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Examination of the Contribution of Entrepreneurship Development on Nigeria's Economic Growth (1999-2015)

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ABSTRACT

Nigerian economy which is characterized by the by heavy dependence on oil, low agricultural production, high unemployment, low utilization of industrial capacity, high inflation rate, and lack of industrial infrastructural base. These constraints limit the rate of growth of entrepreneurial activities in Nigeria. Hence, this paper seeks to investigate the contribution of entrepreneurship development in Nigeria to the Nigerian economy. In this study, both descriptive and explanatory methods otherwise referred to as Narrative-Textual Case Study (NTCS) methodology was used. This method is preferred because of the absence of sequential data related to entrepreneurship development in Nigeria. This study employed the secondary data from statistical records of the Central Bank of Nigeria (CBN) from 1999 to 2015. Findings from the study shows that in the past seventeen (17) years (199-2015), while the percentage contributions of agriculture and industrial subsectors in GDP recorded declining trends from 1999 to 2015, contribution of the construction and services subsectors to GDP recorded growth and shows upward sloping trends. In line with economic theory that a rise in the productive activities of entrepreneurs will increase the total output of goods and services produced in the country and lead to an increase in the GDP position of the country, these implies that the declines in the productive activities of entrepreneurs in the agriculture and industrial subsectors decreased the total output of goods and services produced in the country and led to a decrease in the GDP while the growths recorded in the services and construction subsectors suggest increases in the activities of entrepreneurs and will bring about increases in the total output of goods and services produced in the country as well as an increase in the GDP. The study thus recommends the tackling of problems impeding the development of SMEs in Nigeria. Some of the principal problems SMEs face in Nigeria include the following: inadequate funding, inadequate infrastructural facilities, low capacity utilization perpetually gotten from the low demand for SMEs products owing to their poor quality as well as exorbitant prices, raw material management and choice of appropriate technology. All these are fundamental for growing and developing any business, be it large or small which if confronted can drive them to promote economic growth and development.

Keywords: Entrepreneurship; SMEs; Economic Growth; GDP.

INTRODUCTION

Interests in the entrepreneurial development continue to be in the forefront of policy debates in the developing countries, especially Nigeria. Several efforts and initiatives are being made by governments to promote entrepreneurship and contribute to the overall economic growth and development. Entrepreneurship is one of the economic variables that attract the attention of governments and researchers both in the developed and developing countries in the last two decades (Abdul-kemi, 2014). Entrepreneurial development are embedded into the private sector which can contribute to economic growth, job creation, and national income and hence to national prosperity and competitiveness. Thus, the private sector contributes substantially to the Gross Domestic Product (GDP), and hence unleashing domestic resources (financial and entrepreneurial) which is likely to create a more stable and sustainable pattern of growth. However, the major component of private sector, Small and Medium Enterprises (SMEs) is generally considered as the engines of economic growth, cornerstones for creativity and innovation, and seedbeds of entrepreneurship.

The role of entrepreneurship has been different across countries. Holcombe (1998) claims that, the engine of economic growth is entrepreneurship. Entrepreneurship has been assessed as a driving force of decentralization, economic restructuring and movement in the direction of market economy (Ogbo and Nwachukwu, 2012). Small and Medium Enterprises (SMEs) occupy a place of pride in virtually every country or state because of their (SMEs) significant roles in the development and growth of various economies SMEs aptly been referred to as the engine of growth and catalysts for socio-economic transformation of any country. SMEs represent a veritable vehicle for the achievement of national economic objectives of employment generation and poverty reduction at low investment cost as well as the development of entrepreneurial capabilities including indigenous technology. Other intrinsic benefits of vibrant SMEs include access to the infrastructural facilities occasioned by the existence of such SMEs in their surroundings, the stimulation of economic activities such as suppliers of various items and distributive trades for items produced and or needed by the SMEs, stemming from rural urban migration, enhancement of standard of living of the employees of the SMEs and their dependents as well as those who are directly or indirectly associated with them (Ogbo and Nwachukwu, 2012).

The role of Small and Medium-Scale Enterprise (SMEs) in the national economy cannot be underestimated. These enterprises are being given increasing policy attention in recent years, particularly in third world countries partly because of growing disappointment with results of development strategies focusing on large scale capital intensive and high import dependent industrial plants. The impact of SMEs is felt in the following ways: Greater utilisation of local raw materials, employment generation, encouragement of rural development, development of entrepreneurship, mobilisation of local savings, linkages with bigger industries, provision of regional balance by spreading investments more evenly, provision of avenue for self-employment and provision of opportunity for training managers and semi-skilled workers (Taiwo, Ayodeji and Yusuf, 2012). Scholars argued that SMEs expansion boosts employment more than large firm growth because SMEs are more labour intensive thereby.

