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## Practice of Entrepreneurship: Opportunities and Challenges for Young Graduates and School Leavers in Nasarawa State, Nigeria

**Yaro, Obadiah Otso**

Pre –ND Department, Danjuma, Naisla Hassan, Department of General Studies, Nigeria

**Ebuga, Emmanuel Attah**

Department of Estate Management, Nasarawa State Polytechnic, Lafia, Nigeria

### **Abstract:**

*This paper aims at exposing young graduates and school leavers to business opportunities that abound in Nasarawa State for the practice of entrepreneurship. In this paper, entrepreneurship is viewed as an avenue for employing oneself by proper organization of a joint small scale venture among several others. However, lack of capital and several other challenges have been identified as capable of robbing the young unemployed and enterprising graduates and school leavers of these abounding opportunities. Also acknowledged in this paper is the fact that most of these areas of business opportunities in Nasarawa state are yet to be exploited. They are therefore goldmines for hard working and serious minded graduates and school leavers. In most cases business operations are not capital intensive. The startup capital can be provided by the commercial and micro finance banks in the state on the presentation of a well written feasibility and viability study report. Where loan facilities are not easily accessible because of stringent measures, conditions and policies, the paper recommends among others a novel concept of business angel.*

**Keywords:** *Entrepreneurship, Feasibility and viability study, Business Angels, Venture Capital*

### **1. Introduction**

Kudos to the Federal Government of Nigeria for re-examining and restructuring the Nigerian educational system by integrating entrepreneurship education into the curricula of learning believing that this sort of education would radically alter the psyche of students and bequeath to them entrepreneurial skills for self reliance after school and thereby salvaging them from the whims and caprices of the employers of labour.

Today, the Nigerian youths are faced with the problem of survival owing to the inability of government and civil society to provide paid employment for them. This however has not been the case ab-initio. There was a time in Nigeria when graduates employment was not a problem. The problem was rather how to get oneself qualified for the readymade jobs. Anyone who had gone to school, college, polytechnic or university was almost sure if not sure to get one form of paid employment or the other. From 1975 to mid 1980, young graduates were offered jobs even before proceeding on National Youth Service Corps (NYSC). At the moment graduates and school leavers are at the mercy of employers' whims and caprices.

A valid explanation for this misfortune from elementary economics is that their supply is said to be greater than their demand for labour. A better explanation for this however is not unconnected with the argument advanced by Akwa and Davou (2009), that the Nigeria's higher institutions of learning, due to many years of neglect lack the tools to give to students the skills required by employers of labour. Worst of all, Nigeria is today rightly described as unproductive, barren, import dependent, distributor of industrial products, highly inflationary and poor, all for lack of practice of entrepreneurship. Therefore, it is in the light of the above argument that the researchers intend to unravel the concept of entrepreneurship, the opportunities that exist in Nasarawa State that would serve as a platform for the practice of entrepreneurship, its facilitation in the polytechnics and other higher institutions of learning as well as the foreseeable challenges that the young graduates and other school leavers are likely to face and which would serve as the basis for conclusion and better recommendations.

### **2. Sources of Information**

This study relied solely on secondary sources of data collection. Data were collected from textbooks, journals, archives of Nasarawa State Ministry of Commerce and Industry, Metrological Centre Lafia, scholarly papers and websites. Contextual analysis is however employed in the presentation of the data so collected.

### 3. The Study Area

Nasarawa State is located in the central region of Nigeria, it was created out of Plateau State on October 1<sup>st</sup>, 1996 with its headquarters at Lafia and it is tagged “The Home of Solid Minerals” due to abundant mineral resources. Nasarawa State lies between latitude 7° 45” and 9° 25” N of the equator and between 7° and 9° 37” E of the Greenwich meridian. Based on the 2006 provisional census, the state has a population of 1,863,275 and a total land mass of 27, 862km<sup>2</sup>. It comprises of 13 local government areas namely Akwanga, Awe, Doma, Karu, Keffi, Lafia, Nassarawa Eggon, Nassarawa, Obi, Toto and Wamba. The State shares boundary with Kaduna state in the North, Plateau state in the East, Taraba State in the South and Federal Capital Territory and Kogi State in the West. It is located in the middle climatic belt that is generally very warm and humid with dry and rainy seasons. Mean temperature ranges between 25°C to 35°C and a mean rainfall of 1120mm to 1500mm relative humidity of 60% to 80% and falls within the guinea savannah kind of vegetation that houses a lot of merchantable trees (Archives of Meteorological department, 2014).

