

# Entrepreneurship and Agribusiness in Agro-Economy in Nigeria

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Since most scholars have agreed that there is a positive relationship between the growth of agricultural (agribusiness) and entrepreneurship, this has given a clear understanding that achieving high entrepreneurship development is critical to the transformation agenda of Nigeria's agro-economy. Nigeria's current demography reveals that the youth population may continue to rise in the coming decades, with more teenagers coming into the youth age. The implication of this for the already stressed economy could be devastating if these human resources are not properly harnessed. Efforts to managing these energetic individuals without cutting edge employment and/or entrepreneurship policy structure will not yield a desirable economic outcome.

youth unemployment

agribusiness opportunities and management

entrepreneurial intention

entrepreneurial traits

agriculture

## 1. Definition of Terms

### 1.1. Defining Entrepreneurship (or Who Is an Entrepreneur?)

In view of the confusion and contradictions that are generally associated with the definition of entrepreneurship in the literature, there is a need to put the use of related terms in perspective in this research. According to [1][2], an entrepreneur is someone who creates new products or a new line of business where there was none before. The implication of this definition is that anyone who inherits or buys an existing enterprise or an employee who steers or manages a turnaround exercise is not an entrepreneur. According to [3], an entrepreneur is anyone who is involved in creative activities with a view to arriving at innovations. Therefore, such an individual is referred to as an innovator. The authors of [4] view an entrepreneur as a person who can identify and exploit a business opportunity. In the words of [5], an entrepreneur is anyone who carves a niche in the market by developing a unique strategy to satisfy consumers. The list of contributors to the debate on the appropriate definitions of an entrepreneur is a long one but, what is notable is that different schools of thought view entrepreneurship from different perspectives ranging across entrepreneurial activities such as creation, founding, adapting, and managing a venture.

Surprisingly, [6], in the work "General Management and Entrepreneurship", finds that no single discipline provides the tools for managing an entrepreneurial venture. The above different views account for the reason why there is yet a consensus on the appropriate definition of entrepreneurship. Therefore, most research works have, at best, contextualized the definition in order to interrogate the specific objectives their studies set out to achieve. For a

basic understanding of the entrepreneurial process, this work extrapolates some useful hints from the six schools of thought on entrepreneurship as documented by [7]. According to the literature, each of the schools of thought follows the interest a scholar is willing to interrogate. The literature classifies these interest areas and the lines of thought as follows:

- Assessing Personal Qualities
  1. The “Great Person” School of Entrepreneurship;
  2. The Psychological Characteristics School of Entrepreneurship;
- Recognizing Opportunities
  3. The Classical School of Entrepreneurship;
- Acting and Managing
  4. The Management School of Entrepreneurship;
  5. The Leadership School of Entrepreneurship;
- Reassessing and Adapting
  6. The Intrapreneurship School of Entrepreneurship.

Each of these schools of thought explains individual inclinations about entrepreneurship either by natural/intuitive phenomenon or through consistent mentorship/exposure. However, scholars have found that more than one behavior or skill may be required for each of the stages of the entrepreneurial process or entrepreneurial situations. For example, the start-up, growth, and maturity phases of an agribusiness venture may require different behaviors or skills. The behaviors and skills of different schools of thought are briefly described and presented in **Table 1**.

## 1.2. Defining Agribusiness

Agribusiness is loosely described by [8] as the business of agriculture, which encompasses all operations involved in the manufacturing and distribution of farm supplies, productive operations on the farm, and the storage-processing distribution of farm products and the items made from them. The authors of [9] restructured the chains in agribusiness into tri-aggregates: the input sector, the farm sector, and the product sector. Over the years, there have been sporadic growth and interest in agribusiness, particularly in sub-Saharan Africa. However, the debate on the appropriate definition of the concept of agribusiness management has not been resolved [10][11][12][13]. In the contemporary debate, quite a number of scholars have attempted to define agribusiness as agro-industrialization [14][15], value, or net chains [16], or agriceuticals [17]. In addition to these, [18] expanded the definition of agribusiness to cover all business activities involved in the distribution of farm inputs to the farm sector and delivery of farm

produce/products to the markets. The authors of [19] broadened [20]'s definition by including business activities such as warehousing, wholesaling, processing, and retailing agricultural produce and products.

