BARRIERS TO EFFECTIVE YOUTH ENTREPRENEURSHIP DEVELOPMENT IN NASARAWA STATE

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Abstract
The study examined a range of key barriers that impede young people (youth) in Nasarawa, Nigeria, from starting and running a business. Two research questions guided the study. A population of 45 youth entrepreneurs was studied without sampling and the instrument for data collection was a 20 item structured questionnaire validated by experts. Data in respect of the research questions were analysed using arithmetic mean. Results reported that finance is the most pressing de-motivator to start-up business – lack of savings, securities and credibility and experience are the key start-up financing constraints. The prime educative barriers are the lack of adequate curricula and programs, wrong teaching methods among others. Based on the findings, the researchers concluded that lack of job opportunities and barriers to self-employment for the youth can have potentially serious consequences on a country’s sustainability and therefore recommended among others that all facilities to launder effective and functional youth entrepreneurship need to be supported by the government as well as private organisations/individuals.

KEY WORDS: Development, Entrepreneurship, Youth, Unemployment, youth entrepreneurship, entrepreneurship barriers

Introduction
Youth unemployment is a major developmental issue in many developing countries especially Nigeria (Diji, Adeniji & Anam, 2015). Hence Okafor (2011) asserts that the consequences of this unpleasant situation are that it has become a source of sustained social and political instability, increased drug use and violence against women. The major causes of youth unemployment include rapidly growing urban labour force, rapid population growth; mismatch in skills between those demanded by employers and those acquired in school; outdated school curriculum and lack of employable skills; and unequal economic growth (Ayinde, 2008; Awogbenle & Iwuamadi, 2010; and Utomi, 2011).

According to Oyedokun (2010), of the over 40 million youths in Nigeria, 23 million are unemployed and therefore susceptible to crime, hence the need to eliminate all impediments against youth entrepreneurship development. It is very difficult to attain
sustainable economic growth without entrepreneurial efforts of this large group of population. Todays’ youths has the potential to create a better Nigeria, therefore,, it is necessary to ensure the contribution of vigorous, hardworking and entrepreneurial youth to make Nigeria a middle income country (GoB, 2012). To boost employment and job creation for young people, entrepreneurship is increasingly accepted as an important means and a useful alternative for income generation in young people (Ryan, 2003). As traditional job-for life career paths narrow, youth entrepreneurship is regarded as an additional way of integrating youth into the labour market and overcoming poverty. Given global demographic trends, it is important that the social and economic contributions of young entrepreneurs are recognized.

Youth entrepreneurship is one of the ways that can be the answer to problems of youth unemployment and underemployment. Young people tend to have higher business grow aspiration than older entrepreneurs, as they want their business to grow quicker and therefore create more new jobs. Successful young entrepreneurs can also be inspiring role-models for other young people increasing future entrepreneurship (Youth Entrepreneurship, 2013). Young people are not short on passion or guts but are short on cash. The lack of adequate start-up finance is one of the most prominent or most talked about impediments to young people seeking to create their own businesses. Costs of formalizing businesses are higher than the gain in productivity from entering the formal sector (World Bank, 2005). Today young entrepreneurs face numerous financial burdens which include cost of business registration, taxes, business licenses among others. These perceived complexities can keep young would-be entrepreneurs from getting into business.

Globally, young people are facing tremendous challenges, most notably the unprecedented levels if unemployment in both developed and developing countries that were spurned by the 2008 economic crisis. Since the 2008 crisis, the number of unemployed youths has soared to an estimated 73.4 million young people – 12.6 per cent of the total youth population, reporting and increase of 3.5 million between 2007 and 2013, and projected to rise to 12.8 per cent of the total youth population in 2018 (ILO, 2013). High unemployment among young people is not limited to individuals with low levels of education. In many countries, a large proportion of young people who graduate from higher institutions are unable to find employment,, prompting many highly educated individuals to leave their countries in search of opportunities elsewhere. Brain drain, the emigration of skills, is a significant challenge throughout the developing world, particularly in sub-Saharan Africa which lose thousands of highly educated and skilled individuals to developed countries every year, contributing to a severe shortage of skilled labour, often with negative consequences on their economies. According to ILO(2004), reducing youth unemployment could contribute to the addition of GDP, societies may
gain direct economic benefits, violence and crime as well as vulnerability and exclusion might be reduced. Decent work can change the status of young people from social dependence to self-reliant and facilitate them to break away from poverty. It also provides young people a sense of belongingness and opportunities to achieve their vision and dreams. Youth entrepreneurship is viewed as an alternative way of assimilating youths in the mainstream labor force and alleviating poverty.