### 4. The Concept of Entrepreneurship

The concept is elusive, and as such, it is defined differently by different authors. This paper however does not exhaust all the definitions of entrepreneurship. Therefore, this paper captures only those ones that are most relevant to this study. According to Jones and Sakong (1980) and Stoner (2002) as captured by Akwa and Davou (2009), entrepreneurship is a force that mobilises other resources to meet unmet market demands. Timmons (1989) sees entrepreneurship as the ability to create and build something from practically nothing. Stevenson et,al (1985) in Ameh (2008) defines the concept as the process of creating value by pulling together a unique package of resources to exploits an opportunity. As for Cole (1959) and Khanka (2005) in Akwa and Davou (2009), entrepreneurship is the purposeful activity of an individual or group of associated individuals undertaken to initiate, maintain or aggrandise profit by production or distribution of economic goods and services. Jhingan (2003) posits that entrepreneurship is the ability to recognise opportunities for successful introduction of new commodities, new techniques and new sources of supply and to assemble the necessary plant and equipment, management and labour force and organise them into a running concern. The above definitions notwithstanding, the researchers hereby opined as follows:

Entrepreneurship is an avenue for employing oneself by proper organisation of a joint small scale venture. Entrepreneurship is the ability to develop a high sense of imagination, take risks, seek, find and create opportunities for production. Better still, entrepreneurship is the democratization of the wealth of nations. As an integrated course of study, entrepreneurship is an extensive capacity building scheme by which youths will be taught various skills for survival.

### 5. Areas of Entrepreneurship Opportunities for Young Graduates and Other School Leavers in the State

In Nasarawa State, opportunities for entrepreneurship exist in the following areas of the economy:

#### 5.1. Agriculture and Areas of Entrepreneurship Opportunities

Agriculture is the dominant economic sector. Other than the highlands around Nassarawa Eggon, Akwanga and Wamba local government areas, bulk of the State lies in the lowland region, this is very fertile for agricultural practices. Hence the primary occupation of the inhabitants is farming. Nasarawa State produces a wide range of crops with lots of entrepreneurship opportunities as presented below

S/N	Crop	Production Capacity (000mt)	Production Area (000HA)	Entrepreneurship Opportunities
1.	Maize	108.69	58.83	Maize flour, custard powder, baby food, livestock feeds.
2.	Rice	105.63	31.24	Rice milling plants
3.	Sorghum	1117.72	86.92	Flour, malt confectionaries
4.	Millet	14.21	13.53	Grain processing
5.	Cowpea	5.20	12.19	Processing plant
6.	Soya beans	1.97	2.09	Soya milk, Vegetable oil, soya flour.
7.	Yam	1198.20	67.34	Yam flour, chips pellets, pounded yam.
8.	Cassava	164.32	17.49	Flour chips, pellets starch, glucose/dextrose
9.	Sweet potato	3.43	0.32	Dextrose, glucose, chips
10.	Irish potato	1.43	0.22	Chips.
11.	Orange	750,000	25,000	Fruit juice
12.	Mango	180,000	10,000	Juice production
13.	Cashew	300,000	2000	Oil solvent, edible nuts
14.	Oil palm	75,000	500	Palm oil, palm wine, cosmetics
15.	Coconut	65,000	400	Coconut oil
16.	Ground nut	123.80	104.10	Oil processing plant
17.	Beniseed	6.24	13.13	Confectionary, edible oil
18.	Melon	NA	NA	Mellon milling

19.	Moringa	NA	NA	Herbal medicine, moringa oil
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Table 1: Major agricultural crops with entrepreneurship opportunities

Source: Adopted from Yaro, O.O and Ebuga, E.A (2013): An Assessment of the Development Potentials of Nasarawa State, Nigeria

### 5.2. Solid Minerals and Investment Potentials

Exploration and mining activities in Nigeria as extensively studied by Akwa, et.al 2007 p.24 as captured by Yaro and Ebuga, (2013) shows that Nasarawa state is one of the leading mineral producing states in the country hence, it is appropriately called the “Home of Solid Minerals”. The solid minerals are found virtually in all the local government areas of the state. Except for barite, clay, glass sand and marbles with inferred reserves of 730,000 tones, 9.1 million tonnes, 2.54million tones and 4million tones respectively. Other minerals are yet to be quantified (www. nasarawastate.org)

Although mining is a major industry in the state, there are few or no facilities for the processing of these minerals. Salt for example is still majorly processed with the use of traditional method. Investment opportunities therefore exist in the solid mineral sector of the state as detailed below.

