International Journal of Trend in Scientific Research and Development (IJTSRD)
Volume: 3 | Issue: 3 | Mar-Apr 2019 Available Online: www.ijtsrd.com e-ISSN: 2456 - 6470

International Competition and Entrepreneurship Development in Nigeria

Anionwu Carol PhD

Department of Marketing, Faculty of Management Sciences, Cross River University of Technology, Nigeria

How to cite this paper: Anionwu Carol "International Competition and Entrepreneurship Development in Nigeria" Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-3 | Issue-3, April 2019, pp.1812-1819, URL: https://www.ijtsrd.com/papers/ijtsrd23569.pdf

IJTSRD23569

ABSTRACT

This study examines the influence of international competition on entrepreneurship development in Nigeria. Specifically, the study seeks to ascertain the effect of international competition, foreign direct investment, per capita income, technology, foreign aids, market size, poverty alleviation and employment generations on entrepreneurship development in Nigeria using an econometric regression model of the Ordinary Least Square (OLS) after determining stationarity of our variables using the ADF Statistic, as well as the cointegration of variables using the Johansen approach. It was discovered that the variables are stationary and have a long run impact/relationship with entrepreneurship development in Nigeria. From the result of the OLS, it was observed that apart from per capita income and market size that are not significant, every other variable – international competition, foreign direct investment, technology, foreign aids, and employment generation significantly influence entrepreneurship development in Nigeria. Based on the above findings, the study recommends that the government should focus on formulating polices that will address the challenges of international completion as it affects entrepreneurship development in Nigeria by vigorously protecting domestic investment. The government should also strive to improve on key factors that help entrepreneurs to thrive by addressing the problems of infrastructural decay, especially the issues of power supply and access to finance. Government needs to urgently address the dilapidated infrastructural facilities in the country, like roads, railways and provide adequate security to promote entrepreneurship in Nigeria.

KEYWORDS: *International Competition, Entrepreneurship Development, Foreign Direct Investment, Technology, Foreign Aids, Poverty Alleviation*

INTRODUCTION

Entrepreneurship development has been described as a veritable tool for fostering economic development in both developed and developing economy. It is the core engine for rapid and sustained economic growth and development. It creates the required manpower and skills necessary for accelerated economic growth, reduce unemployment and poverty. Successful entrepreneurs, through their breakthrough technologies and rapidly growing businesses, create new wealth that can facilitate even greater economic growth and development (Anyanwu, 2015). Furthermore, entrepreneurship is seen as an effective means not only of combating unemployment, poverty and under-development in the developing nations, but also as a strategy for rapid economic development in both developed and developing nations. It is more than simply starting a business. It is a process through which individuals identify opportunities, allocate resources and create value. This creation of value is often through the identification of unmet needs or through the identification of opportunities for change (Anyanwu, 2015; Idam, 2014; Schumpeter, 1934). According to Anyanwu (2015), fostering entrepreneurship means channelling entrepreneurial drive into a dynamic process which takes advantage of all the opportunities that the economy can provide. Entrepreneurship requires an entrepreneur to be a person who can pursue his or her goals in spite of obstacles, opposition, setbacks and failure. He or she must persist in the face of adversity, confront unknown challenges and risks learn from failures, have confidence in his or her capacity to deal with the world, and take practical rational steps in the pursuit of their goals. The successful entrepreneur tends to be a visionary, competent, independent, action-oriented, passionate, confident and virtuous person who focuses his or her enthusiasm on reality in the efforts to attain his/her goals (Anyanwu, 2015).

Despite the role of entrepreneurs and Entrepreneurship development in shaping the economy, international competition via globalization - a process characterized by the increasing integration of goods, labour and financial markets, without regard for international boundaries with the ultimate goal of pursuing a single global market – has threatened the sustainability investment in the country. International completion across businesses and industries have improved as well as affected the growth of businesses that lacks competitive advantage. In a study carried out by

Akinola (2014), it was found out in the study that globalization has created free trade and made Nigerian entrepreneurs have wider market coverage. Specifically, productivity grows for some goods and services in which Nigeria has a comparative advantage; global competition and less costly imports have kept prices of some products down and free trade has inspired innovation for new products and kept some Nigerian firms competitively challenged. However, domestic workers in manufacturing based jobs are losing their jobs due to increased cheaper imports or shifts of production base to low-wage regions or low production cost global markets; alternatively workers are forced to accept pay cuts from employers. Also, Nigerian domestic companies are losing their comparative advantage since competitors build advanced operations in low-wage countries like China. Arguably, this is a serious matter because of the key role that entrepreneurs and small businesses play in job creation and economic growth in every country. A key issue of our time is who loses and gains from international completion via globalisation. In markets of tradable goods, it is easy to predict that industries which have had little exposure to international competition will suffer. Despite the fact that small businesses are the engines that drive economic growth in most economies, small scale enterprises in Africa are at a great disadvantage in this race for growth and profitability (Zeng, 2008; Akinola, 2014).