Sangya and Roopal (2013) pointed out that development economists noted three stages of development. In the first stage, the economy specializes in the production of agricultural products and small-scale manufacturing. In the second stage, the economy shifts from small-scale production toward manufacturing while in the third stage, with increasing wealth the economy shifts away from manufacturing toward services. The first stage is about high rates of non-agricultural self-employment, sole proprietorships or the self-employed which means small manufacturing firms and service firms. The second stage talks about when rates of self-employment are decreased. Entrepreneurial activity decreases as economies become more developed. As the economy becomes more developed fewer people pursue entrepreneurial activities. Now coming to the third stage, which simply sees increase in entrepreneurial activity, which is moving from small firms towards larger organizations.

Entrepreneurial development is therefore important in the Nigerian economy which is characterized by the by heavy dependence on oil, low agricultural production, high unemployment, low utilization of industrial capacity, high inflation rate, and lack of industrial infrastructural base. These constraints limit the rate of growth of entrepreneurial activities in Nigeria. Hence, this paper seeks to investigate the contribution of entrepreneurship development in Nigeria to the Nigerian economy. The remainder of this paper consists of four parts. Section 2 provides the review of related literature consisting of the theoretical, conceptual and empirical reviews. Section 3 presents the research methodology of the study. Section 4 presents and discusses the findings using the trend of entrepreneurship development such as government intervention and contributions of certain sectors to Nigerian GDP. Finally section 5 presents the conclusion and recommendations of the study.

REVIEW OF RELATED LITERATURE

Conceptual Framework

Entrepreneurship is the creation and management of a new organization designed to pursue a unique, innovative opportunity and achieve rapid, profitable growth (Shane and Venkataraman, 2000). Kanothi (2009) citing Binks and Vale (1990) defines entrepreneurship as an unrehearsed combination of economic resources instigated by the uncertain prospect of temporary monopoly profit. Entrepreneurship also entails the act of risk-taking, innovation, arbitrage and co-ordination of factors of production in the creation of new products or services for new and existing users in human society (Acs and Storey, 2004; Minniti and Lévesque, 2008; Naudé 2007, Kanothi, 2009). The deliverable of entrepreneurship is making or doing things differently; making or providing innovative products or services; or organising how the products are made or supplied. According to Peter Drucker (1970) and Knight (1967), nntrepreneurship is about taking a risk. (i) It is the process of creating new values that did not previously exist.(ii) It is the practice of starting new organization, especially new businesses.(iii) It involves creation of new wealth through implementation of new concepts. Drucker believes that what entrepreneurs have in common is not personality traits but a commitment to innovation. For innovation to occur, the entrepreneur must have not only talent, ingenuity and knowledge but he must also be hardworking, focused and purposeful. To be enterprising is to keep your eyes open and your mind active. It is to be skilled enough, confident enough, creative enough, and disciplined enough to seize opportunities that present themselves regardless of the economy (Nwafor 2007). Hisrich (1985) looked at entrepreneurship as the process of creating something different with value by devoting the necessary time and effort, assuming the ccompany financial, psychological, and social risk, and receiving the resulting rewards of monetary and personal satisfaction. Entrepreneurship is concerned with wealth creation through the creation of value rather than its manipulation. It involves the destruction of existing market structures by the creation of new markets (or reduction in market shares of current leaders) through improvement of existing products or the development of entirely new products (Duru, 2011). The whole idea about entrepreneurship is about self-employment, which will generate employment opportunities to others that must work with him as he cannot work alone. Entrepreneurship is the most effective method for bridging the gap between science and the market place, creating new enterprises, and bringing new products and services to the market. These entrepreneurial activities significantly affect the economy of an area by building the economic base and providing jobs.

Economic growth on the other hand is the increase in the value of the goods and services produced by an economy. It is conventionally measured as the percent rate of increase in real gross domestic product, or GDP (Jones, 2002). Growth is usually calculated in real terms, i.e. inflation-adjusted terms, in order to net out the effect of inflation on the price of the goods and services produced. In economics "economic growth" or "economic growth theory" typically refers to growth of potential output, i.e., production at "full employment," which is caused by growth in aggregate demand or observed output (Erbee and Hagemann, 2002).

