law. President Franklin Roosevelt worried that the law would hamper economic recovery, but signed it anyway in a gesture toward the popularity of the cause. Patman defended the measure for its commitment to 'fairness' by making the same discounts available to all buyers (whether at a chain store or a small grocer), the law struck a blow against concentrated wealth and privilege while still preserving the consumer cost advantages that mass distribution had created. (Hurik, 2019).

The *Robinson-Patman Act* marked the end, not the beginning, of a policy regime that protected small firms. By the post-Second World War years, small business was a divided and weak community. An ethic of 'bigness' reigned. Big corporations, with big research grants from big government agencies, worked with big universities to bring you modern life from pharmaceuticals to aerospace, computers to communications. By the time Wright Patman died in 1976, at age 83, the popular backlash against bigness and the renewed attention to small business had not yet taken hold.

But had Patman lived into the 1980s, he would likely not have recognised the new ways politicians embraced and defended small business. Throughout the first half of the 20th century, small business advocates like Patman had claimed that small firms were inherently virtuous and worthy of special protection, even if larger companies offered lower prices or greater efficiencies. Yet by the 1980s, a decade of recession, inflation, fiscal crises and weak productivity combined to recast political culture in wealthy capitalist countries. In the United States, Western Europe, and eventually Australia, the logic for defending small business shifted entirely: rather than a virtue unto itself, smallness became the *antidote* to the bloat and inefficiencies of bigness; independence, the source of innovation. The revival of small business's symbolic political appeal in the 1980s brought another key change: activists used it not to attack Big Business, but to go after big government. Wrapping themselves in the cloak of small business mythology, those conservatives successfully redefined a hundred years of debate over economic size. (Audretsch, Bonte, & Keilbach 2013).

These changes did not come easily. To the frustration of small business groups and many conservative activists, the Republican Party retained its longstanding image as the party of Big Business, particularly in the early years of the Reagan administration. Many small business owners complained that Republican tax policies favoured larger firms, which took advantage of loopholes and provisions for writing off the depreciation of large assets. In addition, they charged that the growing federal budget deficit which expanded due to a combination of Reagan's 1981 tax cuts and the sharp recession that lasted until late 1982. Members of the Reagan administration worried about their popularity among small business owners. 'Small business is bedrock Republican,' as Elizabeth Dole, the director of public liaison at the White House, told George Bush, the then vice-president, in 1981. Or at least, it should have been: most small business owners were middle and upper-middle class white men, and most held economically conservative politics. But some parts of the small business community were moving away, Dole warned, because they believed 'this administration favours Big Business and corporate America'. In 1983, White House staffer Red Cavaney warned that the Democratic National Committee planned to make overtures to the small business community. If Republicans 'become too heavily associated with the "big" at the expense of the "small",' Cavaney predicted, 'this threat could pose some serious problems.' (Kshetri, 2018).

Republicans picked up the rhetorical mantle of small business, but instead of changing their policy ideas, they changed what it meant to speak for small business. For the better part of a century, small business activists had stressed the virtues of competition. Small businesses, they argued, demanded legal support through punitive taxes on market dominators and the break-up of monopolies because their very existence created a more competitive market place. Economic conservatives in the 1980s pushed a counter-narrative. Murray Weidenbaum first chair of Reagan's Council of Economic Advisors charged that economic growth, not competition, should be policymakers' primary goal, (Mueller, 2016). Certain sectors of the economy, including the rapidly growing service sector, lent themselves more productively to small-scale enterprises. Industrial manufacturing, on the other hand, did well when a small number of giant operators took advantage of their size to produce more efficiently at a massive scale, (Jalil, & Feridun 2017).

The current concerns about the uncertain future due to a long economic depression and global economic crisis are spreading throughout our society. Moreover, along with the trend in industrial scale downsizing and profit generation with a small manpower cost, increasing concerns about the worsening youth unemployment due to these factors are deepening. (Park, 2017). Youth unemployment in Nigeria has continued to be on the increase amidst concerted efforts by government and the private sector to ameliorate this condition. In 2018, the rate of unemployment rose from 21.8% in the first quarter to 22.7% in the second quarter and 23.1% in the third quarter (NBS, 2018), an indication of an increasing rate of unemployment and lack of faith in paid employment to absolve the teeming population of Nigerian graduates.