S/N	LGA/locality	Minerals
1.	Akwanga	Cassiterite, Clay, Columbite, Mica, Grannite, Limenite
2.	Awe (Azara, Wuse, Alosi)	Baryte, Clay, Galena, Salt, Limestone
3.	Doma	Clay, Silica sand
4.	Keana	Baryte, Galena, Salt, Zinc, Lead, Limestone.
5.	Karu(Panda)	Clay, Glass sand, Granite, Tantalite, Mica
6.	Keffi(Ungwar Doka, Tudun Jenjela)	Clay, Tale, Gemstone(Tourmaline, Aquamarine, Sapphire)
7.	Kokona(Bakin-Aini, Rafin Gabas)	Mica, Chalcopryrite, Gemstone (Tourmaline and Aquamarine)
8.	Lafia (Shabu)	Clay, Silica sand, Gemstone (Topaz)
9.	Nassarwa Eggon (Wana, Alogani, Mada station, Ungwar Gyawa)	Quartz, Mica, Granite, Gemstone (Emerald, Aquamarine, Heliodor, Topaz, Amethyst)
10.	Obi	Baryte, Clay Coal
11.	Nassarawa(Udege-mbeki)	Cassiterite, Clay, Columbite, Tantalite
12.	Toto (Ugya)	Marble, Iron ore, Mica
13.	Wamba( Randa, Gongon)	Cassiterite, Tantalite, Granite, Columbite, limonite, Aquamarine

Table 2: Distribution of Solid Minerals in Nasarawa State

Source: Nasarawa State Ministry of Commerce, Industries and Cooperatives Lafia. (2005).

S/N	Entrepreneurship Opportunities	Minerals	Viable Locations
1.	Baryte Processing	Baryte	Azara
2.	Solid Minerals buying centres		Lafia, Akwanga and keffi
3.	Lapidary Plants for Gemstone		N/Eggon, Garaku
4.	Glass making	Glass sand	Shabu
5.	Marble processing	Marble	Toto
6.	Salt Factories	Salt	Keana, Ribi
7.	Burnt Bricks Factories	Clay	Keffi, kadarko, Akwanga, Karu
8.	Cement Plants	Limestone, quartz	Kadarko, Keana
9.	Coal briquetting enterprise	Coal	Obi
10.	Battery manufacturing/Pencil making	Lead	Keana
12.	Ceramics and Bricks works	Clay	Akwanga
13.	Terrazo/Tiles making and marketing company	Marble	Gadabuke, Toto

Table 3: Entrepreneurship Opportunities in the Solid Mineral Sector

Source: Adopted from Yaro, O.O (2005, p.88): Developing Solid Minerals Deposits for Rural Development in Nigeria

### 5.3. Tourism Potentials and Possible Areas of Entrepreneurship Opportunities

Nasarawa State has abundant tourist landmarks and sites cutting across the thirteen local government areas which are in need of development as distributed in the table 4 below:

S/N	Tourist Sites	Location	Size	Areas of Entrepreneurship Opportunities
1.	Peperuwa Lake	Peperuwa East of Lafia	7 x 3.8km	Picnicking, Camping, Viewing, Hotel Business.
2.	Malloney Hills	Keffi	Long	Picnicking, Camping.
3.	Oku-Akpa	Nasarawa	Long	Picnicking, Mountaineering, Hunting.
4.	Umaisha River	Umaisha (Toto)	Large	Fishing, Swimming, Boating, Regatta
5.	Akiri Warm Spring	Akiri (Awe)	Large	Curative Powers, Water Spring Plant.
6.	Doma Dam	Doma	2km x 300m	Irrigation, Fish Farming.
7.	Lafia Dyeing Pits and Calabash Carving	Kofar Pada (Lafia)	-	Traditional Cloth Weaving, Calabash Weaving.
8.	Akiri Salt Lake	Akiri (Awe)	Large	Salt Deposits
9.	Hunki Ox-bow Lake	Tunga (Awe)	7km x 70m	Picnicking, Boating, Fishing, Game viewing.
10.	Farin Ruwa Falls	Farin Ruwa (Wamba)	150 x50m	Hydroelectricity, Water spring, Wildlife.
11.	Eggon Hills and Caves	Nassarawa Eggon	300m high	Quarrying, Hotel Business
12.	Ara Rocks	Ara (Nassarawa)	150m high	Leadership Training, Camping, Mountaineering
13.	Keana Salt Village	Keana	Large	Salt Deposits
14.	Numan Rocks	Andaha (Akwanga)	Long	Camping, Leadership Training, Mountaineering

Table 4: Distribution of Tourism Resources with Entrepreneurship Opportunities in Nasarawa State

Source: Extracted from Yaro, O.O and Ebuga, E.A (2013): An Assessment of the Development Potentials in Nasarawa State, Nigeria

### 5.4. Water Resources and Possible Areas of Entrepreneurship Opportunities

Nasarawa State is richly endowed with abundant water resources estimated at 36 billion cubic metres. Table 5 below captures the major water resources of Nasarawa state with their locations besides several ponds that exist along the major river valleys.