Theoretical Framework Entrepreneurship Theories

Early scholars viewed entrepreneurship from different dimensions, they describe entrepreneurship from the perspective of functions of an entrepreneur, which include as an inventor, imitator, innovator, or more appropriately as a calculated risk taker (Duru, 2011). One of the common theories of economic growth and development is Keynesian theory, which focuses on the sustainable economic development and the role of economic policy in the achievement of macroeconomic objectives. The Keynesian postulations emphasize that demand management policies can and should be used to improve macroeconomic performance and sustainability. That is, macroeconomic policies should involve setting monetary and fiscal variables in each time period at the values which are thought necessary to achieve the government's objectives (Abata, Kehinde, & Bolarinwa, 2012). Although Keynesian theory is of the view that the private sector is inherently unstable, it is subject to frequent and quantitatively important disturbances in the components of aggregate demand. It is the task of counter cyclical or stabilization policies to offset these private sector disturbances and so keep real output close to its market-clearing equilibrium time path (Omitogun and Ayinla, 2007). Therefore, based on the Keynesian economic growth model, macroeconomic policies of government should be made and pursued in a way that both the fiscal and monetary policies should achieve the desired levels of economic growth and development of Nigeria.

Empirical Review

Sangya and Roopal (2013) tried to justify the position that entrepreneurship is good for economic growth by applying the Global Entrepreneurship Monitor (GEM) project concept which is related to understand how different types of entrepreneurship affect development of the country. They noted the term necessity entrepreneurship which means to become an entrepreneur because you have no better option and is different from "opportunity entrepreneurship", which is an active choice to start a new enterprise based on the perception that an unexploited or underexploited business opportunity exists. Findings from the study reveals that effects of necessity and opportunity entrepreneurship on economic growth and development vary greatly and the study thus concluded that necessity entrepreneurship bears no effect on economic development while opportunity entrepreneurship has a positive and significant effect.

Abdul-kemi (2014) assessed the impact of SMEs financing on economic growth and development of Nigeria. The study adopted correlational research design using secondary data for a period of 22 years (1992-2013). Autoregressive Integrated Moving Average (ARIMA) model was applied in the analysis, 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. The paper concludes that SMEs financing could significantly improve entrepreneurship in Nigeria and the economic development in return.

Taiwo et al. (2012) investigate Small and Medium Enterprises as a veritable tool in Economic Growth and Development using a survey design. The respondents were drawn from 200 SME/Entrepreneurial officers and Managers from five selected local government in Nigeria namely; Ijebu North, Yewa South, Sagamu, Odeda and Ogun Waterside Local government. Data was collected with a structured questionnaire and analyzed with several descriptive statistics to identify the perception of the roles of SMEs in Nigeria. The results of the study reveals that the most common constraints hindering small and medium scale business growth in Nigeria are lack of financial support, poor management, corruption, lack of training and experience, poor infrastructure, insufficient profits, and low demand for product and services.

Ogbo and Nwachukwu (2012) analysed the contributions of entrepreneurship in the economic development through SME development in Nigeria. A total of 100 SMEs were randomly selected from a cross section of a population of all SMEs spread around some states of Nigeria and covering virtually all forms of enterprise. Participants were selected through a simple random sampling. The responses to the questionnaires were complemented with personal interviews of some SMEs operators. The responses of the participants were analyzed using the statistical package for social sciences (SPSS), which generated the frequency distributions, means, standard deviations, chi-square statistics, analyses of variance, etc of the responses. The hypotheses were tested using chi-square statistics and hinged on identifying the greatest problem which SMEs face in Nigeria, the identification and ranking of the top ten problems or challenges of SMEs in Nigeria and the relationship between the form and nature of the business enterprise and its sources of funding for its operations. The major findings of this study include the following: SMEs have played and continue to play significant roles in the growth, development and industrialization of many economies the world over. In the case of Nigeria, SMEs have performed below expectation due to a combination of problems which ranges from attitude and habits of SMEs themselves through environmental related factors, instability of governments and frequent government policy changes etc.

Ilegbinosa & Jumbo (2015) examined Small and Medium Scale Enterprises and Nigeria's economic growth from 1970 – 2012. In order to achieve their objective, Ilegbinosa & Jumbo (2015) polled 84 SMEs for primary data collection as well as statistical records for years 1975-2012 as secondary data. The ordinary least square, co-integration and error correction model was used to estimate the data collected during the period of this study. The variables used include Gross Domestic Product as the dependent variable and Finance available to Small and Medium Enterprises, Interest rate and Inflation rate as the independent variables. Their result showed that finance available to SMEs showed a positive relationship with economic growth while Interest rate and Inflation rate showed a negative and positive influence on economic growth respectively. Thus, Ilegbinosa & Jumbo (2015) concluded that the independent variables play an important role in determining the impact of Small and Medium Scale Enterprises on economic growth in Nigeria.