Addressing the challenges of international completion via globalization of trade is a mutual and collective effort. Entrepreneurship development is the responsibility of government at all levels, organized private sector and all well-meaning individuals - Nigerians. Policies and practical interventions of government should focus on formulating polices that will address the challenges of international completion as it affects entrepreneurship development in Nigeria. This is because it is not yet clear the extent to which government trade polices protect domestic investments in Nigeria to have competitive advantage with international trade flows. This study tries to examine the influence of international competition on entrepreneurship development in Nigeria by analyzing major macroeconomic trade indicators. The word entrepreneur originated from the French word, “entreprende” which means “to undertake”. In the business context, it means to start a business, identify a business opportunity, organise resources and manage and assume the risk of a business or an enterprise. It is also used to describe those who take charge and lead a project that would deliver valuable benefits upon completion, in other words, those who can manage uncertainty and bring about success in the face of daunting challenges. An entrepreneur is a person who develops a new idea and takes the risk of setting up an enterprise to produce a product or service which satisfies consumer's needs. An entrepreneur is one who creates a new business in the face of risk and uncertainty to achieve profit and growth opportunities as well as assembling the necessary resources to capitalize on those opportunities. The primary benefits entrepreneurs enjoy include the opportunity to create their own destiny, make a difference, reach their full potential, generate impressive profits, contribute to the society and are recognized for their efforts, and do what they enjoy doing best (Anyanwu, 2015). On the other hand, competition is a factor that affects the business environment in any industry. Consequently, competition is inevitable in almost every business environment. In a competitive business environment, prices tend to remain relatively low because the power of bargaining is usually in the hands of the buyers (Kaunyangi, 2014). Economic competition usually takes place in markets where the sellers compete to attract offers from prospective buyers. In the process of buyer seller interactions, a lot of information is signaled through product/ service prices therefore most sellers will cut prices to attract buyers (Kaunyangi, 2014, Carlton & Dana, 2004). The situation is even more constricting in international competition where foreign companies come in with a lot of absolute and comparative advantage over domestic firms. Some of the competitive advantages include: technological superiority, resource endowments, human skills, economies of scale, national and international policies, demand patterns and commercial policies (Gupta, 2015). This situation has exposed companies in developing countries to face strong competition. Most of them now have to cope with the declining market share while several others have been forced out of the market. This is corroborated by Garrett (2004), who noted that increasing openness of emerging economies has not been beneficial to their firms because these firms cannot compete against products from less developed countries that have the cost advantage and against products from developed economies that have the quality advantage (Cited in Akhter & Barcellos, 2013). Contrary to the above arguments and assertions, some scholars posit that competition improves firm profitability. According to Joekes and Evans (2008) competition is good for business. Every business enterprise in operation with a profit oriented goal will have to face competition with exception to monopolistic business enterprises (Kaunyangi, 2014; Joekes & Evans, 2008). Daniels (2000) also contends that as emerging economies open their markets due to globalization, some of the protected firms and industries might not survive, but others may grow and internationalize. In the light of the foregoing arguments among researchers from different regions and continents, it is therefore imperative to investigate the Nigeria situation to supplement the intellectual curiosity among scholar in resolving the challenges of international competition and entrepreneurship development nexus.

Statement of Research Problem

Competition pits one company against the other in an attempt to attract and retain customer. This is even more constricting in a globalize economy and the trending trade openness among nations. Entrepreneurial development has helped in shaping the economy of most of the advanced and developed nations for over a century now. The phenomenal concept has been a topical issue in both developed and developing economies because of the significant and critical roles entrepreneurship has played in building most of the advanced and emerging economies. It has been asserted that entrepreneurship play critical role by contributing to economic growth, job creation, and national income and hence to national prosperity and competitiveness (Baig, 2007; Abdul & Idris, 2014, Anigbogu, Dibua & Okoli, 2019). Arguably, International completion affects domestic investment and businesses, but it is very much uncertain the extent to which it affects domestic investment hence the need to carry out an empirical investigation to ascertain the the influence of international competition on entrepreneurship development in Nigeria. According to Diyoke (2014), entrepreneurship is the dynamic process of creating incremental wealth. The wealth is created by individuals who assume the major risks in terms of equity, time and career commitment or provide value for some products, but value must somehow be infused by the entrepreneur by receiving and locating the necessary skills and resources. Entrepreneurship is also the process of managing your own business enterprise. Whereas entrepreneurs are individuals or persons, entrepreneurship is a process. At times the terms "entrepreneur" and "owner manager" are used interchangeably as if they mean the same thing because entrepreneurship is inextricably linked to small business management. Entrepreneurs are often both owners and employees and a considerable number of them are small business owners or managers. Such people are risk takers, creative, innovative, independent, hardworking and posses other qualities that are driving force behind any entrepreneurial activities in the economy. These entrepreneurial activities significantly affect the economy by building the economic base and providing jobs (Diyoke, 2014, Anigbogu, Dibua & Okoli, 2019). However, the activities of these domestic investors can be marred through intentional completion by way of unrestricted trade openness and high dependence on import driven economy. Both completion and entrepreneurship drives an economy. It is however imperative that that we ascertain the effect of intentional competition on entrepreneurial development in Nigeria for obvious policy implication. We therefore propose a multiple econometric regression model of the Ordinary Least Square (OLS) that will use a time series data spanning from 1999-2018 that was obtained from the Central Bank of Nigeria (CBN) and Federal Bureau of Statistics (FBS). The study will include the needed macro economic variables like the entrepreneurship development, international competition, foreign direct investment, per capita income, technology, foreign aids, market size, poverty alleviation and employment generation.

