



THE ROLES OF ENTREPRENEURSHIP AND SMALL-MEDIUM SCALE ENTERPRISES IN ECONOMIC DEVELOPMENT IN RIVERS STATE

Chinonso TAMUNOWARIYE

Department of Economics, Faculty of Social Science
Ignatius Ajuru University of Education, Nigeria

Nyekachi N. AMADI

Department of Economics, Faculty of Social Sciences
Ignatius Ajuru University of Education, Nigeria

ABSTRACT

This study examines the effect of selected index of entrepreneurial development on the indicators of economic development. The indexes used for entrepreneurial development are acquisition of knowledge, Information Communication Technology, and the Activities of Small and Medium Scale Enterprises while the indicators of development employed in the study are the employment level of the enterprises, poverty level of the owners of the enterprises, income of the enterprises and their productivities. The analysis was done in the three Senatorial district of Rivers State. Because there are no accurate records showing the populations of Small and Medium Scale Enterprises in the three Senatorial districts, the study employed the Cochran (1953) sampling techniques where 388 Small and Medium Scale Enterprises was randomly selected in the three regions. The 388 copies of well-structured questionnaires were distributed equally in the three regions and 125 were retrieved from the Central Senatorial district, 111 were retrieved from the West Senatorial district and 121 were retrieved from the South/East Senatorial district. The retrieved questionnaires were analysed using the Likert 5 point's averages and the Fisher Ratio or the Analysis of Variance. Base on the analysis the study among others revealed that the poor states of infrastructure especially power supply, insecurities, cost of loans, higher cost of acquiring new entrepreneurial skills/knowledge and government multiple taxations in the senatorial districts are other challenges that have reduce the effects of enterprises on economic development. The effects of this challenges are highly statistically significant because their mean are far higher than 2.5. Hence, the study suggested that there is an urgent need for government at all level to corroborate with the private sectors to build entrepreneurial centres at least one in each of the senatorial districts and that the Central Monetary Authorities should intensify their monitoring activity on Microfinance banks to ensure that the loans and advances that a meant for SMSEs should be given to them not diverted to minimise the problem capital.

Keywords: Entrepreneurship, Small and Medium Scale Enterprises, Economic Development, Rivers State.

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INTRODUCTION

Entrepreneurship has been adjudged as an important agent of economic development. It is crucial to the structural transformation of the economy from low value added, low productivity and rural-based activities to a more productive, higher value added activities in services and manufacturing. The impact of entrepreneurship on an economy is all encompassing. It cuts across existing firm, regardless of its size, to a new business venture, innovative activities and orientations such as development of new product, services, technologies, administrative techniques, strategies and competitive postures (Antocic, 2013). Economic theorists have linked entrepreneurship to economic development and its contributions to economic growth and development have also been recognized globally. Ofoegbu et al. (2013) argued that entrepreneurs are the panacea for the economic development of many developing countries. They believe that the development of enterprises through entrepreneurship is the best solution to macroeconomic problems of unemployment, slow rate of economic growth and macroeconomic instabilities as well as poverty reductions and improved standard of living. Kelechi (2015) asserted that “economic development and growth can only be attained if the quality ideas of entrepreneurs receive government attention.

Nigeria’s economy has been characterized by many macro-economic problems such as unemployment, high inflation rate and slow economic growth. In a bid to correct these anomalies, the government has put in place different programmes to stimulate and sustain entrepreneurs in the country. This strategy is chosen because of the belief that entrepreneurship development is one sure and effective means of creating jobs and raising the standard of living in the country, especially in the rural areas. In the plight of ensuring entrepreneurial development the government of Nigeria has rolled out various policies measures and programs to develop small and medium scale enterprises. Yet the enterprises and entrepreneurs in Nigeria have not performed creditably well and hence have not played the expected role in the economic growth and development of Nigeria. The economy is still being challenged by high unemployment rate, high poverty rate, and high income inequality giving great concern to the government, citizenry, and entrepreneurs in the economy. The situation is more disturbing and worrisome when compared with what other developing and developed countries have achieved with the activities of entrepreneurs in their domains. It has also been shown that there is a high and negative correlation between the degree of poverty, hunger, unemployment, economic wellbeing of the citizens of countries and the degree of vibrancy of the country’s entrepreneurial activities (Musa & Aisha, 2012; Nwachukwu, 2012; Ogujiuba et al., 2013; Oduro, 2016).