Duru and Kehinde (2012) assessed the impact of financial sector reforms on the growth of small scale enterprises in Nigeria. The paper used modeling method to determine output performance of SMEs as a function of several inputs such as firm's characteristics, firm's ownership and credit facilities through the financial sector. The results indicate that firm's characteristics, firm's ownership and credit facilities through the financial sector have positive and significant impact on the output performance of SMEs in Nigeria. Thus, accepting that financial sector reforms have positive impact on the growth of SMEs in Nigeria.

Hu (2010) used a dataset on both developed and developing economies to examine the contribution to economic growth from the SME sector. Based on data covering thirty-seven countries, over the period from the 1960s to the 1990s, his empirical results support the hypothesis that small businesses are beneficial to economic prosperity. However, his study highlights considerable diversity in terms of the patterns of the contribution, by the SME sector, to overall economic growth. In the pursuit of economic growth, SMEs in the high-income economies will generally exploit entrepreneurship, whilst in the less-developed economies they will tend to drive the job-creation function.

Afolabi (2015) discusses the evolution and current development of principles and practice of entrepreneurship in Nigeria and also examines the effect of entrepreneurship in fostering economic growth and development. The methodology adopted was the narrative textual case study (NTCS) method, which is preferred because of the absence of sequential data related to entrepreneurship and sustainable economic growth in Nigeria. Using simple percentages, graph and chart in analyzing and interpreting the collated secondary data, he found that Nigeria's economy has continued to grow over the last decade- with the real GDP growth rate hovering around 7%. It was also found that entrepreneurship can enhance economic growth and development primarily by generating employment and foster the growth of micro, small and medium enterprises in Nigeria.

RESEARCH METHODOLOGY

In this study, both descriptive and explanatory methods otherwise referred to as Narrative-Textual Case Study (NTCS) methodology was used. This method is preferred because of the absence of sequential data related to entrepreneurship development in Nigeria. NTCS is a social science research method that employs intensively, the information, data and academic materials made available and easily accessible by information and communication technology facilities such as intranet, internet, World Wide Web, online databases, e-libraries et cetera (Afolabi, 2015). The choice of this method is informed by the fact that NTCS combines the use of quantitative and qualitative observation, text content analysis and available official statistics in different proportions for problem-solving or problem-identification depending on the objectives of the research (Afolabi, 2015). This research study is basically semi-empirical since we used appropriate statistical technique, consisting of simple percentages, graphical representations of data to show the contribution of entrepreneurship development on economic growth in Nigeria.

This study employed the secondary data. The secondary data consists of statistical records of the Central Bank of Nigeria (CBN) from 1999 to 2015. The secondary data was sourced from the Central Bank of Nigeria statistical and the method of data collection was by extracting time series figures from the publications. Based on economic theory, a rise in the productive activities of entrepreneurs will therefore increase the total output of goods and services produced in the country and lead to an increase in the GDP position of the country.

FINDINGS

In the late 90s', the push in entrepreneurship development brought about a boost in Small and Medium Enterprises (SMEs) to the extent that the CBN established the Small and Medium Enterprises Equity Investment Scheme. The Small and Medium Enterprises Equity Investment scheme is a voluntary initiative of the Bankers' Committee approved at its 246th Meeting held on 21st December, 1999. The initiative was in response to the Federal Government's concerns and policy measures for the promotion of Small and Medium Enterprises (SMEs) as vehicles for rapid industrialisation, sustainable economic development, poverty alleviation and employment generation. The Scheme requires all banks in Nigeria to set aside ten (10) percent of their Profit After Tax (PAT) for equity investment and promotion of small and medium enterprises. The 10% of the Profit After Tax (PAT) to be set aside annually shall be invested in small and medium enterprises as the banking industry's contribution to the Federal Government's efforts towards stimulating economic growth, developing local technology and generating employment. The funding to be provided under the scheme shall be in the form of equity investment in eligible enterprises and or loans at single digit interest rate in order to reduce the burden of interest and other financial charges under normal bank lending, as well as provide financial, advisory, technical and managerial support from the banking industry. Every legal business activity is covered under the Scheme with the exception of trading/merchandising and financial services. Thus, the narratives and descriptive of this study is tailored towards the contribution of every legal business activity covered under the Scheme with the exception of trading/merchandising and financial services to Nigeria's GDP from 1999 to 2015.

Fig. 1 below represents the contributions of the agricultural sector in Nigeria's economic growth captured by GDP from 1999 to 2015, a seventeen (17) year period of time.