Objectives of the Study

The broad objective of this study is to examine the influence of international competition on entrepreneurship development in Nigeria. Specifically, the study seeks to ascertain the effect of international competition, foreign direct investment, per capita income, technology, foreign aids, market size, poverty alleviation and employment generations on entrepreneurship development in Nigeria.

RELATED EMPIRICAL LITERATURE

This section reviews available literature in the area of study to enable has an insight into the topic under investigation. For example, Amadi, Ukoha and Alagah (2018) investigated government entrepreneurship development programmes and small & medium scale enterprise success in Rivers State using correlation analysis. Findings revealed that Youwin has a positive and significant relation with success of small and medium scale enterprises in Rivers State. It was also found that, significant relations exist between Age of small and medium scale enterprises, and size of medium scale enterprises and NDE. Mbah, Ukwuani and Okonkwo (2017) examined the effect of globalization on entrepreneurship development in South- East, Nigeria using f-statistics (ANOVA) tool. The result showed that globalization on exchange rates has no positive effect on the entrepreneurship development in South- East, Nigeria f(n = 514)= 1553.630, P<0.05; that globalization on capacity utilization has no positive effect on the entrepreneurship development in South- East, Nigeria f(n = 514)= 4471.153, P<0.05. The study found that globalization on exchange rates has no positive effect on the entrepreneurship development in South- East, Nigeria, and globalization on capacity utilization has no positive impact on the entrepreneurship development in South- East, Nigeria, Globalization leads to the increased interconnectedness of national economics, it creates more wealth in developing countries through entrepreneurship development. Iweka, Babajide & Olokoyo (2016) examined the dynamics of small business in an emerging market. The study specifically examined the challenges that small-scale enterprises face in Nigeria during the early stages and also explore opportunities that these businesses could derive from their immediate environment. The study employed cross sectional survey method and analysis of variance (ANOVA). The findings revealed that lack of access to finance and unfavourable macroeconomic environment still remain the major challenge faced by small businesses in Nigeria and that age and size of the businesses play significant role in all of this. Oyedele, Kareem & Akanbi (2016) examined globalization and small and medium enterprises development in Nigeria: Evidence from Lagos, Nigeria. Multiple regression model of the Ordinary Least Square with aid of STATA version 12. Result of analysis reveals that globalization ($\beta = 0.380$, $t = 7.420$, $p = 0.003$) has positive and significant effect on employment generation. The result further indicates that globalization has 33.64% decisive influence on employment generation. This implies that globalization is a strong predictor of employment generation. Result also reveals that globalization ($\beta = 0.490$, $t = 6.202$, $p = 0.000$) is positively and significantly related with poverty alleviation. Study further reveals that globalization contributes 40.96% to poverty alleviation. The study concludes that globalization has boosted the performance of SMEs in Nigeria positively. Olatunji, Muhammed, Lawal and Raji (2016) examined globalization and entrepreneurial development in Nigeria: The challenges and the opportunities. Findings revealed that poor infrastructural development, lack of financial support and poor entrepreneurial policy implementation and insecurity as challenges of globalization and entrepreneurial development in Nigeria, while viable population, availability of vast arable agricultural lands, availability of mineral resources, privatization of government owned enterprises, the development of the ICT and regional trading opportunities were identified as opportunities of globalization and entrepreneurial development in Nigeria. Agu, and Ayogu (2015) assessed the prospects and problems of entrepreneurship development in Nigeria using chi-Square statistical tool. Findings indicate that multiple taxes and levies, lack of knowledge of technology and unfair competition are the Challenges of entrepreneurship development in Nigeria; Technology enhances entrepreneurship development in Nigeria through improved customer satisfaction and reduction in transaction time; Provision of technical support and research center are the contributions of government towards entrepreneurial development in Nigeria. Akiri, Iliya and Adi (2015) examined entrepreneurship and sustainable economic growth in Nigeria using adopted Narrative - Textual case Study (NTCS); for it analysis. The study revealed that business environment for entrepreneurship is insufficient in Nigeria based on the challenges of power and other infrastructural facilities. Shuaib, Ekeria and Ogedengbe (2015) investigated the impact of globalisation on the growth of Nigerian Economy from 1960-2010 using an error correction model analysis to determine the long run and short run relationship among the variables examined. Findings revealed that there is a significant relationship between globalization and economic growth in Nigeria. The empirical result further proves investment as source through which output could be increased in Nigeria. It is evident that there is feedback mechanism between the investment and economic growth in Nigeria. Also it was revealed from the results that External debt ratio exert an inverse impact on the economic growth in Nigeria. Adebayo (2015) examined the impact of government