This paper covered the activities of Small and Medium Scale Enterprises and four development indicators in Rivers State of Nigeria. The paper aimed at ascertaining the contribution of entrepreneurship outcome to the economic development of Rivers State of Nigeria. Specifically, the paper will:

- determine the effect of entrepreneurship outcome on income generation and productivity in each of the three (3) senatorial districts in Rivers State;
- determine the effects of entrepreneurship on employment generation of each of the three (3) senatorial districts in Rivers State;
- examine the contribution of entrepreneurship outcome to Poverty reduction in each of the three (3) senatorial districts in Rivers State; and
- identify the challenges of entrepreneurship development in Rivers State.

Apart from the introduction the paper is divided into four parts. Part two discusses the literatures reviewed. Part three discusses the variables and highlights the methods of the analysis. Part four gives the empirical results and the discussion of the findings while the last sections proffers policy recommendations and also concluded the study.

Theoretical Concept of Entrepreneurship

According to Cantillion (1720), entrepreneurship is seen as taking risk. He believed that the economy is dynamic and unified environment where entrepreneurs conduct business for profit motive in the pursuit of their self-interest as was later explained by Adam Smith's theory of "the invisible hand. Cantillion believed that apart from capital and labour as a factor of investment, the entrepreneur's anticipation of returns on investment is uncertain and thus prepared to bear the risk associated with his/her investment. He concluded that it was readiness to bear risk that is critical factor that is required for an individual to be considered as entrepreneur.

Knight's (1921) buttresses Cantillion's idea of risk bearing factor of entrepreneurship by dividing risk bearing into insured and uninsured risk, he identifies the insured risk as fire accident, theft, etc., Knight believes that entrepreneurs are not grossly affected by the above mentioned risk as they can be insured against it. The other kind of risk are those risks that cannot be insured against, he termed those kind of risks as changes in demand due to changes in consumer's taste and preference, changes in price of raw materials, entry of new competitors, changes in government policy, changes in the entire business climate, etc. these risks are non-insurable and they are called business risks this is because their occurrence cannot be predicted or determined with the business climate also their effects on the financial performance of the business cannot be quantified accurately. Knight's called the non-insurable risk uncertainties and bearing uncertainties the major factor of entrepreneurship.

It was Schumpeter (1934) that introduced the concept of innovation and power as a characteristic of entrepreneurship. Schumpeter an American socio-scientist which major works were in the area of economics and sociology was born in Moravain now Czech Republic. Like Adam Smith, Schumpeter believes that resources should be allocated and redistributed with the market mechanism or free market economy. Although in his theory he concentrated on importance of innovation in the economy rather than the price system as the dominant force that control the business circle. He insisted that extraordinary individuals are the ones that have the capabilities of being an entrepreneur, and thus produces extraordinary ideas. His discontent with other entrepreneurial theorist are centered on the idea that entrepreneurs are persons with atavistic achieve power not on social and cultural factors.

Leibenstein (1966) explained X-efficiency as the inability of firm to transform available resource into alternative productive input. Those entrepreneurs are those who equipped themselves with the task and capacity to improvise the missing inputs of factors of production in the LDCs. He argued that the ability to fill in the gap the dominants characteristic of entrepreneurship is required, which is the characteristic that make entrepreneurs to see gap and holes that exist in the market as opportunities and make use of them. Leibenstein sees entrepreneurs as those that have the ability to perceive areas that the market fails and developed new products that market demands that are not currently in supply. Thus Leibenstein argued that the market is always in disequilibrium and that it is entrepreneurs that have the special skills to

restore back equilibrium in the market by the introduction of new product and correct the deficiency of the failed market.

Gerba (2012) viewed the conscious efforts by people to improve their knowledge on certain skills and idea as entrepreneurship educational. He argued that it is not the sales or marketing of products that educate individuals as a merchant, but has a wider meaning than merchandize. That it involves the knowledge and taught on how to improve ideas access opportunities and risk taking in the business world (Nurseto, 2010). Kurniawan, (2013) believe that entrepreneurship education is valuable, skilful, and behavioural discipline dependent on the circle of life's challenges to track down wide range ideas and opportunities as well as encountering risks. From the planned behaviour theory it is pointed out that behaviour of an individual go a large extend to determine the outcome of choice of an individual whether they are to pursue entrepreneurship as a career or not.

EMPIRICAL LITERATURE

Many scholars have examined the relationship between entrepreneurship and socio-economic indicators in the past and present within the framework of local, and international communities.