**Table 1.** Defining entrepreneurship, according to the different schools of thought.

<b>Entrepreneurial Model</b>	<b>Purpose</b>	<b>Assumption</b>	<b>Behavior and Skills</b>	<b>Situation</b>
"Great Person" School	The entrepreneur has an intuitive ability—a sixth sense and trait instincts s/he is born with.	Without the “inborn” intuition, the individual would be like the rest of us mortals who lack what it takes.	Intuition, vigor, energy, persistence, and self-esteem.	Start-up
Psychological Characteristic School	Entrepreneurs have unique values, attitude,s and needs which drive them.	People behave in accordance with their values; behavior results from attempts to satisfy needs.	Personal values, risk-taking, need for achievement, and others.	Start-up
Classical School	The central characteristic of entrepreneurial behavior is innovation.	The critical aspect of entrepreneurship is doing rather than owning.	Innovation, creativity, and discovery.	Start-up and early growth
Management School	Entrepreneurs are organizers of economic ventures. They are people who organize, own, manage and assume risks.	Entrepreneurs can be developed or trained in the technical functions of management.	Production planning, people organizing, capitalization, and budgeting.	Early growth and maturity
Leadership School	Entrepreneurs are leaders of people. They have the ability to adapt their style to the needs of people.	An entrepreneur cannot achieve his/her goals alone but needs others.	Motivating, directing, and leading.	Early growth and maturity
Intrapreneurship School	Entrepreneurial skills can be useful in a complex organization. Therefore, intrapreneurship is the development of independent units to create, market, and expand services.	Organizations need to adapt to survive. Entrepreneurial activities lead to organizational building and entrepreneurs becoming managers.	Alertness to opportunities and maximizing decisions.	Maturity and change

The plausible conclusion drawn from the above is that agribusiness can be split into three economic interdependent sectors; that is, the input sector, the farm sector, and the product sector as below:

- The input sector provides supplies of inputs which include seed, fertilizer, chemicals, machinery, fuel, feed, etc., to farmers for the production of crops and raising livestock.

Source: Adapted with permission from [11], 2022, World Academy of Science, Engineering, & Technology.

- The farm sector produces crops and animal or livestock products.
- The product sector processes and distributes the crops and livestock products to the final consumers.

It is explicitly from the above narrative that the richness of the definitions links to the accommodation of the contributions of other disciplines to the agribusiness process. In other words, agribusiness emphasizes the interrelationship among the various subsectors of the agrifood supply chains that work towards the production, manufacturing, distribution, and retailing of food products and services. The above is validated by the submissions of scholars such as [10][14][15][21]. The authors of [10] summarized the definition of agribusiness as follows: "it is the breath of business engaged in all aspects of agriculture, from the provision of inputs such as seeds and fertilizer to farming, processing, marketing, distribution, and retail sales".

## 2. Establishing the Nexus between Entrepreneurship and Agribusiness in Agro-Economy

Scholars have consistently posited that the economy of sub-Saharan Africa, an agro-economy, would witness steady improvement only if the agriculture subsector is adequately developed [10][22][23]. To achieve this feat, experts have advocated for the need to transform the agricultural sector from its conventional practices to a business sector driven principally by economic principles as it is in the developed economies [21][24]. A number of scholars have also argued that agribusiness management is based on neoclassical economic principles of the production theory of the firm [12][13]. However, this position does not answer the question of some scholars as to whether it is appropriate to consider agribusiness as a branch of agricultural economics. Upon further interrogation of this, the American Agricultural Economists Association (AAEA) [12] found in a survey of members that more than 50% of the respondents submitted that agribusiness management is a branch of agricultural economics.

The above argument was consolidated with the same proportion of affirmation from respondents that agribusiness management was the application of economics to agricultural businesses. That research aligned with the findings of [25][26]. Despite the submissions above, the argument took another dimension when [12] found that more than 70% of the respondents he interviewed suggested that there was a clear distinction between economics and management. The author of [12] concludes that, for a better understanding of agribusiness management, scholars need more than production theory and cost functions. This position has been well debated in the literature, and the list of scholars that favor managerial economics in addition to production and cost functions to explain the behavior of agribusiness firms have gone up [7][15][20][25][26].

The above debate, therefore, suggests that modern agribusiness management and entrepreneurship find a common phrase at the level of management using the instrumentality of managerial economics. It would be recalled that the management school of thought of entrepreneurship describes entrepreneurs as organizers of economic ventures, and they are people who organize, own, manage and assume risks. These traits are obviously missing in the agricultural sector in sub-Saharan Africa. Experts have opined that injecting these traits can help address myriad problems that bedevil the sector.

The way out of this bind is to proactively make decisions to exploit the available opportunities in the agricultural sector. According to [27], the ability to exploit opportunities is at the core of entrepreneurship. Therefore, understanding how entrepreneurs arrive at decisions relating to opportunity recognition, evaluation and exploitation is critical to advancing people's knowledge of agriculture as a whole. The variety of factors that influence entrepreneurial decisions is adequately captured in the literature [28]. In the distressed economics of sub-Saharan Africa, where agriculture has the greatest potential to significantly transform the economy [23], many youths are still pessimistic about exploiting the opportunities therein. Some, without empirical evidence, have blamed this on the inconsistency of government policies and associated problems [29][30][31][32]. The general consensus is that the agrifood subsector in Nigeria has the lucrative potential to provide direct employment to millions of youths and multiples of those employed directly can also benefit indirectly [23][33].

An increasing number of researchers have been investigating this puzzle with a view to determining the reasons some graduates are able to identify opportunities in agribusiness, evaluate their viability and even exploit them for wealth creation yet others are so pessimistic about the same opportunities that they do nothing about them. Therefore, this research profiles respondents' willingness to exploit agribusiness opportunities and analyze the factors that influence respondents' willingness to exploit agribusiness opportunities.

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