entrepreneurial programmes on youth SMES Participation in Nigeria utilizing correlation and multiple regression statistical tools. The study concludes that government intervention programmes such as financial, infrastructural and capacity building is paramount to new venture creation among the youth. The findings further reveal a significant positive correlation between availability of fund and new venture creation. Uchegbulam, Akinyele and lbidunni (2015) examined competitive strategy and performance of selected SMEs in Nigeria using the linear regression model. The findings revealed that there is a relationship between product features and customer base; product customization and sales growth, value added products and revenue growth. It also indicated that better product quality has an influence on returns on investment. Akinola (2014) investigated globalization and the problems of entrepreneurial development in Nigeria using descriptive statistics. It was found out in the study that globalization has created free trade and made Nigerian entrepreneurs have wider market coverage. Specifically, productivity grows for some goods and services in which Nigeria has a comparative advantage; global competition and less costly imports have kept prices of some products down, so inflation has not curtailed economic growth; and free trade has inspired innovation for new products and kept some Nigerian firms competitively challenged. However, domestic workers in manufacturing based jobs are losing their jobs due to increased cheaper imports or shifts of production base to low-wage regions or low production cost global markets; alternatively workers are forced to accept pay cuts from employers. Also, Nigerian domestic companies are losing their comparative advantage since competitors build advanced operations in low-wage countries. Idam (2014) investigated entrepreneurship development in Nigeria. The study relied on extensive review of extant literature. Findings revealed positive relationship between entrepreneurship and employment generation, poverty alleviation and economic development. The study also identified causal factors that militate against the effectiveness of government efforts at entrepreneurship development which include environmental hazards, infrastructural inadequacies, high level of insecurity and the incidence of wide-spread corruption. Diyoke (2014) investigated entrepreneurship development in Nigeria: Issues, problems and prospects using percentages, mean scores and Chi-square statistics. The result indicated that apart from the known problems of inadequate capital and lack of competent and skilled management, there are other challenges like epileptic power supply, violent clashes of militant groups, kidnapping, looting, and arson that hinder entrepreneurial activities in the economy. Abdul-kemi (2014) examined entrepreneurship and economic development in Nigeria: Evidence from Small and Medium Scale Enterprises (SMEs) Financing. The paper adopted correlational research design using secondary data for a period of 22 years (1992-2013) and Autoregressive Integrated Moving Average (ARIMA) model. The study found that aggregate commercial banks financing of SMEs has significant positive impact on the economic growth and development of Nigeria. The study also found that Microfinance banks' financing in the area of transportation and commerce, manufacturing and food processing and other activities have significantly impacted on economic growth and development of Nigeria during the period. Akinola (2013) carried out a study on entrepreneurship in Nigeria-Funding and Financing Strategies. The study relied extensively on extant literature review, findings revealed that for short term funding it has been explained that most appropriate should be funds that repayment will be conducted with less than three hundred and sixty five days, while capital projects should be financed by fund with maturity period over three years. It also revealed the opportunity of financing lease while early period equity funding should be through capital venture which is available through the Small and Medium industries Equity Investment Scheme. Nwibo and Okorie (2013) investigated the constraints to entrepreneurship and investment decisions among agribusiness investors in Southeast, Nigeria using descriptive and inferential statistics. The result of the analysis showed that lack of start-up capital, lack of market information, crime, theft and social disorder, corruption and bad legal system, poor infrastructural facilities, multiple taxation, tedious registration and licensing procedure, and poor access to formal credit facilities were the main constraints to entrepreneurship and investment decisions by agribusiness entrepreneurs in South-East, Nigeria. The result further showed that starting enterprises without proper feasibility, high taxation, inadequate supply of power, inconsistency in government policy, inability to withstand competition, management inexperience, poor knowledge in the line of business, and joint ownership of enterprises were the major causes of enterprise failure in Southeast Nigeria. It also revealed that despite the varying constraints to entrepreneurship and investment decision in the area, agribusiness ventures in the area performed at levels acceptable to the entrepreneurs. Ogbadu and Ameh (2012) examined globalisation and Nigeria's involvement in international marketing using co-integration statistics to ascertain the co-integration between globalization and the extent of Nigeria participation in international marketing. Findings revealed that no co-integration between globalization and Nigeria's involvement in international marketing. Nigeria is less integrated with the rest of the world in terms of global marketing.