Al-Haddad et al. (2020) carried out a study on the role of small and medium enterprises (SMES) in employment generation and economic growth: a study of marble industry in emerging economy. The marble industry of district swat, Pakistan was taken as the unit of analysis for the study conducted. The study employed the Pearson Product-Moment Correlation Coefficient and the results from the study shown that there is a positive relationship between small and medium enterprises and unemployment reduction. The value of correlation $r = .518$ and $P = .000$ showed that the relationship found highly significant. Correlation results of small and medium enterprises and increased income level also found positive. The value of correlation $r = .241$ and $P = .000$ has shown that the relationship is highly significant. Hence the researcher concluded that to get significant and long term development, enough concentration must be given to overall economic activities through Small and Medium Enterprises generation.

Muthuraman, et al. (2020) understudy economic development through small & medium enterprise: a conceptual framework. Desk Research technique was conducted for this study which basically involving collecting data from the existing online library which covered several academic databases. Finding from the study shows that SME contribute to economic development in various ways by capacity building, employment generation, promoting competitive market, technology development. Again, SMEs not only contribute significantly to improved living standards, employment generation and poverty reduction but they also bring about substantial domestic or local capital formation and achieve high levels of productivity and capability.

Kumar and Raj (2019) investigated the role of entrepreneurship in boosting economic growth and employment in India. The study concludes that entrepreneurship in India is a key contributor in the area of employment generation, innovations and product improvement. Not only does it create self-employment but it has also built a structure for large-scale employment opportunities. It contributes to the economic growth of a country by promoting capital formation, increasing per capita income, improving the standard of living and balanced growth by removing regional disparities.

Diabate et al. (2019) assessed SMEs' sustainable growth through entrepreneurs' ability and entrepreneurial orientation: An insight into SMEs in Côte d'Ivoire. This study

provides an insight into entrepreneurs' abilities (EAs) that affect SMESG in Côte d'Ivoire (a middle-income economy located in the West African region) and an assessment of the extent to which entrepreneurial orientation (EO) influences the EA–SMESG relationship. By using data from 320 Ivorian SMEs, the results of hypothesis testing confirm an association between SMESG and each EA dimension (creativity, risk control, relationship, and opportunity detection ability), learning ability excepted. As for the moderating effect of EO, the innovativeness in entrepreneurship positively and significantly regulates the EA–SMESG relationship; proactiveness positively regulates the relationship between almost all EA dimensions and SMESG; and risk tendency regulates the relationship EA–SMESG for creativity and risk-control ability. Based on major findings, management implications are formulated in relation to promoting SMEs' sustainable growth.

Park et al. (n.d), examine government support on small and medium-sized enterprise (SME) performance: the moderating effects of diagnostic and support services. Using a sample of 42,261 Korean SMEs from Small Business Corporation (SBC) survey over a period of 2006–2011, this study investigates the pivotal role of government-sponsored nonmonetary diagnostic and support services in helping Korean SMEs improve their survival and growth in conjunction with government loan financing. We find that financial resources from the Korean government indeed help Korean SMEs survive, but do not necessarily help them achieve higher annual assets and sales growth. However, when government-based diagnostic and support services are combined with public loan financing, they prove to be effective in enhancing the Korean SMEs' annual assets and sales growth.

Kayode (2014) argued that shortage of infrastructure, unstable political system, poor transportation system hindering the transfer of goods and services from one region of the country to another; Poor government policies towards entrepreneurship development and the establishment of business enterprises and; Poor responses of financial institution in the facilitation of financial distribution to investors are the major setback of entrepreneurial success in Ogun state.

Abiodun and Oyejoke (2017) observed that the alarming rate of unemployment in Nigeria has become a major national problem and make an investigation into the relationship between entrepreneurship education and students' entrepreneurial intentions in Ogun state-owned Universities by employing Pearson Product-Moment Correlation Coefficient, T-test and ANOVA on a sample of 609 final year student of Ogun state university, they observed that Entrepreneurship Education influence students' Entrepreneurial intentions significantly. Though, the study fails to account for teaching techniques, student behaviour towards entrepreneurship education. In light of their finding they recommended that Entrepreneurship Education should be practical-oriented so as to have greater participations in class room interactions which would further enhance motivation. The study accounts for five prospects of entrepreneurial development to the Nigeria economy. They are employment generation, increased production through innovation, encourages and sustains economic dynamism that enable rapid changing to fit in global economy, ensure increase utilization of capacity, facilitates the transfer and adaptation of technology, etc. He concluded that sustainable development practices are the sure bet for entrepreneurial development in the country.

