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### 1.1 BACKGROUND OF THE STUDY.

In the beginning, entrepreneurship started when people produced more products than they needed, as such, they had to exchange these surpluses. For instance, if a blacksmith produced more hoes than he needed, he exchanges the surplus he had with what he had not but needed; maybe he needed some yams or goat etc. he would look for someone who needed his products to exchange with. By this way, producers came to realize that they can concentrate in their areas of production to produce more and then exchange with what they needed. So through this exchange of products, entrepreneurship started. A typical Nigerian entrepreneur is a self made man who might be said to have strong will to succeed, he might engage the services of others like; friends, mates, in-laws etc. to help him in his work or production. Through this way, Nigerians in the olden days were engaged in entrepreneurship.

Entrepreneurship, as an emerging field of study and as an area of human endeavour, has received increasing interest of researchers, academicians and policy makers the world over. 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 (Schumpeter, 1934; Harper, 1991; Morris & Lewis, 1991; Hamilton, 2000; Clausen, 2006; Praag & Versloot, 2007). Economy of the 1970s – 2000 in the West, characterized by reliance on big business and mass production, has given way to a so-called entrepreneurial economy, where knowledge-driven goods and services are more flexibly provided by smaller creative class (Naude 2011). Naude (2011) notice impressive growth in the emerging economies, notably Brazil, Russia, India and China, and deduced that it has been driven by innovative entrepreneurial revolution. Based on general view entrepreneurial development is the key to poverty eradication, employment generation and rapid economic development.

Moreover, studies by UNIDO Nigeria, 2012 show that Micro, Small and Medium Enterprises (MSMEs) has the propensity to drive the Nigerian Economy, and data reveal that there are currently over 17 million MSMEs employing over 31 million Nigerians. MSMEs account for over 80% of enterprises that employ about 75 % of the Nigeria's total workforce. Therefore formulating and effectively implementing MSMEs friendly policies represents innovative ways of building the capacity to engage in entrepreneurial activities and creating job opportunities thus, playing a central and invaluable role in helping Nigeria realize its quantity advantage. In addition, the 2012 Global Entrepreneurship Monitor (GEM) has empirically identified Nigeria as one of the most entrepreneurial countries in the world. The study showed that 35 out of every 100 Nigerians (over a third) are engaged in some kind of entrepreneurial activity or the other. It is therefore imperative at this point in time to critically evaluate not just the principles of entrepreneurship but the practice and its crucial role in fostering economic growth and development in a developing economy like Nigeria.

Entrepreneurship is not synonymous with small business. Certainly, small firms are an out-standing vehicle for individuals to channel their entrepreneurial ambitions. The small firm is an extension of the individual in charge (Lumpkin and Dess 1996). However, entrepreneurship is not restricted to persons starting or operating an (innovative) small firm. Enterprising individuals in large firms, the so-called 'intrapreneurs' or 'corporate entrepreneurs', undertake entrepreneurial actions as well.

Nowadays, most unemployed youth in Nigeria go into soap making business instead of waiting for a white collar job. Soap making business is cheap and easy to start, which make it very easy for many youth to

venture into it. Many house wife do learn how to make soap just for their home use, which reduce the cost of money spent on soap in a month.

#### 1.2 STATEMENT OF THE PROBLEM.

In Nigeria, start up of small scale businesses such as soap making, among unemployed youths has contribute immensely to solving the problem of unemployment in Nigeria. Therefore the need arise to study the effect of start up business on entrepreneurial development in Nigeria.

#### 1.3 OBJECTIVE OF THE STUDY.

The objective of the study is to examine the effect of startup business; soap making on entrepreneurial development in Nigeria.

#### 1.4 RESEARCH QUESTIONS.

What is the meaning of entrepreneur?

What is 'soap making'?

What is the effect of start up business on entrepreneurial development in Nigeria?

#### 1.5 SIGNIFICANCE OF THE STUDY.

This study will examine the importance of startup business in Nigeria, and also their effect on entrepreneurial development in Nigeria. Encouragement of Startup businesses in Nigeria has great effect on reduction of unemployment rate in Nigeria and will inturn reduce poverty rate.

#### 1.6 SCOPE OF THE STUDY.

The study focus the effects of startup business on entrepreneurial development in Nigeria.

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