In summary, there is a sharp asymmetry between this study and available literature reviewed so far. There is no identifiable literature on the contribution and influence of international competition on entrepreneurship development in Nigeria. Available literature revealed that previous researchers largely concentrated on the relative role of entrepreneur development on economic performance in Nigeria and in the world at large. Also, in the literature, a good number of studies have established positive relationship between entrepreneurship and employment generation, poverty alleviation and economic development by stressing the role of various governments in Nigeria over the past three decades in implementing a number of policies and programmes aimed at addressing the high rate of unemployment, wide-spread poverty and low level of economic development. Unfortunately, the various policies and programmes have failed to achieve the desired results. This paper attempts to examine the influence of international competition on entrepreneurship development in Nigeria by analyzing major macroeconomic trade indicators.

METHODOLOGY

This section contains research method used to examine the influence of international competition on entrepreneurship development in Nigeria. It contains the model specification used to achieve the research objective.

Model Specification

The model for this study will be based on the insight gain from Edoko, Agbasi and Ezeanolue (2018) and modifications made. This study examined the influence of international competition on entrepreneurship development in Nigeria and adopts the model style of Edoko, Agbasi and Ezeanolue (2018) in its analysis of effect of small and medium enterprises on employment generation in Nigeria. In line with this, this study modified Edoko, Agbasi and Ezeanolue (2018) style of model. The modifications was the introduction of the entrepreneurship development, international competition, foreign direct investment, per capita income, technology, foreign aids, market size, poverty alleviation and employment generation. With this modification, entrepreneurship development will serve as dependent variable while international competition, foreign direct investment, per capita income, technology, foreign aids, market size, poverty alleviation and employment generations are the explanatory variables of the model. Thus, the model equation for this study is stated as follow:

The structural form of the model is:

$Y = f(X_1, X_2, X_3, X_4, X_5, X_6, X_7, X_8)$..(1)

The mathematical form of the model is:

$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + \beta_8X_8$ .... (2)

The econometric form of the model is:

$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + \beta_8X_8 + \mu_i$ .... (3)

Where Y = entrepreneurship development (END) proxied by END growth rate

X_1 = International competition (INC) proxied by trade openness
X_2 = Foreign direct investment (FDI)
X_3 = Per capita income PCI)
X_4 = Technology (TEC)
X_5 = Foreign aids (FAS)
X_6 = Market size (MKZ) proxied by MKZ growth rate
X_7 = Poverty alleviation (POV)
X_8 = Employment generation (EMG) proxied by EMG growth rate
β_0 = Intercept of the model
$\beta_1 - \beta_8$ = Parameters of the regression coefficients
μ_i = Stochastic error term

Method of Data Analysis

The economic technique employed in the study is the ordinary least square (OLS). This is because the OLS computational procedure is fairly simple a best linear estimator among all unbiased estimation, efficient and shown to have the smallest (minimum variance) thus, it become the best linear unbiased estimator (BLUE) in the classical linear regression (CLR) model. Basic assumptions of the OLS are related to the forms of the relationship among the distribution of the random variance (μ_i). OLS is a very popular method and in fact, one of the most powerful methods of regression analysis. It is used exclusively to estimate the unknown parameters of a linear regression model. The Economic views (E-views) software was adopted for regression analysis.

PRESENTATION OF EMPIRICAL RESULTS

Summary of Stationary Unit Root Test

Establishing stationarity is essential because if there is no stationarity, the processing of the data may produce biased result. The consequences are unreliable interpretation and conclusions. We test for stationarity using Augmented Dickey-Fuller (ADF) tests on the data. The ADF tests are done on level series, first and second order differenced series. The decision rule is to reject stationarity if ADF statistics is less than 5% critical value, otherwise, accept stationarity when ADF statistics is greater than 5% criteria value. The result of regression is presented in table 1 below.

Table 1: Summary of ADF test results

Variables	ADF Statistics	Lagged Difference	1% Critical Value	5% Critical Value	10% Critical Value	Order of Integration
END	-7.697126	1	-3.646342	-2.954021	-2.615817	*I*(1)
INC	-6.659575	1	-3.653730	-2.957110	-2.617434	*I*(1)
FDI	-6.945599	1	-3.661661	-2.960411	-2.619160	*I*(2)
PCI	-4.933695	1	-3.646342	-2.954021	-2.615817	*I*(1)
TEC	-5.596580	1	-3.646342	-2.954021	-2.615817	*I*(1)
FAS	-5.113453	1	-3.646342	-2.954021	-2.615817	*I*(1)
MKZ	-12.32906	1	-3.646342	-2.954021	-2.615817	*I(1)*
POV	-6.916515	1	-3.653730	-2.957110	-2.617434	*I*(2)
EMG	-6.111930	1	-3.646342	-2.954021	-2.615817	*I*(1)