Ihugba et al. (2012) observed in a survey study that corrupt practices, weak and inconsistence state policies, lack of credit facilities, multiple taxation from the three ties of government, poor states of infrastructure, failure to adapt to the dynamic nature of business

environment, weak educational system, poor planning, poor product servicing, are the major challenges of entrepreneurship in Nigeria. They also, argued that small and medium scale business is what will foster economic development in the country. They listed catfish and poultry farming, sewing of specialized uniforms, inland water way transportation, haulage and logistics, information and communication technology, as the small and medium scale business that will foster economic growth and development.

Utami (2017) analysed the relationship among subject norms, perceived behaviour, entrepreneurship education and self-efficacy towards entrepreneurship intention in Indonesian university student and observed that there is a positive relationship among attitude, Perceived behaviour control, subjects Norms, entrepreneurship education and student self-efficacy and entrepreneurship intentions among student.

Okoye (2017) highlighted five strategies as a way forward to improve entrepreneurship in Nigeria; A panacea for graduate unemployment in Nigeria. The five points or strategies that were highlighted are: establishment of entrepreneurship education. The curriculum should be channelled with adequate attention by setting a minimum standard which no institution is allowed to operate below. The education authorities should ensure adequate funding of entrepreneurship education and finally government school should ensure employment of competent manpower as facilitators of the course in the curriculum being developed for entrepreneurial education. The program should be handled by professionals and pedagogical competent facilitators. The study concluded by stating that Nigeria have failed in achieving its goal of enhancing her growing youth with skills and competencies required to ensure economic growth and development that entrepreneurial education is the only way to bring about new ideas, creativity and desire to build a self-reliance and useful society.

Najafi and Abdusalam (2016) investigated the relationship among environmental factors entrepreneurial intention entrepreneurial skills and entrepreneurial orientation. They used the survey approach to study 200 data collected from faculty of education. The descriptive and inferential statistical results revealed that environmental factors, entrepreneurial skill, and entrepreneurial orientation affected entrepreneurial intention significantly and positively. The results also uncovered that entrepreneurial orientation moderates the relationship between entrepreneurial intention and entrepreneurial skill.

Faggian et al. (2016) examined the methods of creating an environment for economic growth and creativity with entrepreneurship or human capital in U.S counties with a three-way modelling approach which follows the methods of Ordinary Least Square (OLS), traditional method human capital development indicator, and creativity, secondly Two Stage Least Square (2SLS) to address the problem of endogeneity by introducing the right instrument and thirdly spatial autocorrelation method developed by Conley's and the 2SLS GMM estimator. They discovered that educational attainment/small and medium firms statistically impacted on economic growth, whereas factor like creative workers are insignificant.

Ogundele et al. (2012) examined the relationship between entrepreneurship training and poor alleviation in Nigeria. They employed 250 samples collected from five local government areas in Lagos state using random sampling techniques. The T-values, F-statistics and R-square values from the OLS regression approach employed as tools for analysis of the 250 data size were used. The study opines that entrepreneurship training significantly impacted on youth empowerment and social welfare services in Nigeria. Also, it was revealed that youth empowerment has a positive impact on technical skill acquisition.

METHODS

Data Issues

The paper used the entire Small and Medium Enterprises operating in Rivers State as the population. The ministry of commerce and the local government headquarters does not have accurate record of the population hence; the population for the study is infinite and sample size determined randomly using the Cochran's sample size formula. This formula is used when there are no accurate records showing the total population of a study.

The Cochran's sample size technique is stated as follows:

$$n = \frac{Z^2 \cdot Pq}{\epsilon^2} \text{-----(1)}$$

Where

n = Sample Size

z= 95% confidence level = 1.96

ϵ = Sampling Error at 5% =0.05

p = maximum variability of the population at 50%, that is (0.5)

q = 1 – p = 0.5

Given the values of the parameters then,

$$n = \frac{Z^2 \cdot Pq}{\epsilon^2} = 388$$

Base on the result the researcher distributed 388 questionnaires to the staffs and owner of the selected SMEs in the three senatorial region of the Rivers State. A total of 388 owners of SMEs were collected for this study. The Multistage sampling techniques were used further to distribute the structured questionnaires. In the first stage the state was divided into 3 clusters along the senatorial districts. In the second stage, 3 local government areas were randomly selected from each cluster making a total of 9 local government areas. In the third stage the three (3) towns were purposively selected and in the fourth stage, 43 questionnaires were distributed to the owners of the SMEs that were purposively selected from each town making a total 388 SMEs operators. The division of the state and selection of the sample is as follows