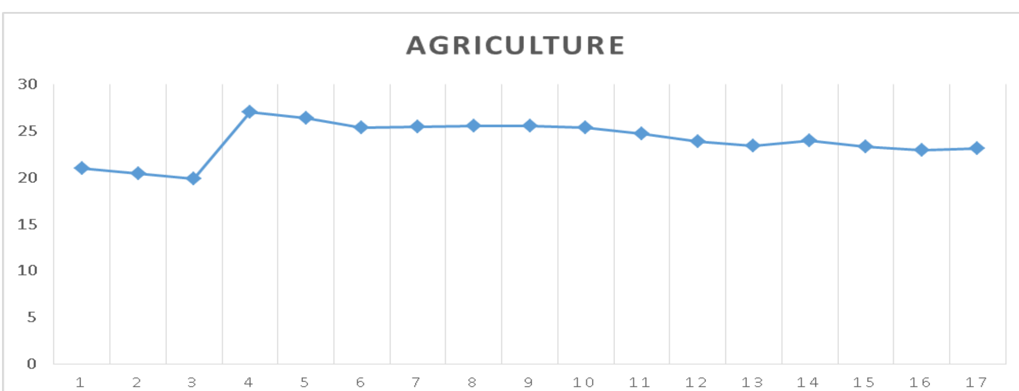

Fig. 1: Contributions of Agriculture in GDP Source: Table 1.

Table 1: Contribution of Agriculture in Nigeria's GDP

Years	Agriculture	Total RGDP	% Agriculture in GDP
1999	4,703.64	22,449.41	20.95
2000	4,840.97	23,688.28	20.44
2001	5,024.54	25,267.54	19.89
2002	7,817.08	28,957.71	26.99
2003	8,364.83	31,709.45	26.38
2004	8,888.57	35,020.55	25.38
2005	9,516.99	37,474.95	25.4
2006	10,222.47	39,995.50	25.56
2007	10,958.47	42,922.41	25.53
2008	11,645.37	46,012.52	25.31
2009	12,330.33	49,856.10	24.73
2010	13,048.89	54,612.26	23.89
2011	13,429.38	57,511.04	23.35
2012	14,329.71	59,929.89	23.91
2013	14,750.52	63,218.72	23.33
2014	15,380.39	67,152.79	22.9
2015	15,952.22	69,023.93	23.11

Source: CBN Statistical Bulletin, 2015.

Fig. 1 shows that as at 1999, the contribution of the Agricultural subsector in GDP stood at 20.95%. Meanwhile, the agricultural sector consists of activities in crop production, fishing, livestock and forestry and activities in these areas recorded a boost in 2002 and 2003 when it averaged 26%. Between 2003 and 2008, activities and hence the contribution of the agricultural sector in GDP averaged 25% and afterwards recorded a decline. The contributions of the agricultural sector in GDP dropped to 24.73% in 2009, averaged 23% between 2010 and 2015 with 22.9% decline in 2014. However, the contribution of the agricultural sub-sector in Nigeria's GDP in the past seventeen years averaged 23%.

Fig. 2 shows a steady decline in the contribution of the Industrial subsector in GDP from 2003 to 2015, the end of the study period. Meanwhile, the industrial sector consists of activities in (a) Crude Petroleum & Natural Gas (b) Solid Minerals including Coal Mining, Metal Ores, Quarrying & Other Mining (c) Manufacturing including Oil Refining, Cement, Food, Beverage and Tobacco, Textile, Apparel and Footwear, Wood and Wood Products, Pulp, Paper and Paper Products, Chemical and Pharmaceutical Products, Non-Metallic Products, Plastic and Rubber products, Electrical and Electronics, Basic metal , Iron and Steel, Motor vehicles & assembly, Other Manufacturing. The contributions of activities in the industrial sector dropped from 37% in 2000 and 2001 to 31%, 22% and 19% in 2005, 2010 and 2015 respectively. However, the contribution of the industrial sub-sector in Nigeria's GDP in the past seventeen years averaged 27%.

Table 2: Contribution of Industry in Nigeria's GDP

Years	Industry	Total RGDP	% of Industry in GDP
1999	8,031.92	22,449.41	35.78
2000	8,808.65	23,688.28	37.19
2001	9,351.86	25,267.54	37.01
2002	9,061.67	28,957.71	31.29
2003	10,893.91	31,709.45	34.36
2004	11,418.60	35,020.55	32.61
2005	11,674.74	37,474.95	31.15
2006	11,481.76	39,995.50	28.71
2007	11,332.36	42,922.41	26.4
2008	11,068.22	46,012.52	24.05
2009	11,353.42	49,856.10	22.77
2010	12,033.20	54,612.26	22.03
2011	12,874.25	57,511.04	22.39
2012	13,028.05	59,929.89	21.74
2013	13,014.51	63,218.72	20.59
2014	13,791.25	67,152.79	20.54
2015	13,319.13	69,023.93	19.3

Source: CBN Statistical Bulletin, 2015.