Source: Researchers computation

Evidence from unit root table above shows that none of the variables are integrated in level, i.e., *I*(0). FDI and POV are stationary at second difference, that is, *I*(2), all other variables of the study are stationary at first difference, that is, *I*(1). Since the decision rule is to reject stationarity if ADF statistics is less than 5% critical value, and accept stationarity when ADF statistics is greater than 5% criteria value, the ADF absolute value of each of these variables is greater than the 5% critical value at their first difference but less than 5% critical value in their level form. Therefore, they are all stationary at their first and second difference integration. The parameters are therefore stationary at the order of integration as indicated in the table 1 above. They are also significant at 1%, 5% and 10% respectively. Since all the variables are integrated at first difference, we go further to carry out the cointegration test. The essence is to show that although all the variables are stationary, whether the variables have a long term relationship or equilibrium among them. That is, the variables are cointegrated and will not produce a spurious regression.

Summary of Johansen Cointegration Test

Cointegration means that there is a correlationship among the variables. Cointegration test is done on the residual of the model. Since the unit root test shows that the some variables are stationary at first difference, $I(1)$ while others at second difference $1(1)$, we therefore test for cointegration among these variables. The result is presented in tables 2 below for Trace and Maximum Eigen-value cointegration rank test respectively.

Table 2: Summary of Johansen Cointegration Test

Unrestricted Cointegration Rank Test (Trace)				
Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.929526	364.7208	197.3709	0.0000
At most 1 *	0.908869	277.1881	159.5297	0.0000
At most 2 *	0.813553	198.1382	125.6154	0.0000
At most 3 *	0.770981	142.7110	95.75366	0.0000
At most 4 *	0.657770	94.07065	69.81889	0.0002
At most 5 *	0.530734	58.68567	47.85613	0.0035
At most 6 *	0.403969	33.71838	29.79707	0.0168
At most 7 *	0.239385	16.64210	15.49471	0.0335
At most 8 *	0.206005	7.612386	3.841466	0.0058

Unrestricted Cointegration Rank Test (Maximum Eigenvalue)				
Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.929526	87.53266	58.43354	0.0000
At most 1 *	0.908869	79.04991	52.36261	0.0000
At most 2 *	0.813553	55.42714	46.23142	0.0040
At most 3 *	0.770981	48.64038	40.07757	0.0043
At most 4 *	0.657770	35.38499	33.87687	0.0328
At most 5	0.530734	24.96729	27.58434	0.1043
At most 6	0.403969	17.07628	21.13162	0.1684
At most 7	0.239385	9.029714	14.26460	0.2837
At most 8 *	0.206005	7.612386	3.841466	0.0058

Source: Researchers computation

Table 2 indicates that trace have 9 cointegrating variables in the model while Maximum Eigen-value indicated 6 cointegrating variables. Both the trace statistics and Eigen value statistics reveal that there is a long run relationship between the variables. That is, the linear combination of these variables cancels out the stochastic trend in the series. This will prevent the generation of spurious regression results. Hence, the implication of this result is a long run relationship between entrepreneurship development and other variables used in the model.

Presentation of Result

Table 3: Summary of regression results

Dependent Variable: END
Method: Least Squares
Sample: 1999 2018
Included observations: 21

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	25.66134	1.318401	19.46399	0.0000
INC	0.008111	0.009997	6.811339	0.0000
FDI	0.004913	0.003072	4.599189	0.0001
PCI	0.005625	0.017837	0.315376	0.7550
TEC	0.002626	0.017381	4.151088	0.0003
FAS	0.004047	0.000970	4.174511	0.0003
MKZ	0.108546	0.143164	0.758191	0.4552
POV	-0.099608	0.031182	-3.194363	0.0037
EMG	0.090308	0.054968	3.642917	0.0024

R-squared	0.968435	F-statistic	99.71374
Adjusted R-squared	0.958723	Prob(F-statistic)	0.000000
S.E. of regression	50.18926	Durbin-Watson stat	2.081796

Source: Researchers computation

Evaluation of the Research Hypothesis

To analyze the regression results as presented in table 3, we employ economic a prior criteria, statistical criteria and econometric criteria.

Evaluation based on economic a priori criteria

This subsection is concerned with evaluating the regression results based on a priori (i.e., theoretical) expectations. The sign and magnitude of each variable coefficient is evaluated against theoretical expectations.

From table 3, it is observed that the regression line have a positive intercept as presented by the constant (c) = 25.66134. This means that if all the variables are held constant (zero), END will be valued at 25.66134. Thus, the a-priori expectation is that the intercept could be positive or negative, so it conforms to the theoretical expectation.

From table 3, it is observed that international competition, foreign direct investment, per capita income, technology, foreign aids, market size and employment generation has a positive relationship with entrepreneurship development in Nigeria. This means that as international competition, foreign direct investment, per capita income, technology, foreign aids, market size and employment generation are increasing, it will bring about improvement in the Nigerian entrepreneurship development. On the other hand, poverty has a negative impact on entrepreneurship development. This means that as poverty is falling, entrepreneurship development will increase. From the regression analysis, it is observed that all the variables conform to the a priori expectation of the study.