Table 1: Sectorial Distributions of the Questionnaires

Senatorial District	No. of L.G.A	Names of L.G.A	No. of L.G.A Selected	Names of Selected L.G.A
Central Senatorial District	8	Emohua, Ikwerre, Etche, Omuma, Port Harcourt Obio/Akpor, Ogu/Bolo Okirika	3	Port Harcourt Obio/Akpor Emohua
West Senatorial District	8	Bonny, Degema, Asari-Toru, Akuku Toro, Abua/Odual Ogba/Egbema/Ndoni	3	Bonny Ogba/Egbema/Ndoni
South East Senatorial District	7	Ahoda East, Ahoda West Andoni, Opobo/Nkoro, Gokana, Khana, Eleme. Oyigbo, Tai	3	Ahoda West Eleme, Khana Oyigbo

Source: Authors computation

Data required employed in the paper are mainly primary in nature. They consist of responses of the respondents of small and medium scale enterprises operators to purposively structure questions to elicit response that will enable the researcher find answers to the questions

Data Analysis Technique

Descriptive statistics techniques were used for the data analysis. Specifically, mean rating on five point Likert scale was applied for answering questions. The averages of the five point Likert scale is at 2.5. The decision rule is to maintain the proposition if the empirical mean score is less than 2.5 and reject the proposition if the empirical mean score is more than 2.5.

The Fisher Test of the Analysis of the Variance (ANOVA) is used to test the hypothesis of the study. The ANOVA is a nonparametric measurement or test analysis. The ANOVA test involves the analysis of the respondent from each of the three regions to see if there are differences in their response or the mean of their responses. The calculate mean or F-ratios of the responses are compared to the theoretical or critical values from the F_{005} table.

$$\bar{X}_j = \frac{1}{b} \sum_{k=1}^b X_{jk}$$

$$\bar{X} = \frac{1}{ab} \sum_{k=1}^b X_{jk} = \frac{1}{ab} \sum_{j=1}^a X_{jk} \sum_{k=1}^b X_{jk}$$

Between treatment

$$V_b = b \sum_j (\bar{X}_j - \bar{X})^2$$

Within Mean

$$V_w = V - V_b$$

Total Mean

$$V_w = V - V_b = \sum_{j,k} (\bar{X}_{jk} - \bar{X})^2$$

Where

\bar{X}_j = is the mean of measurement in jth row or the group mean

\bar{X} = the grand or overall mean

F_{cal} = the calculate Fisher ratio at any given level of significance

$$V_1 = a - 1$$

$$V_2 = a(b - 1)$$

$$F_{cal} = \frac{V_b}{a - 1} \bigg/ \frac{V_w}{a(b - 1)}$$

If the calculated F_{cal} is greater than the critical value, it follows that the null hypothesis is rejected and V_1 and V_2 are the degree of freedom.

RESULTS AND DISCUSSIONS

Data Presentations

Table 2: Distribution and Retrieval of Questionnaires

S/N Regions/LGAs	Questionnaire Distributed	Questionnaire Retrieved	Questionnaire Not Retrieved	Percentage Retrievals	of
Central senatorial zone					
Port Harcourt	43	42	1	97.67	
Obio/Akpor	44	44	0	100.00	
Emohua	43	39	4	90.70	
Sub-Total	130	125	5	96.15	
West senatorial zone					
Bonny	43	40	3	93.02	
Ogba/Egbema/Ndoni	43	37	6	86.05	
Ahoada West	43	34	9	79.07	
Sub-Total	129	111	18	86.05	
South/East senatorial zone					
Eleme	43	42	1	97.67	
Khana	43	36	7	83.21	
Oyigbo	43	43	0	100.00	
Sub-Total	129	121	8	93.80	
TOTAL	388	357	31	92.01	

Source: Field Report

The questionnaire was distributed in three local government areas in each of the three senatorial districts in Rivers State. The questionnaires were distributed in the commercial cities of the selected local government areas in the senatorial district. A total of 388 questionnaires were distributed and only 357 was retrieve and completely filled consisting of 92.01 per cent of the total questionnaire distributed.

Table 2 shows that equal numbers of questionnaires were distributed in all the 9 local government areas except Obio/Akpor Local government area that we distributed 44 questionnaires and 100 percent of the distributed questionnaires were completely filled and retrieved. 130 questionnaires were distributed in the central senatorial district of the states and 125 were completely filled and retrieved amounting to 96.15 per cent. The response rates of Obio/Akpo was the highest in the Rivers Central Senatorial district with 100 per cent response rate and the respond rate in Emohua was the lowest with about 91 per cent response rate.