Growing youth unemployment threatens economic and political stability. Countries with high youth demographic profiles are even more at risk. Even more, negative growth means decreasing work opportunities and the need for alternative means of job creation. Youth entrepreneurship can be part of the solution. One possible way to address youth unemployment and aid youth entrepreneurship development is to support young people in creating their own businesses. They have the interest and potential to become self-employed, however, few of them are able to sustain themselves in self-employment. Young entrepreneurs face a variety of barriers such as lack of awareness of potential for entrepreneurship among role models which results in lack of encouragement or even negative social attitudes, education and training programmes they receive generally do not do enough to nurture entrepreneurial attitudes and skills, lack of prior work and entrepreneurship experience, fewer financial resources and difficulty obtaining external finance, limited business networks among others (Potter, David and Stuart, 2014). Ignoring the youth unemployment and the need to facilitate youth entrepreneurship development challenge imposes not only widespread unhappiness and social discontent among youths, but also carries tremendous economic and social costs.

Chingunta (2002) opined that the importance of promoting youth entrepreneurship is to create employment opportunities for self-employed youths as well as other young people they may employ and bringing alienated and marginalized youths back into the economic mainstream. The author furthermore said that developing entrepreneurship will help youths develop new skills and experiences that can be applied to other challenges in life and promote innovation and resilience in youths thereby, helping address some of the socio-psychological problems and delinquency that arises from joblessness. Mutezo (2005) asserts that entrepreneurship including youth entrepreneurship improves the general standard of society as a whole, which leads to political stability and national security. Youth entrepreneurship reduces crime, poverty and income inequality. This directly induces an environment for national economic growth and development. Juan (1999) opined that entrepreneurship and business creation are growing alternative for young people whose age group often faces a labour market with double digit unemployment rates. Traditional career paths and opportunities are today disappearing rapidly.
According to Awogbenle & Iwuamadi (2010) the world in the 21st century is witnessing a wave of entrepreneurship happening with more and more people looking for self-empowerment and business ownership. In other words, entrepreneurship is now a key driver of our economy. Today, entrepreneurship developments have become the bedrock of every nation’s industrialization and it is indispensable for economic and social development of a country. That is why Egbuonu (2010) pointed out that people are now willing to be creative and innovative and to be identify, establish and run their own ventures instead of waiting for government alone to provide jobs for everybody. This clearly points to the fact that entrepreneurial development is a catalyst for economic, social and industrial development. As Oteh (2009) pointed out entrepreneurship is a power engine of economic growth and wealth creation, and is crucial for improving number and verity of employment opportunities for people especially the youth.

An increase in youth entrepreneurship development would have multiplier effects throughout the economy and the direct gains to society would be matched by a reduction in expenditure to counter risky behaviours, violence and crime, as well as social benefits in terms of reduced vulnerability and exclusion. Being self-reliant can also shift young people’s attention from solely dependence to self-efficiency and help them escape poverty. It will also give young people a sense of meaning and belonging and a perspective in fulfilling their aspirations and dreams. That is why reducing the barriers to youth entrepreneurship development will befit everyone in the long run.