S/N	Water Resources	Location
1.	Mada River	Nass/Eggon Mada Station
2.	Gudi River	Akwanga (Gudi Station)
3.	Arikyia River	Lafia (Arikyia)
4.	Maisauri River	Keffi (Maisauri)
5.	Amba River	Kokona (Amba)
6.	Umaisha River	Toto (Umaisha)
7.	Uke River	Karu (Uke)
8.	Antau River	Keffi (Antau)
9.	Awonge River	Doma (Awonge)
10.	Mararaban Kogi	Lafia (Mararaban Kogi)
11.	Akiri Lake	Lafia (Akiri)
12.	Hunki Lake	Lafia (Hunki)
13.	Doma Dam	Doma
14.	Akwanga Dam	Akwanga
15.	Nassarawa Dam	Nassarawa
16.	Farin Ruwa Falls	Wamba (Farin Ruwa)
17.	Akiri Spring	Lafia (Akiri)

Table 5: Major water resources and locations

Source: Extracted from Yaro, O.O and Ebuga, E.A (2013): An Assessment of the Development Potentials of Nasarawa State, Nigeria

Note: Despite these rich water bodies, portable drinking water and edible fish are not within the reach of rural dwellers while agriculture is dominantly rain-fed. Thus, possible entrepreneurship opportunities in this sector include private water supply companies, water treatment plants, bottled water factories, irrigation farming systems, hydroelectricity plants, fish farming, spring water processing plants, fish processing equipment like cold room and boating facilities.

### 5.5. Forest Resources and Possible Areas of Entrepreneurship Opportunities

There exist forests in Nasarawa state particularly in karu, Toto, Wamba, Doma and Awe local government areas with merchantable species. Few of such trees include mahogany, iroko and obeche in large quantities. In this area, entrepreneurship opportunities are possible in saw milling, furniture making, paper making, and agriculture and game reserve.

### 5.6. Climatological Resources and Possible Areas of Entrepreneurship Opportunities

The climate of Nasarawa is predominantly tropical with an average temperature of 25° C – 36° C and an average rainfall of 1300mm. There are two major seasons, wet and dry season. The former begins from April and terminates in October with August and September as the wettest months. The latter starts from November and ends in March, with February and March as the hottest months (www.nasarawastate.org). The entrepreneurship opportunities arising from these forms of resources include ice cream making business, cold rooms, padi production and livestock farming with its associated entrepreneurship opportunities (modern abattoirs, veterinary drugs, tannery and leather works, dairy products, feed production, hatchery and incubator business and livestock service centres).

### 5.7. Human Resources and Possible Areas of Entrepreneurship Opportunities

With an estimated population of over 1.8 million people (2006 provisional census results) Nasarawa state is heterogeneous with over 20 ethnic groups coexisting. These ethnic nationalities include Afo, Agatu, Akye, Alago, Beriberi, Bassa, Egbira, Eggon, Fulani, Gade, Gbagyi, Gwandara, Hausa, Jukun, Kantana, Mada, Migili, Nimzom, Arum, Rinderi, Yashi, Yeskwa and Tiv. These rich combinations of people and talents in the state will therefore present the need for entrepreneurship development centres for traditional costumes making and marketing and also museum that would serve as centre for tourist attraction.

### 5.8. Education and Possible Areas of Entrepreneurship Opportunities

Nasarawa State has over 331 public secondary schools and 360 private secondary schools with many primary schools cutting across almost all villages in the state (Gwamna, 2011) as captured in Yaro and Ebuga (2013). At the tertiary level, there are well over 10 government and private institutions in the state, namely; Nasarawa State University Keffi, School of Nursing and Midwifery Lafia, College of Agriculture Lafia, Nasarawa State Polytechnic Lafia and College of Education Akwanga. Others are Federal University Lafia, Federal Polytechnic Nassarwa, Maurid Institute of Management Nasarawa, Hill College of Education Akwanga, Ipere College of Education Agyaragu, School of Health Technology Alushi, Olivet School of health Technology, Azuba Centre, Lafia and Nasarawa College of Administration and Business Studies (NACABS) Akwanga. Entrepreneurship opportunities in the sector include establishment of printing press and publication houses, provision of educational equipment (science laboratory equipment, teaching and learning aids e.t.c), computer sales and services, selling of books and writing materials amongst others.