Governments at different levels and institutions of higher learning believe that entrepreneurship exerts a positive influence on job creation, reduction in graduate unemployment and poverty, growth in economic activities, as well as transformation in the informal sector. This has led to the introduction of a compulsory two semester undergraduate course on entrepreneurship by the National Universities Commission (NUC) the regulatory body for university operations in Nigeria.

This move as Aja-Okorie and Adali (2013) believes will inculcate necessary entrepreneurship knowledge and skills, with the intention of reducing graduate unemployment and high dependence on paid employment in Nigeria. Bae, Qian, Miao and Fiet (2014), opine that entrepreneurial education refers to learning process for entrepreneurial attitude, and skill while entrepreneurial intention is the desires to start a firm. We align with these lines of thought, as our research will in addition to attitude and skill, argue that entrepreneurial education also include entrepreneurial knowledge about the role entrepreneurs play in the society and economy. This will go a long way to address the low entrepreneurship culture noticed among most Nigerian graduates, lay emphasis on development of competence and reduce the high dependence on paid employment in a country where graduate unemployment is growing tremendously.

Increasing complexity in the world of today shows that there is a gap between what is learnt in schools and the requirement to function professionally (Achtenhagen and Grubb, 2001; Eraut, 1994). This can be said of entrepreneurship today as graduates seem not to be motivated by the entrepreneurship drive as expected; this is evident in the rising unemployment levels. Thus, the need to look beyond just entrepreneurial education but ensuring that it necessarily gives rise to competence. More so, the extant literature on entrepreneurial education, entrepreneurial intention relationship shows that little empirical research has focused on developing economies (Ajike *et al*., 2015; Byabashiaja and Katono, 2011), such as Nigeria and has reported inconsistent and ambiguous results (Lorz, Volery and Muller, 2011; Bae *et al*., 2014).

Technology, entrepreneurs, entrepreneurs and socio- economic development

Economic development has been defined as the reduction or eradication of poverty, inequality and unemployment within the context of developing economy (Adenikinju, Enofe; 2006:31) it encompasses the ability of an economy to maintain a steady growth in productive performance and at the same time able to sustain an economic capacity to regularly produce outcomes consistent with long term structural change. According to Guillermo, Omar, et al: (2006), the Economic Sustainability Index assess a country‘s medium to long-term potential to produce and maintain good economic performance, as measured by its sustained growth, human capital development, structural diversification., transactions costs, external dependency, and macroeconomic stability. This extent it is correct to say that economic development has to do with the amount of benefits, in terms of welfare and infrastructure, the people of a country are able to derive from the performance of that economy.

Notwithstanding, it has been evidenced by many writings that technology, entrepreneur, entrepreneurs contribute immensely to the development of the world‘s largest economies and also play very important roles towards fostering accelerated economic growth, development and stability within the biggest economies of the world. SMEs make-up the largest proportion of businesses all over the world and play remarkable roles in employment generation, provision of goods and services, creating better standard of living, as well as immensely contributing to the gross domestic product (GDP) of many countries. The contribution of SMEs can be seen in the following areas:

Provide local consumer products / services and enhance the capacity of big companies: SMEs are involved products manufacturing, distribution, and render other services to big companies because most SMEs operate as a middle industry for the big forms. Local manufacturing firms like printing press, bakeries, bottling plants and processed dairy products are essentially present in every community that provide needed products for local consumption (Adegoke, Arowomole; 2006). Merchandisers (wholesalers and retailers) who are middlemen in channel of distribution actually sell products to the final consumers. Therefore, the mass production of the big firms is incomplete without these middlemen.