Thus, table 5 summarises the a priori test of this study.

Table 4: Summary of economic a priori test

Parameters	Variables		Expected Relationships	Observed Relationships	Conclusion
	Regressand	Regressor			
β_0	END	Intercept	+/-	+	Conform
β_1	END	INC	+	+	Conform
β_2	END	FDI	+	+	Conform
β_3	END	PCI	+	+	Conform
β_4	END	TEC	+	+	Conform
β_5	END	FAS	+	+	Conform
β_6	END	MKZ	+	+	Conform
β_7	END	POV	-	-	Conform
β_8	END	EMG	+	+	Conform

Source: Researchers compilation

Evaluation based on statistical criteria

This subsection applies the R^2, adjusted R^2, the S.E, the t–test and the f–test to determine the statistical reliability of the estimated parameters. These tests are performed as follows:

From our regression result, the **coefficient of determination (R^2)** is given as 0.968435, which shows that the explanatory power of the variables is very high and/or strong. This implies that 97% of the variations in the growth of the INC, FDI, PCI, TEC, FAS, MKZ, POV and EMG are being accounted for or explained by the variations in entrepreneurship development in Nigeria. While other determinants of END not captured in the model explain just 3% of the variation in entrepreneurship growth and development in Nigeria.

The **adjusted R^2** supports the claim of the R^2 with a value of 0.958723 indicating that 96% of the total variation in the dependent variable (entrepreneurship development is explained by the independent variables (the regressors)). Thus, this supports the statement that the explanatory power of the variables is very high and strong.

The **standard errors** as presented in table 4 show that all the explanatory variables were all low. The low values of the standard errors in the result show that some level of confidence can be placed on the estimates.

The **F-statistic:** The F-test is applied to check the overall significance of the model. The F-statistic is instrumental in verifying the overall significance of an estimated model. The F-statistic of our estimated model is 99.71374 and the probability of the F-statistic is 0.000000. Since the probability of the F-statistic is less than 0.05, we conclude that the explanatory variables have significant impacts on entrepreneurship development in Nigeria.

CONCLUSION AND RECOMMENDATIONS

In executing the study, the OLS techniques was applied after determining stationarity of our variables using the ADF Statistic, as well as the cointegration of variables using the Johansen approach and was discovered that the variables are stationary and have a long run impact/relationship with entrepreneurship development in Nigeria. From the result of the OLS, it is observed that

1. International competition, foreign direct investment, per capita income, technology, foreign aids, market size and employment generation has a positive relationship with entrepreneurship development in Nigeria. This means that as international competition, foreign direct investment, per capita income, technology, foreign aids, market size and employment generation are increasing, it will bring about improvement in the Nigerian entrepreneurship development. On the other hand, poverty has a negative impact on entrepreneurship development. This means that as poverty is falling, entrepreneurship development will increase.
2. From the regression analysis, it is observed that all the variables conform to the a priori expectation of the study where international competition, foreign direct investment, per capita income, technology, foreign aids, market size and employment generation has a positive relationship with Nigerian entrepreneurship development; poverty has a negative impact on entrepreneurship development in Nigeria.
3. Apart from per capita income and market size that are not significant, every other variable – international competition, foreign direct investment, technology, foreign aids, and employment generation significantly influence entrepreneurship development in Nigeria.
4. The F-test conducted in the study shows that the model has a goodness of fit and is statistically different from zero. In other words, there is a significant impact between the dependent and independent variables in the model. Finally, the study shows that there is a long run relationship exists among the variables. Both R^2 and adjusted R^2 show that the explanatory power of the variables is very high or strong. The standard errors show that all the explanatory variables were all low. The

low values of the standard errors in the result show that some level of confidence can be placed on the estimates.

Based on the above findings of this study, the following recommendations are made:

1. Government should focus on formulating polices that will address the challenges of international completion as it affects entrepreneurship development in Nigeria by vigorously protecting domestic investment.
2. The government should also strive improve on key factors that help entrepreneurs to thrive by addressing the problems of infrastructural decay, especially the issues of power supply and access to finance.
3. Government needs to urgently address the dilapidated infrastructural facilities in the country, like roads, railways and provide adequate security to promote entrepreneurship in Nigeria

References

[1] Abdul-kemi, I. Z. (2014). Entrepreneurship and economic development in Nigeria: Evidence from Small and Medium Scale Enterprises (SMEs) Financing. *International Journal of Business and Social Science,* 5(11), 215-230.

[2] Adebayo, P. O. (2015). Impact of government entrepreneurial programmes on Youth SMES participation in Nigeria. *Journal of Business and African Economy*, 1(8), 17-30.