Statement of the Problem

Unemployment is now an economic problem in our contemporary society. Millions of graduates are being pushed into the labour market on yearly basis from our tertiary institutions without adequate and corresponding job opportunities to match this turn out. This scenario has eaten deep into the fabric of our society that the need to curb this menace has become necessary. This must have informed why NUC and NBTE decided to introduce entrepreneurship education into our educational system. Within the umbrella of potential efforts and strategies to boost employment and job creation for young people, entrepreneurship is increasingly accepted as an important means and a valuable additional strategy to create jobs and improve livelihoods and economic independence of young people. Though entrepreneurship is driving economic development and job creation, there has been little effort to look at it from the youth perspective. Young men and women are usually treated as part of the general adult population, and their particular entrepreneurial potentials as well as their contribution to economic progress are overlooked (Ulrich, 2006). Little or no effort have been directed towards ensuring that the youths developed themselves entrepreneurially, especially in the face of daunting challenges bedeviling the business terrain. The potential of young people is now being recognized as a contributor for the reduction of unemployment and
the promotion of economic growth and innovation but face a series of specific challenges related to their youth such as lack of capital and underdeveloped skills in business ventures. This study seeks to address this gap.

**Purpose of the Study**

The major purpose of this study is to assess barriers to youth entrepreneurship development. Specifically, the study sought to determine

1. Educational barriers militating against youth entrepreneurship development
2. Financial barriers militating against youth entrepreneurship development

**Research Questions**

The following research questions guided the study

1. What are the Educational barriers militating against youth entrepreneurship development in Nasarawa State?
2. What are the Financial barriers militating against youth entrepreneurship development in Nasarawa state?

**Method**

The study adopted a survey research design because the study relied on the use of questionnaire to elicit the opinion of the respondents. The study was conducted in Nasarawa LGC in Nasarawa State in the north central geo-political zone of Nigeria. It is one of the states with high rate of unemployed youths who have established small business outlets and the population of the study consisted of 45 youth entrepreneurs in the area. The entire population was studied because the population was not too large. A 20 item questionnaire on a 4-point rating scale of strongly agreed, Agreed Disagreed and strongly disagreed was used to collect data from the respondents in their various locations. 10 of the items were on educational barriers and another 10 on financial barrier to youth entrepreneurship. The instruments were administered personally to ensure careful completion of the instrument as well as a high response rate of return as all the 45 copies of the instrument were retrieved and used for the study. The arithmetic mean was used to analyse the data. Any item with a mean of 2.50 and above was accepted as barrier to youth entrepreneurship development while any item with mean less than 2.50 was not regarded as a barrier to youth entrepreneurship development. The cumulative mean score was used in making judgement on the entire research question.

**Results**

Data collected were analysed and presented in tables 1-2 in line with the research questions that guided the study.
Research Question 1:
What are the educational barriers militating against youth entrepreneurship development?

Table 1: mean ratings of respondents on educational barriers to youth entrepreneurship development

<table>
<thead>
<tr>
<th>S/N</th>
<th>Educational Barriers to Youth Entrepreneurship Development</th>
<th>SA</th>
<th>A</th>
<th>D</th>
<th>SD</th>
<th>X</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>No internship to learn requisite skills</td>
<td>18</td>
<td>20</td>
<td>6</td>
<td>1</td>
<td>3.2</td>
<td>Accepted</td>
</tr>
<tr>
<td>2.</td>
<td>Inadequate curricula</td>
<td>24</td>
<td>16</td>
<td>3</td>
<td>2</td>
<td>3.4</td>
<td>Accepted</td>
</tr>
<tr>
<td>3.</td>
<td>Lack of entrepreneurship education</td>
<td>9</td>
<td>24</td>
<td>10</td>
<td>2</td>
<td>2.9</td>
<td>Accepted</td>
</tr>
<tr>
<td>4.</td>
<td>Wrong teaching methods</td>
<td>30</td>
<td>10</td>
<td>5</td>
<td>-</td>
<td>3.6</td>
<td>Accepted</td>
</tr>
<tr>
<td>5.</td>
<td>Lack of competent personnel to teach entrepreneurship skills</td>
<td>34</td>
<td>8</td>
<td>2</td>
<td>1</td>
<td>3.7</td>
<td>Accepted</td>
</tr>
<tr>
<td>6.</td>
<td>Lack of ICT facilities for imparting entrepreneurship skills</td>
<td>28</td>
<td>13</td>
<td>2</td>
<td>-</td>
<td>3.4</td>
<td>Accepted</td>
</tr>
<tr>
<td>7.</td>
<td>Lack of national awareness on the dignity of self-employment</td>
<td>11</td>
<td>20</td>
<td>11</td>
<td>3</td>
<td>2</td>
<td>Rejected</td>
</tr>
<tr>
<td>8.</td>
<td>Entrepreneurship is theoretically based</td>
<td>19</td>
<td>19</td>
<td>5</td>
<td>2</td>
<td>3.2</td>
<td>Accepted</td>
</tr>
<tr>
<td>9.</td>
<td>Lack of career information</td>
<td>14</td>
<td>10</td>
<td>18</td>
<td>3</td>
<td>2.8</td>
<td>Accepted</td>
</tr>
<tr>
<td>10.</td>
<td>Lack of connection between students discipline and entrepreneurship skills taught</td>
<td>23</td>
<td>17</td>
<td>4</td>
<td>1</td>
<td>3.4</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Grand Mean 3.2 Accepted