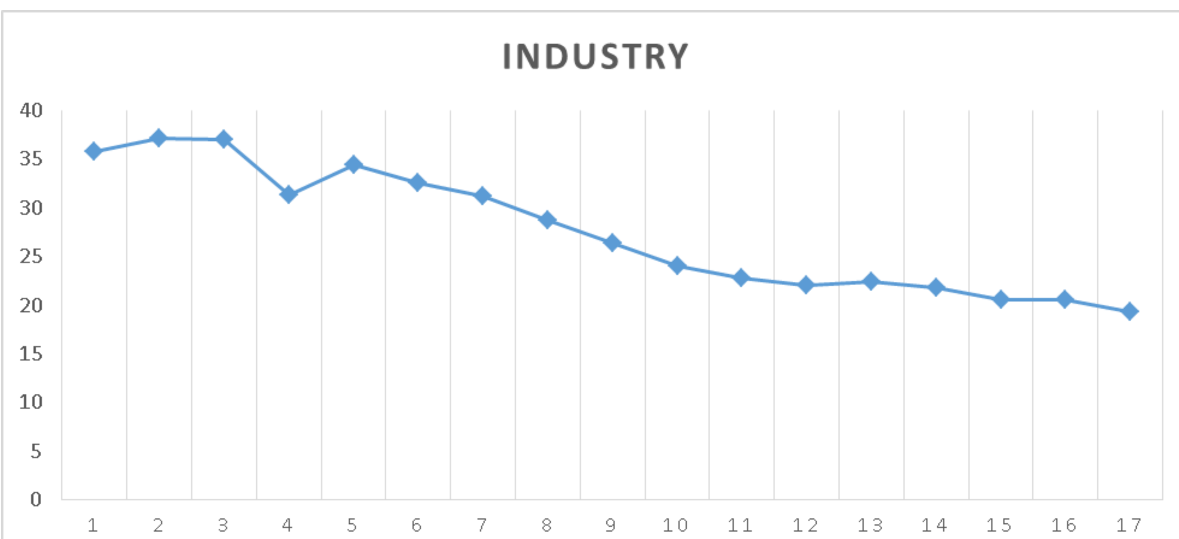

Fig. 2: Contributions of Industry in GDP

Source: Table 2.

Table 3: Contribution of Construction in Nigeria's GDP

Years	Construction	Total RGDP	% Contribution of Construction to GDP
1999	628.87	22,449.41	2.8
2000	654.03	23,688.28	2.76
2001	732.51	25,267.54	2.9
2002	764.33	28,957.71	2.64
2003	831.21	31,709.45	2.62
2004	774.86	35,020.55	2.21
2005	868.59	37,474.95	2.32
2006	981.45	39,995.50	2.45
2007	1,109.31	42,922.41	2.58
2008	1,254.30	46,012.52	2.73
2009	1,404.50	49,856.10	2.82
2010	1,570.97	54,612.26	2.88
2011	1,817.83	57,511.04	3.16
2012	1,989.46	59,929.89	3.32
2013	2,272.38	63,218.72	3.59
2014	2,568.46	67,152.79	3.82
2015	2,680.22	69,023.93	3.88

Source: CBN Statistical Bulletin, 2015.