The total response rate in Rivers West Senatorial district was 86.05 per cent, that is, about 111 persons completely fill the questionnaires out of the 129 questionnaires distributed. The West Region also accounts for the lowest level of respond rate and the central senatorial district accounts for the lowest response rate. The response rates of Bonny Local government were the highest in the Rivers West Senatorial district with 93.02 per cent response rate and the respond rate in Ahoada West local government area was the lowest with about 79.07 per cent response rate. Rivers South/East senatorial district was the next in performance to the Central senatorial district. The total retrieved questionnaires in the Rivers South/East senatorial district were 121 out of 129, which is about 93.80 per cent. Khana local government area recorded the lowest participation, the respond rate was 83.21 per cent whereas Oyigbo recorded the highest respond rate in the region and 100 per cent of the questionnaire that was distributed was retrieved.

The summary of the distribution shows that 100 per cent of the distributed questionnaires were retrieved in Obi/Akpor and Oyigbo while Ahoada West is the local government with the lowest respond rate of about 79.07 per cent.

Table 3: Demographic Characteristics

Details	Classifications	Frequency	Percent	Cumulative Percent
Gender	Males	238	66.67	66.67
	Females	119	33.33	100
Age	20-29 yrs	52	14.57	14.57
	30-39 yrs	140	39.22	53.59
	40-49 yrs	165	46.21	100
	Married	211	59.10	59.10
Marital Status	Single	146	41.90	100
Qualifications	B.SC/HND	169	47.34	47.34
	M.SC/Phd	43	12.04	59.38
	Other Degrees	145	40.62	100
Length of	1-5 yrs	56	15.69	15.69
	6-10 yrs	79	22.13	37.82
Years in Business	11-15 yrs	87	24.37	62.19
	16-20 yrs	41	11.48	73.67
	Above 20 yrs	94	26.33	100

Source: Field Report

Table 3 show the demographic characteristics of the respondent from the 9 local government areas. The percentage of female respondents is 33.33% and the percentage of male respondents is 66.67%. Majority of the respondents were of the age brackets of 40-years and above, that is 165 persons or 46.21% of the total respondents were of the age brackets of 40 years and above and 52 persons or 14.57% of the respondents were of the age brackets of 20-29 years. In all less than 50% of the respondents were youths. This indicates that youth in the states are not active in the pursued of enterprises but are seekers of white-colour jobs or even idle and chasing political mentors.

Over half of the respondents are married, 211 persons or 59.10 of the respondents are married men and women of family persons and 146 are still single that is 41.90% are single ladies and bachelors. On academic qualifications 169 persons or 47.34% of the respondents are universities and Polytechnic graduates, they have either of the following (B.Sc., or B.Ed., B, or Eng. or LLB) or (HND) certificates. 43% of the respondents have either M.sc (Master Degrees) or PhD (Doctors of Philosophy Degrees). One hundred and five persons that is 40.62% of the respondents have certificates that are below B.Sc and HND's. They either have Senior Secondary School Certificates (SSCE) or Ordinary National Diploma (OND) or Vocational Skills certificates or Known but have some other skills that certificates were not issued.

While, 26.33% of the enterprises investigated have lasted for 20 years and above, 24.37% have lasted between 11 to 15 years, 22.13% have lasted between 6 to 10 years, 15.69% have lasted within 1 to 5 years and 11.48 have lasted between 16 to 20 years. The analysis shows that 74.31% of the enterprises investigated have lasted for more than 5 years.

Table 4: Distribution of Questionnaire in Business Types

Types of Business	Frequency	Percentage
Retail Trading	92	25.77
Export	4	1.12
Logistic/Transportations	16	4.48
Manufacturing	67	18.77
Services	53	14.85
Real Estate	32	8.96
Agro-Business	81	22.69
Others	12	3.36
TOTAL	357	100.00

Source: Field Report

The enterprises investigated are grouped into eight different categories of businesses. Table 4 above and figure 4 below shows the summaries of the different categories of enterprises analysed. It shows that retailing business consist the highest numbers of business investigated and Export was the lowest records investigated. 22.69% of the respondents are operating Agro-Businesses (Poultry Farming, Fish Farming, Tubers Piggery farming, etc.), 18.77% of the respondents operates and own manufacturing firms and 14.85% are into service delivery. The analysis reveals that it was manufacturing enterprises and Agro-business that more employees than the other enterprises or businesses listed on table.4.