Data displayed in Table 1 showed that all the items with mean ratings ranging between 2.8-3.7 were accepted by the respondents as educational barriers to youth entrepreneurship development except item 7 which was rejected with a mean rating of 2.4. A grand mean of 3.2 also indicated that educational barriers militate against youth entrepreneurship development.

Research Question 2:
What are the financial barriers militating against youth entrepreneurship development?
Table 2: mean ratings of respondents on financial barriers to youth entrepreneurship development

<table>
<thead>
<tr>
<th>S/N</th>
<th>Financial Barriers to Youth Entrepreneurship Development</th>
<th>SA</th>
<th>A</th>
<th>D</th>
<th>SD</th>
<th>X</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Lack of personal savings</td>
<td>27</td>
<td>15</td>
<td>3</td>
<td>-</td>
<td>3.5</td>
<td>Accepted</td>
</tr>
<tr>
<td>2.</td>
<td>Lack of business experience for Loan credibility</td>
<td>31</td>
<td>6</td>
<td>4</td>
<td>4</td>
<td>3.</td>
<td>Accepted</td>
</tr>
<tr>
<td>3.</td>
<td>Lack of micro financing</td>
<td>22</td>
<td>16</td>
<td>7</td>
<td>-</td>
<td>3.3</td>
<td>Accepted</td>
</tr>
<tr>
<td>4.</td>
<td>Lack of access to loans</td>
<td>29</td>
<td>12</td>
<td>3</td>
<td>1</td>
<td>3.5</td>
<td>Accepted</td>
</tr>
<tr>
<td>5.</td>
<td>Unfavourable business characteristics</td>
<td>21</td>
<td>10</td>
<td>8</td>
<td>6</td>
<td>3.0</td>
<td>Accepted</td>
</tr>
<tr>
<td>6.</td>
<td>Lack of awareness of start-up Financing</td>
<td>17</td>
<td>22</td>
<td>6</td>
<td>-</td>
<td>3.2</td>
<td>Accepted</td>
</tr>
<tr>
<td>7.</td>
<td>High registration cost</td>
<td>33</td>
<td>11</td>
<td>1</td>
<td>-</td>
<td>3.7</td>
<td>Accepted</td>
</tr>
<tr>
<td>8.</td>
<td>Excessive taxation</td>
<td>25</td>
<td>12</td>
<td>7</td>
<td>1</td>
<td>3.4</td>
<td>Accepted</td>
</tr>
<tr>
<td>9.</td>
<td>Lack of collateral for loans</td>
<td>28</td>
<td>14</td>
<td>3</td>
<td>-</td>
<td>3.4</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td>Grand Mean</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.4</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

The data in Table 2 showed that all the items were accepted by the respondents as financial barriers to youth entrepreneurship development with mean ratings ranging between 3.0-3.7 and a grand mean of 3.4.

Discussion

The result of the analysis on educational barriers as shown in Table I indicated that the youths lack business experiences and skills. The findings agree with the report of Egwu (2014) that there is a big disconnect between the great emphasis and public media promotions given to entrepreneurial schemes of the Nigeria government and the true reality picture over the years. Corruption, faulty entrepreneurial policies, lack of proper entrepreneurial education, poor academic curriculum for youth development in schools and so on have strongly militated against the success of youth empowerment and entrepreneurial development in Nigeria.