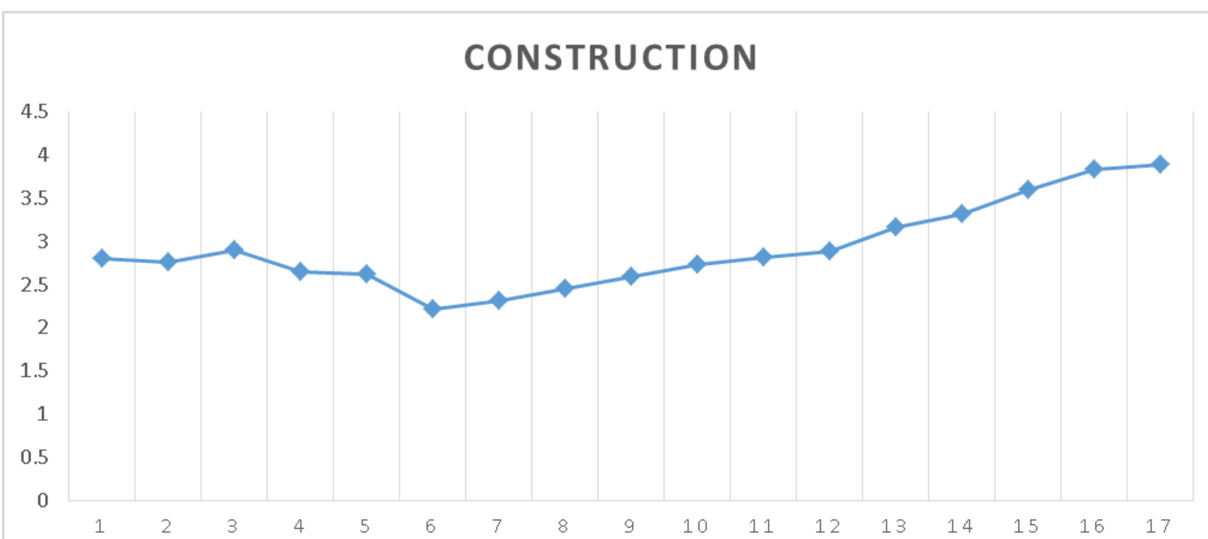

Fig. 3: % Contributions of Construction in GDP

Source: Table 3.

While percentage contributions of agriculture and industry in GDP recorded declining trends, contribution of construction to GDP recorded and upward sloping trend. The percentage contributions of construction to GDP which averaged 2% between 1999 and 2005 grew to 2.45% in in 2006 and to 3.16% in 2011. The growth in percentage contribution of construction to GDP grew to 3.32%, 3.59%, 3.82% and 3.88% in years 2012, 2013, 2014 and 2015 respectively while averaging 2.91% over the seventeen year period under review.

Table 4: Contribution of Services in Nigeria's GDP

Years	Services	**Total RGDP**	**% Contribution of Services to GDP**
1999	5,345.32	22,449.41	23.81
2000	5,557.59	23,688.28	23.46
2001	6,213.47	25,267.54	24.59
2002	6,837.83	28,957.71	23.61
2003	7,134.41	31,709.45	22.5
2004	8,275.85	35,020.55	23.63
2005	9,132.36	37,474.95	24.37
2006	10,215.15	39,995.50	25.54
2007	11,501.10	42,922.41	26.8
2008	13,042.91	46,012.52	28.35
2009	14,854.44	49,856.10	29.79
2010	17,057.75	54,612.26	31.23
2011	18,353.99	57,511.04	31.91
2012	19,041.09	59,929.89	31.77
2013	20,839.77	63,218.72	32.96
2014	22,304.22	67,152.79	33.21
2015	23,250.88	69,023.93	33.69

Source: CBN Statistical Bulletin, 2015.

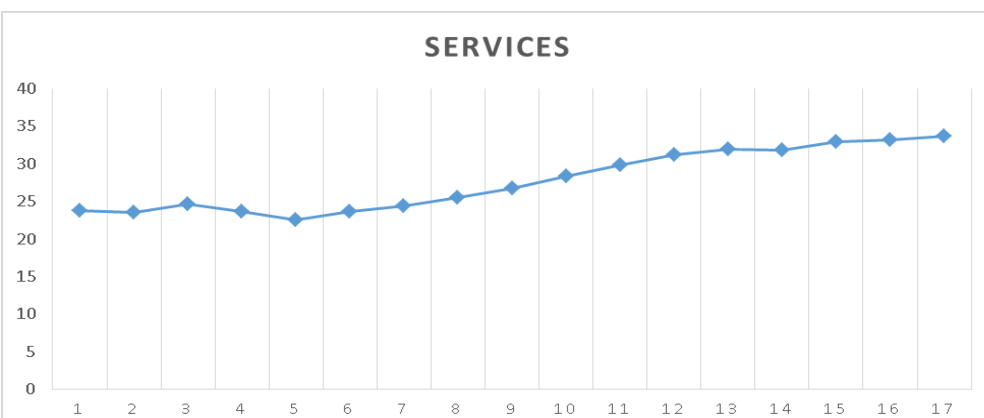

Fig. 4: % Contributions of Construction in GDP Source: Table 4.

While percentage contributions of agriculture and industry in GDP recorded declining trends, contribution of services to GDP recorded growth and upward sloping trends. The services subsector includes (a) Transport: Road Transport, Rail Transport & Pipelines, Water Transport, Air Transport, Transport Services, Post and Courier Services. (b) Information and Communication: Telecommunications & information services, Publishing, Motion Pictures, Sound recording & Music, Broadcasting (c) Utilities: Electricity, Gas, Steam & Air conditioner, Water supply, sewage, waste Management, (d) Accommodation and Food Services, (f) Real Estate (g) Professional, Scientific & Technical Services (h) Administrative and Support Services Business Services (i) Public Administration (j) Education (k) Human Health & Social Services (l) Arts, Entertainment & Recreation (m) Other Services while excluding (e) Financial Services. The percentage contributions of services to GDP which grew from 23.81% in 1999 to 24.59% in 2001. It recorded a steady growth from 24.37% in 2005 to 31.23% in 2010. The growth in percentage contribution of services while averaging 31% between 2010 and 2012 grew to 32.96%, 33.21%, and 33.69% in years 2013, 2014 and 2015 respectively while averaging 27.72% over the seventeen year period under review.