DATA ANALYSIS

Hypotheses Testing and Discussions of Findings

The hypotheses for the study are tested with the analysis of the mean of the respondent. The Likert average is used for the test of hypotheses for the responses from the individual senatorial district and the ANOVA test is used for the test of hypotheses of the group mean or pooled mean from the individual senatorial district. For the individual senatorial district, the null hypothesis is rejected if the calculated Likert average is greater than the critical value of 2.5 otherwise we fail to reject the null. For comparing the mean, the study will reject the null hypotheses If the calculated F_{cal} is greater than the critical value at $F_{0.05}$ at a given values of the degrees of freedom it follows that the null hypothesis is rejected.

Test of Hypotheses in Rivers Central Senatorial District

The analysis on table 4 shows that the calculated Likert averages were 3.91 and 3.59 which is greater than 2.5 implying that the null hypotheses are rejected. Hence, the study concluded that the arguments of respondents in Rivers senatorial district supported the points that ideas or techniques of doing businesses improved the level of employment in Rivers states and that innovation in ICTs and the acquisitions of new skills have improved the productivities of businesses in the senatorial district. The analysis also shows that the calculated Likert averages of 4.20, 3.97, 3.89 and 3.98 are greater than 2.5 implying the rejections of the null hypotheses. Hence, the study concluded that innovation in ICTs, entrepreneurship programs attained and skill acquisitions have improved the level of your Income, reduce the level of Poverty, Improved your education level and Build capacity in your businesses respectively in the senatorial district.

The analysis of the responses on table 4 shows that the respondent identifies start up and running capital as a measure challenge of doing businesses in the senatorial district. They said that even with new ideas and innovations business cannot be setup because of capital setback as such this hinders economic development because income cannot be generated, employment level cannot increase and poverty level cannot be reducing. This conclusion was made because the mean values of the respondent are greater than 2.5 (i.e., 3.95 >2.5). The analysis also shows that the poor states of infrastructure especially power supply, insecurities, cost of loans, higher cost of acquiring new entrepreneurial skills/knowledge and government multiple taxations in the senatorial are other challenges that have reduce the effects of enterprises on economic development. The effects of this challenges are highly statistically significant because their mean are far higher than 2.5. It was also argued that government aids, programs and grants have not been effective on the promotions of enterprises. Most the respondents argued that government aids, programs and grants are skewed in favours of family members, party members and not necessarily entrepreneurs.

Test of Hypotheses in Rivers West Senatorial District

The analysis on table 4 shows that the calculated Likert averages were 3.72 and 3.44 which is greater than 2.5 implying that the null hypotheses are rejected. Hence, the study concluded that the arguments of respondents in Rivers west senatorial district supported the points that ideas or techniques of doing businesses improved the level of employment in Rivers states and that innovation in ICTs and the acquisitions of new skills have improved the productivities of businesses in the senatorial district. The analysis also shows that the calculated Likert averages of 3.82, 3.88, 3.82 and 3.77 are greater than 2.5 implying the rejections of the null hypotheses. Hence, the study concluded that innovation in ICTs, entrepreneurship programs attained and skill acquisitions have improved the level of your Income, reduce the level of Poverty, Improved your education level and Build capacity in your businesses respectively in the senatorial district.

The analysis of the responses on table 4.6 shows that the respondent identifies start up and running capital as a significant challenge of doing businesses in the senatorial district. They said that even with new ideas and innovations business cannot be setup because of capital setback as such this hinders economic development because income cannot be generated, employment level cannot increase and poverty level cannot be reducing. This conclusion was made because the mean values of the respondent are greater than 2.5 (i.e., 4.68 >2.5). The analysis also shows that the poor states of infrastructure especially power supply, insecurities, cost of loans, higher cost of acquiring new entrepreneurial skills/knowledge and government multiple taxations in the senatorial are other challenges that have reduce the effects of enterprises on economic development. The effects of this challenges are highly statistically significant because their mean are far higher than 2.5. It was also argued that government aids, programs and grants have been effective on the promotions of enterprises.

Test of Hypotheses in Rivers South/East Senatorial District

The analysis on table 4 shows that the calculated Likert averages were 3.83 and 4.02 which is greater than 2.5 implying that the null hypotheses are rejected. Hence, the study concluded that the arguments of respondents in Rivers west senatorial district supported the points that ideas or techniques of doing businesses improved the level of employment in Rivers states and that