Create avenue for development of skills: In Nigeria, it has been recognized that entrepreneurs drive small businesses and small businesses unleash limitless benefits to society and help to improve the socio-economic conditions of society. In its effort to ensure the sustained supply of skilled entrepreneurs to take advantages available to SMEs the CBN in 2006 initiated plans to support the efforts of SMEDAN and other agencies by establishing viable entrepreneurship development centers in each of the 6 geo-political zones in the country. This was to encourage private entrepreneurship, self-employment, job creations, income growth, poverty eradication and economic development. (Dau, & Cuervo-cazurra 2019).

Employment generation: SMEs in Nigeria operate under trained technicians and professionals and are the source of local and national economic growth. It cares for at least 45% of all private employment and about 20% of the nation‘s total output of goods and services (Ariyo and Ihua; Ibid). Because most SMEs are labor intensive, it is envisaged that it would help to reduce the current ravaging unemployment situation in Nigeria, when it is fully harnessed and given the appropriate promotion it deserves. This was the goal of the federal government of Nigeria in recent years when it spent much of the revenue generated from oil to encourage the establishment of labor intensive small businesses.

Transformation of indigenous technology: All businesses and industrial operations in the world today have transformed from house hold artisans to modern industrial setup, which has witnessed phenomenal upgrading in skills, machines and equipment and management practices. Historical evidence revealed that most of the giant corporations of today started as small businesses. Examples include Guinness of Dublin and Philips International of Netherlands, as well as Sony and Honda of Japan. Developing economies like that of Nigeria can learn from such experience to create viable enterprises that will adapt imported technologies to local ones so as to grow and become big corporations. (Van, Carree, & Hurik, 2019).

Methodology

The paper is purely a conceptual work in which the research used documentary literatures as a major source of data collection. Relevant content of literatures were used by reviewing relevant journals, write-ups and other contributions posted on books and internet. The research quantify and analyze the meanings and relationship of such words and concepts in the literatures, then make conclusion on the messages within the texts as well as recommendations. Therefore, in conducting the studies, conceptual analysis was employed as such this paper is considered as conceptual review.

Conclusion

This research revealed that entrepreneurs play a huge and significant role worldwide by creating jobs and stimulating both competition and innovation. Entrepreneur is the key player toward poverty elevation and employment. As a key driver of employment growth, the government and all other stakeholders must do everything they can to aid entrepreneurs and enhance economic prosperity. Hence, most importantly, entrepreneurship creates regional blocks, inter-firm linkage. This creates development towards economic leading to poverty reduction; stimulating employment as well as fast-tracking poverty reduction within the regions. Finally, Corruption, greed, poor corporate governance, unethical business practices, and unhealthy business competition are the bane of business organizations sustainability. Profiteering has led most organizations into harmful and unethical business practices that have direct negative effects on morals, citizens and the societal values at large. Coincidently, the unethical business practices equally affect organizations indirectly by way of unsustainability of the business in the long run. we found that innovation, entrepreneurship, curriculum training and education, individual entrepreneurial characteristics, the participation of micro, small and medium enterprises, youth empowerment, the collaboration of government-university-industry are the key tool for entrepreneurship development which is stimulating employment are eventually alleviating poverty. Maximizing and capitalizing on SMEs is essential for because of all the factors relating to economic growth that if ignored might be fatal for its rising economy and will result to recession.

Policy Recommendations

• Governments need to include vocational training and entrepreneurial in the education system of the respective nations so that people are exposed to entrepreneurship from childhood. In addition, network programs and mentorship should be instituted in various high institution where experienced executives (presently or previous employed) can give backing to businesses for limited periods by working alongside and training staff on major projects.

• Governments need to provide incentives such as subsidies and tax holiday to entrepreneurs who provide strong employee value propositions to prospective professional staff, like specialized training or stock option programs.

• Governments should offer targeted incentives to entrepreneurs for the development of major sectors that are presently underserved and business development services to set up business support services firms.

• Governments should introduce a policy that will help improve the physical infrastructure-power, broadband internet, transportation, particularly in the more rural regions and should lessen bureaucracy linked with opening a business and fight corruption.

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