ACCESS TO BASIC INFRASTRUCTURAL FACILITIES AND ENTREPRENEURSHIP DEVELOPMENT IN ILARO, OGUN STATE

[1]Akeem Taiwo; [2]Oluwaseun Bankole & [3]Anthony Omojaro
[1,2,3]Department of Business Administration and Management, Federal Polytechnic, Ilaro, Ogun state, Nigeria)
akeem.taiwo@federalpolyilaro.edu.ng; omojaroanthony@gmail.com

Abstract

In every economy, infrastructure is necessary for the proper operation of firms. The relationship between basic infrastructural facilities and entrepreneurial development was investigated in this study. The study utilized a survey research design to achieve the intended results. One hundred and forty (140) entrepreneurs in the research region were surveyed using a structured questionnaire. The data were analyzed using descriptive statistics and the hypotheses were tested using regression analysis. From the findings, it was revealed that there is a positive and significant relationship between road accessibility and self-employment rate ($F = 382.451$; $p<0.05$), as well as a positive and significant relationship between power supply availability and ownership rate ($F = 64.046$; $p<0.05$). The study concludes that there is a positive and significant relationship between basic amenities and entrepreneurial development in Ilaro, Ogun State. As a result, the study recommended that government of Ogun State should ensure adequate provision of basic infrastructures such as electricity and good road networks, in order to improve entrepreneurial development in the state; this is because entrepreneurship provides a wide range of services while also contributing to the nation's GDP and raising living standards.

Keywords: Infrastructure, government, electricity, transport, entrepreneurs

Introduction

The basic physical and organizational structures essential for a society's or enterprise's activity, as well as the services and facilities required for an economy to function successfully, are referred to as infrastructure (Chauvet &Ferry, 2020). It's best described as a collection of interconnected fundamental components that serve as the foundation for a comprehensive development framework (Knack, Biletska & Kacker, 2019).

Lewis-Flaupel, Neggers, Olken, and Pande (2016) define infrastructure as the physical components of interconnected frameworks that offer products and services required for empowering, sustaining, or increasing social living standards. Infrastructure is a term that refers to asset frameworks that have been used to aid in the development of a society.

In Nigeria, serious infrastructural shortages harm people and institutions. In Nigeria, a densely populated Black African country with vast reserves of assets like petrol, natural gas, and strong minerals, poor infrastructure poses a severe threat to human survival. In practice, infrastructure encourages the creation of goods and services, as well as the circulation of finished commodities to commercial sectors and important social services like schools and emergency clinics; for example, streets allow raw materials to be transported to an industrial facility.

Infrastructure is crucial for businesses and their owners in various areas of the economy all around the world (Adenipekun, 2013). Unfortunately, providing infrastructure to meet the needs of organizations has not received high priority in many areas across the country. Information is widely thought to be the key to a company's survival. Power/electricity is crucial to a company's long-term existence and operations in Nigeria. A number of organizations have relocated from Nigeria to other nations as a result of the relentless drop in power supplies. Manufacturing SMEs are hampered by a lack of power/electricity infrastructure, which reduces their productivity and profitability (Doe & Asamoah, 2014). The country's inadequate electrical supply, according to SMEs, has a negative influence on their operations. Blackouts and voltage fluctuations can halt production, disrupt supply, and impair product quality. As a result, it is commonly recognized that a poor power/electricity infrastructure is a significant obstacle to business performance.

In this sense, transportation infrastructure quality is an important determinant in company performance. As a capital output, transportation infrastructure makes a substantial contribution to production and wealth development. Transportation infrastructure, as well as the market exchange of final commodities and information sources, play a vital role in the construction of transportation services and must be considered.

It is against these identified challenges that this study seeks to empirically investigate the relationship between access to basic infrastructural facilities and entrepreneurial development in Ilaro, Ogun State.

Specific objectives are to:

i. Investigate the relationship between accessibility of road and self-employment rate
ii. Identify the effect of stable power supply on business ownership rate

According to studies and discussions on the state of infrastructure in Nigeria, it is worrisome and severely deficient in order to support business activity (Aghion, Akcigit, Cagé, and Kerr, 2016). These impressions are the result of a faulty power supply, a paralyzed industrial base, and deteriorating infrastructure. The pace of power delivery is discouraging and unstable, causing enterprises' power supply costs to rise to roughly 40% of their production expenses, as they must source various means for generating electricity in order to continue manufacturing (Crivelli and Gupta, 2014). These companies also operate in an environment where public power and water supply are often suspect, despite the fact that public utilities issue invoices on time. This has proved costly, as enterprises that can afford it have resorted to self-contained power generators.