innovation in ICTs and the acquisitions of new skills have improved the productivities of businesses in the senatorial district. The analysis also shows that the calculated Likert averages of 3.93, 3.12, 3.36 and 3.14 are greater than 2.5 implying the rejections of the null hypotheses. Hence, the study concluded that innovation in ICTs, entrepreneurship programs attained and skill acquisitions have improved the level of your Income, reduce the level of Poverty, Improved your education level and Build capacity in your businesses respectively in the senatorial district. The analysis of the responses on table 4.6 shows that the respondent identifies start up and running capital as a significant challenge of doing businesses in the senatorial district. They said that even with new ideas and innovations business cannot be setup because of capital setback as such this hinders economic development because income cannot be generated, employment level cannot increase and poverty level cannot be reducing. This conclusion was made because the mean values of the respondent are greater than 2.5 (i.e., 4.34 > 2.5). The analysis also shows that the poor states of infrastructure especially power supply, insecurities, cost of loans, higher cost of acquiring new entrepreneurial skills/knowledge and government multiple taxations in the senatorial are other challenges that have reduce the effects of enterprises on economic development. The effects of this challenges are highly statistically significant because their mean are far higher than 2.5. It was also argued that government aids, programs and grants have not been effective on the promotions of enterprises.

Table 5: Summary Statistics for the ANOVA test for Hypothesis

Variation	Degrees of Freedom	Mean Square	F-statistics
Between Treatment $V_b = b \sum_j (\bar{X}_j - \bar{X})^2$ $= 0.225$	$V_1 = (a - 1)$ $= 2$	$S_b^2 = \frac{0.225}{11}$ $= 0.112$	$F_{cal} = \frac{\phi_b^2}{\phi_w^2} = \frac{0.112}{0.071} = 1.967$
Within Treatment $V_w = V - V_b$ $= 0.847$	$V_2 = b(a - 1)$ $= 12$	$S_w^2 = \frac{0.847}{12}$ $= 0.071$	$F_{0.05} = 1.58$ $F_{0.05} = 3.68$ With 2, 12 degree of freedom
Total Mean $V = \sum_{j,k} (\bar{X}_{jk} - \bar{X})^2$ $= 1.072$	$V_3 = ab - 1$ $= 17$		

Source: Author's Computations

Government aids, programs and grants are Skwed in favours of family members, party members and not necessarily entrepreneurs.

The summary of the results on table 5, column 4 revealed that the calculated Fisher Ratio is less than the tabulated values at the given values of degree of freedoms. That is, $F_{cal} < F_{0.05}$ or $3.58 < 1.58$, therefore, the failure of rejecting the null hypothesis, hence, the analysis of the responses from three senatorial district shows that the effectiveness of entrepreneurship on economic developments of Rivers state is not significant at the 0.05 level.

From table 4 and 5 it was shown that the effects of the selected parameters for measuring entrepreneurship on economic developments in the three regions was significant different. The effects of parameters in the central and South/East senatorial district tend to be of the same behaviours, this may be as the commercial cities of the senatorial districts, Port Harcourt,

Obio/Akpor, Eleme and Oyigbo are very similar and they are identified as the major commercial cities in Rivers States. Emoaha and Khana LGA are also similar, hence, the similarities in the results of the senatorial district. The analysis also argued that the challenges of economic development in the three senatorial districts are distinct and unique.

CONCLUSION

This paper investigated the role of entrepreneurship in economic development of Rivers States. The study examines the effect of selected index of entrepreneurial development on the indicators of economic development. The indexes used for entrepreneurial development are acquisition of knowledge, Information Communication Technology, and the Activities of Small and Medium Scale Enterprises while the indicators of development employed in the study are the employment level of the enterprises, poverty level of the owners of the enterprises, income of the enterprises and their productivities. The analysis was done in the three Senatorial district of Rivers State (Central, West and the South/East Senatorial District). Because there were no accurate records showing the populations of Small and Medium Scale Enterprises in the three Senatorial districts, the study employed the Cochran (1953) sampling techniques which 388 Small and Medium Scale Enterprises was randomly selected in the three regions. The 388 copies of well-structured questionnaires were distributed equally in the three regions and 125 were retrieved from the Central Senatorial district, 111 were retrieved from the West Senatorial district and 121 were retrieved from the South/East Senatorial district. The retrieved questionnaires were analysed using the Likert 5 point's averages and the Fisher Ratio or the Analysis of Variance. Base on the findings the paper concluded that government and private sector should site entrepreneurial programmes in the West and South/East senatorial districts with a subsidizing fee.

Recommendations

- The Central Monetary Authorities should intensify their monitoring activity on Microfinance banks to ensure that the loans and advances that a meant for SMSEs should be given to them not diverted to minimise the problem capital.
- There is an urgent need for government at all level to corroborate with the private sectors to build entrepreneurial centres at least one in each of the senatorial districts.

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