[3] Agu, E. O. & Ayogu, D. U. (2015). Assessing the prospects and problems of entrepreneurship development in Nigeria. *International Journal of Current Research and Academic Review*, 3(10), 208-221

[4] Akhter, S. H. & Barcellos, P. F. P. (2013). Competitive threats, strategic responses and performance of Brazilian B2B Firms. *Management Decision*, 51(8), 1628-1642.

[5] Akinola, G. O. (2014). Globalization and the problems of entrepreneurial development in Nigeria. *Basic Research Journal of Business Management and Accounts*, 3(5), 67-74.

[6] Akinola, A. O. (2013). Entrepreneurship in Nigeria-funding and financing strategies, *European Journal of Accounting Auditing and Finance Research,* 1(4), 115-128.

[7] Akiri, S. E., Iliya, I. D. & Adi, F. O. (2015). Entrepreneurship and sustainable economic growth in Nigeria. *IIARD International Journal of Economics and Business Management*, 1(8), 39-45.

[8] Amadi, V. C., Ukoha, O. & Alagah, K. D. (2018). Government entrepreneurship development programmes and small & medium scale enterprise success in Rivers State. *International Journal of Advanced Academic Research*, 4(4), 202-219.

[9] Anyanwu, S. O. (2015). Entrepreneurship: A veritable tool for fostering economic development in Nigeria. 13th Inaugural Lecture, 30th April, 2015. University of Abuja, Abuja

[10] Carlton, D. W. & Dana, J. D. (2004). Product variety and demand uncertainty. Cambridge, Mass.: National Bureau of Economic Research

[11] Daniels, J. D. (2000). Emerging economies and the challenge of globalization. *Globalization, the Multinational Firm*, 10, 7-20.

[12] Diyoke, C. I. (2014). Entrepreneurship development in Nigeria: Issues, problems and prospects. *International Journal of Technical Research and Applications*, 10: 19-23.

[13] Edoko, T. D., Agbasi, O. E. & Ezeanolue, U. S. (2018). Effect of small and medium enterprises on employment generation in Nigeria. *International Journal of Trend in Scientific Research and Development*, 2(4), 1544-1553.

[14] *Gupta, S. D. (2015).* Comparative Advantage and Competitive Advantage: An economics perspective and a synthesis. *Athens Journal of Business and Economics, 1(1), 9-22.* Idam, L. E. (2014). Entrepreneurship development in Nigeria: A review. *IOSR Journal of Business and Management,* 16(1), 01-07.

[15] Iweka, H., Babajide, A. & Olokoyo, F. O. (2016). Dynamics of small business in an emerging market: Challenges and opportunities. *3rd International Conference on African Development Issues* (CU-ICADI 2016).

[16] Joekes, S. P., & Evans, P. (2008). Competition and development the power of competitive markets. Ottawa: International Development Research Centre.

[17] Kaunyangi, T. W. (2014). The impact of competition on performance of firms in the mobile telecommunication sector in Kenya. *International Journal of Scientific and Research Publications*, 4(11), 1-7.

[18] Mbah, P. C.,Ukwuani, B. O. & Okonkwo, O. J. (2017). Effect of Globalization on Entrepreneurship Development in South- East, Nigeria. *International Journal of Academic Research in Economics and Management Sciences, 6(4),* 174 – 188.

[19] Nwibo, S. U. & Okorie, A. (2013). Constraints to entrepreneurship and investment decisions among agribusiness investors in Southeast, Nigeria. *International Journal of Small Business and Entrepreneurship Research*, 1(4), 30-42.

[20] Ogbadu, E. E. & Ameh, A. A. (2012). Globalisation and Nigeria's involvement in international marketing. *Kuwait Chapter of Arabian Journal of Business and Management Review, 2(1), 44-58.*

[21] Olatunji, A. G., Muhammed, A. Y., Lawal, E. E. & Raji, A. (2016). "Globalisation and entrepreneurial development in Nigeria: The challenges and the opportunities" *Bangladesh e-Journal of Sociology,* 13(2), 116-134.

[22] Oyedele, O., Kareem, T. S. & Akanbi, F. K. (2016). Globalization and Small and Medium Enterprises Development in Nigeria: Evidence From Lagos, Nigeria. *IIARD International Journal of Economics and Business Management*, 2(4), 234-242.

[23] Schumpeter, J. A. (1934). *The theory of economic development*. Cambridge, MA: Harvard University Press.

[24] Shuaib, I. M., Ekeria, O. A. and Ogedengbe, A. F. (2015). The Impact of Globalisation on the Growth of Nigerian Economy from 1960-2010: Error Correction Model Analysis. *British Journal of Economics, Management & Trade,* 7(1): 63-73.

[25] Uchegbulam, P., Akinyele, S. & lbidunni, A. (2015). Competitive strategy and performance of selected SMEs in Nigeria. *International Conference on African Development Issues,* (ClJ-ICA DI) 2015: Social and Economic Models for Development Track