### 5.9. Proximity of the State to FCT and Possible Areas of Entrepreneurship Opportunities

Due to its vast land resource, strategic location and proximity to Abuja, Nigeria's Federal Capital City, International market structure and hotel business would be a viable venture in creating entrepreneurship opportunities. Already, hotel business is springing up rapidly for the comfort and convenience of visitors especially in Lafia, Keffi, Akwanga, Nassarawa and Karu. These have helped to boost tourism, small and medium scale enterprises and property development in the state. However, a lot still need to be done by foresighted individuals.

## 6. Likely Challenges

The under listed are some likely challenges to be faced by unemployed graduates and other school leavers during and after school in a bid to take advantage of aforementioned opportunities.

- Entrepreneurship education is a new discipline, thus teaching problem is evident in short supply of specialists in the field. There is also lack of instructional materials because not much is written on it. Consequently, there is the possibility that students might not be properly guided before graduation. Should this happen, these students upon graduation might likely fall into the temptation of identifying an idea and simply plunging in without a careful study of the market situation, possible source of finance, equipment, prevailing government policies, technological and personnel requirements. In these circumstances, we should expect a business fold up no sooner than it commences.
- Entry into any sort of business requires some amount of capital in order to get started. Thus a major problem that the unemployed graduate would face is how to get finance for the project. Business opportunities that exist in such areas as mining, leisure and tourism and fabrication requires large initial capital which the young enterprising graduates are unlikely to provide giving their poverty status and the unwillingness of the financial sector to grant them loans for lack of unrealistically high value collaterals.
- The paper views infrastructural deficits and security challenges arising from political and social upheavals as a major setback in the state for emerging entrepreneurs. The conducive and enabling environment which is supposed to enhance the practice of entrepreneurship in Nasarawa state is at the moment greatly hampered by epileptic power supply, inadequate roads networks in all the major cities of Nasarawa State, lack of portable water and complete absence of industrial estates and layouts.

- The indigenous capitalists are not production minded as they are neither inventive nor innovative. So rather than being a source of inspiration and capital to the emerging young graduates and school leavers, they are more likely going to frustrate the initiatives and creativity of the latter by not granting them audience and the necessary capital for production.

## 7. Conclusion

It is the failure of government and the civil society in general to provide paid employment for young graduates and school leavers that led to the introduction of entrepreneurship education in our tertiary institutions of learning. Nasarawa State has given us a platform for the practice of entrepreneurship by enterprising young graduates and other school leavers. But with the cheery news also come some challenges that stand as divide between opportunities and entrepreneurship education. The following therefore are some useful recommendations that would help minimise or clear the challenges.

- To be able to teach entrepreneurship as a new discipline in a practical learner centred way, this paper opines that all the lecturers and teachers that have been engaged to teach the course should go on in-service training or attend some capacity building workshops in order to acquire the needed skills, knowledge and methodology.
- Besides the teachers guide, this paper corroborates the opinion of Akwa and Davou (2009) that there should be conscious effort on the part of the teachers to write textbooks and appropriate teaching aids that would ease the teaching of entrepreneurship in our tertiary institutions of higher learning.
- This paper also recommends that before any unemployed graduate or school leaver applies for a substantial loan he or she should undertake a thorough feasibility study of the project he/she intends to go into. With a realistic feasibility study and cooperation among graduates of different disciplines having same idea and focus, banks may be more willing to grant loans.
- In the alternative, since commercial banks appear not to be entrepreneur friendly given their stringent measures, policies and conditionality on loan facilities towards investors, entrepreneurs can opt for “Business Angel” with a big sigh of relief. Business Angel is a group of individuals with the business start up knowledge and who issue out capital called “Venture capital” for business start up.

The only prerequisite for access is that the entrepreneur presents a well studied feasibility report that shows evidence of high return on business. For more information on business angel, log on [en.m.wikipedia.org/wiki/Angel-investor](http://en.m.wikipedia.org/wiki/Angel-investor).

- The government of Nasarawa State is hereby, appealed to rise up to her traditional role of creating a conducive and enabling environment that will enable the young enterprising graduates and school leavers reap the benefits of entrepreneurship education in the light of abounding opportunities
- The indigenous capitalists need a national orientation on the need to engage their funds in productive ventures rather than stashing such funds in foreign accounts or investing in mere distributive trade of buying and selling.

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