The big and interesting concerns remains, what we must do now to ensure that the Nigerian 21st century youths enjoy the future like their compatriots in developed nations. In the same vein, Susan (2014) asserts that youth empowerment in Nigeria cannot be
result oriented if the current youths do not develop strategic entrepreneurial thinking from secondary education level. This thinking provides them with creative platform to create a future of self-employment as against the white collar job dominating influence amongst the youths. The result also indicated that inadequate curricula, wrong teaching methods and entrepreneurship being theoretically based are some of the major educational barriers to youth entrepreneurship development. These findings agree with Akudolu (2010) who asserts that the only effective way students can learn perfect skills is through hand-on practice. The findings also agree with Ukoha (2012) who found out that the wrong learning methods are used in teaching entrepreneurship. Entrepreneurship should be taught using practical oriented methods; otherwise the students may be ill-equipped at the end. Again, Anyanwu, Oduagwu, Ossai-Onah&Amachi (2013) agrees that lack of ICT skills and facilities is a limiting factor to entrepreneurship development. Since most teachers teaching entrepreneurship lacks the basic ICT skills, one will not expect a magic to make the students acquire these skills needed to be self-employed.

The result of the analysis of financial barriers as shown in Table II indicates that all the 10 financial barriers rated by the respondents, as strongly militating against entrepreneurship development. This finding agrees with the report of (Egwu, 2014) that youth entrepreneurship in Nigeria cannot achieve any result with the attendant high cost of doing business. The weight of high incorporation costs, legal and professional fees, business permits and licenses add up to other start-up costs to create heavy burden on small businesses faced with limited access to credit facilities and high interest rates. The incidence of multiple taxation and levies in different forms at federal, state and local government levels constitute militating forces for emerging small business, whether entrepreneurial or not. The findings also collaborates that of Anyanwu, et al (2013) who asserts that finance ought to be available because behind any successful project is availability of finance. The findings agree with Rahmawati, Hasyyati and Yusran (2012) that lack of financial credibility to take out a loan along with complications and cost of administrative procedures hinders youth entrepreneurship development. In the same vein, the study agrees with Gorji&Rahimian (2011) that financial constraints are the main barriers to youth entrepreneurship development. The findings also collaborates with the study of Atieno (2009) that lack of finance is one of the major constraints to the formation of new enterprises. Entrepreneurs need to access both internal and external finance to reduce the survive and grow. Maas and Herington (2006) indicate that lack of financial support is the second major contributor to low entrepreneurship development and Pretorius and Shaw (2004) observe that a large percentage of the failure of entrepreneurial ventures is attributed to inadequate capital or resource poverty.

Furthermore, Moog (2005) opined that young people are mainly considered as risky investments and face complexities to access funds because of satisfactory security
to get loans and young people are not likely to gain business experience or enterprise efficiencies that banks or financial institutions consider essential for evaluating credit worthiness.

**Conclusion**

Unemployment among young people are becoming increasingly pressing both in developing economies and developed countries. Lack of job opportunities and barriers to self-employment for young generations, irrespective of their educational background, can have potentially serious consequences on a country’s capacity to develop in a sustainable way in the years to come. Developing an enabling entrepreneurial environment for young people is the key to unleashing a culture of entrepreneurship among the youths. For youth entrepreneurship to have a broader impact in promoting sustainable development, addressing the barriers that specifically hinder young entrepreneurs is necessary and important. Too many burdensome hurdles may discourage young people to start businesses. Targeted initiatives, such as providing initial capital requirements for youth-owned businesses, could turn into a remarkable increase in establishing new businesses.

**Recommendations**

1. Enabling environment such as access to credit facilities should be created to help youths with entrepreneurial skills to commence and sustain businesses.
2. Teachers of entrepreneurship education should be trained and retrained to become more effective in teaching requisite entrepreneurial skills to students in tertiary institutions
3. Frequent review of entrepreneurship education curricula is necessary to include relevant components as may be required from time to time.
4. The use of ICT facilities in instructional delivery, use of entrepreneurs as guest lecturers – to serve as role models – will enhance entrepreneurship development in Nigeria.
5. All facilities to launder effective and functional youth entrepreneurship need to be supported by the government as well as private organizations/individuals.

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