Conclusion and Recommendation

Nigerian economy which is characterized by the by heavy dependence on oil, low agricultural production, high unemployment, low utilization of industrial capacity, high inflation rate, and lack of industrial infrastructural base. These constraints limit the rate of growth of entrepreneurial activities in Nigeria. Hence, this paper seeks to investigate the contribution of entrepreneurship development in Nigeria to the Nigerian economy. This study employed the secondary data from statistical records of the Central Bank of Nigeria (CBN) from 1999 to 2015. Based on economic theory, a rise in the productive activities of entrepreneurs will increase the total output of goods and services produced in the country and lead to an increase in the GDP position of the country. To this end, available statistics shows that in the past seventeen years (199-2015), that while the percentage contributions of agriculture and industrial subsectors in GDP recorded declining trends from 1999 to 2015, contribution of the construction and services subsectors to GDP recorded growth and shows upward sloping trends. In line with economic theory, these implies that the declines in the productive activities of entrepreneurs in the agriculture and industrial subsectors decreased the total output of goods and services produced in the country and led to an increase in the GDP position of the country while growths recorded in the services and construction subsectors suggest increases in the activities of entrepreneurs and will bring about increases in the the total output of goods and services produced in the country and led to an increase in the GDP position of the country.

The study thus recommends the tackling of problems impeding the development of SMEs in Nigeria. Some of the principal problems SMEs face in Nigeria include the following: inadequate funding, inadequate infrastructural facilities, low capacity utilization perpetually gotten from the low demand for SMEs products owing to their poor quality as well as exorbitant prices, raw material management and choice of appropriate technology. All these are fundamental for growing and developing any business, be it large or small which if confronted can drive them to promote economic growth and development.

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Appendix 1; Nigeria's GDP Components

Years	Agriculture	Industry	Construction	Services	Financial Services	Total RGDP	Services
1999	**4,703.64**	**8,031.92**	**628.87**	**6,451.66**	1,106.34	**22,449.41**	5,345.32
2000	**4,840.97**	**8,808.65**	**654.03**	**6,709.18**	1,151.59	**23,688.28**	5,557.59
2001	**5,024.54**	**9,351.86**	**732.51**	**7,416.29**	1,202.82	**25,267.54**	6,213.47
2002	**7,817.08**	**9,061.67**	**764.33**	**8,394.52**	1,556.69	**28,957.71**	6,837.83
2003	**8,364.83**	**10,893.91**	**831.21**	**8,531.20**	1,396.78	**31,709.45**	7,134.41
2004	**8,888.57**	**11,418.60**	**774.86**	**9,718.30**	1,442.45	**35,020.55**	8,275.85
2005	**9,516.99**	**11,674.74**	**868.59**	**10,624.12**	1,491.76	**37,474.95**	9,132.36
2006	**10,222.47**	**11,481.76**	**981.45**	**11,788.35**	1,573.21	**39,995.50**	10,215.15
2007	**10,958.47**	**11,332.36**	**1,109.31**	**13,161.46**	1,660.36	**42,922.41**	11,501.10
2008	**11,645.37**	**11,068.22**	**1,254.30**	**14,792.02**	1,749.11	**46,012.52**	13,042.91
2009	**12,330.33**	**11,353.42**	**1,404.50**	**16,682.41**	1,827.97	**49,856.10**	14,854.44
2010	**13,048.89**	**12,033.20**	**1,570.97**	**18,966.55**	1,908.81	**54,612.26**	17,057.75
2011	**13,429.38**	**12,874.25**	**1,817.83**	**19,748.68**	1,394.70	**57,511.04**	18,353.99
2012	**14,329.71**	**13,028.05**	**1,989.46**	**20,729.00**	1,687.91	**59,929.89**	19,041.09
2013	**14,750.52**	**13,014.51**	**2,272.38**	**22,673.41**	1,833.65	**63,218.72**	20,839.77
2014	**15,380.39**	**13,791.25**	**2,568.46**	**24,286.89**	1,982.67	**67,152.79**	22,304.22
2015	**15,952.22**	**13,319.13**	**2,680.22**	**25,374.78**	2,123.90	**69,023.93**	23,250.88

Source: CBN Statistical Bulletin, 2015.