The Nigerian electricity sector is said to have one of the highest levels of power outages in the world (Ndesaulwa & Kikula, 2016). As a result, businesses have been forced to introduce their generating sets and transmission hardware, significantly increasing their operating and capital costs. Smaller enterprises are confined into inefficiency due to inactive time due to epileptic power supply and inability to purchase and maintain production. The deplorable state of the water supply for both human and mechanical use was also taken into account. Contrary to popular belief, this has had a negative impact on businesses such as ternary sets, materials, and packaging companies. Surprisingly, enterprises in the water packaging industry, as well as other industries that rely on water as a primary raw resource for production, have been harmed. Due to a large degree of inadequate management and a lack of executive capacity, Nigeria's whole telecommunication framework has been marked by significant gaps between projected and actual performance (Goyette, 2015).

"A self-acknowledged conviction by a person that they desire to start a new business venture and intentionally plan to do so at some point in the future," according to the definition of entrepreneurial intention (Thompson, 2009). As a result, entrepreneurial intent is a powerful indicator of entrepreneurial potential. The future mentioned in the above definition of entrepreneurial intent could be close by or far away. Furthermore, such an intention does not have to be carried out. Despite its conceptual ambiguity, entrepreneurial purpose has received a lot of attention in the previous three decades (Fayolle & Lián, 2014; Lián & Fayolle, 2015).

This research is based on Friedman's stakeholder theory (1970). According to the notion, the government has a moral obligation to defend an economy and ensure that certain infrastructures are supplied for its population in order to improve their living standards. The stakeholder idea, according to Freeman (1984), gives a new way of thinking about strategic management. Government can begin to put a country back on the path to economic prosperity by focusing on strategic management.

Takawira (2020) looked into the connection between entrepreneurship education and entrepreneurial goals. The study's goal was to see if certain psychological characteristics (desire for accomplishment, risk-taking proclivity, internal locus of control) moderated the relationship between perceived entrepreneurship education impacts and entrepreneurial inclinations. This was accomplished by a cross-sectional survey of 308 Zimbabwean vocational education students. This was accomplished by a cross-sectional survey of 308 Zimbabwean vocational education students. The findings reveal that entrepreneurship education has a positive and statistically significant link with the need for achievement, risk-taking tendency, internal locus of control, and entrepreneurial goal intents. Furthermore, a statistically substantial amount of diversity in entrepreneurial intents was explained by demand for achievement, risk-taking proclivity, and internal locus of control. Only the need for achievement, out of the three psychological qualities, partially mediated the connection between entrepreneurship education and entrepreneurial goal intentions.
The impact of infrastructure development as a predictor of small and medium enterprise performance in Nigeria was investigated by Akinyele, Akinyele, and Ajagunna (2016), who discovered a substantial positive correlation between infrastructures and SMEs performance. Infrastructures, according to the report, play a critical role in assuring the success of SMEs' operations.

Obokoh and Goldman (2016) also looked into the challenges that SMEs face in Nigeria, as they must operate in a depleted infrastructure. A longitudinal strategy was used, with a survey of 500 small and medium-sized businesses in Nigeria. In 2007 and 2011, semi-structured interviews were done to supplement this. The study discovered that a lack of infrastructure has a detrimental influence on SMEs' profitability and performance due to the high costs of self-

provisioning infrastructure and delivery of finished goods. Furthermore, despite the successful privatisation of electricity production in November 2013, there is still no significant improvement in the power supply in Nigeria.

Methodology

A survey research design was utilized in the study, which comprises gathering data from a small group of people. The population of the study comprises entrepreneurs in Ilaro, Ogun State. Using a combination of purposive and convenience selection strategies, a total of 140 individuals were selected. In order to gather information, a structured questionnaire was created and distributed to the study's chosen participants. The participants were given the questionnaire, and the researcher returned one week later to collect them, giving them enough time to complete it. Content validity was used to assess the instrument's validity, and the Cronbach alpha test was used to determine the research instrument's internal consistency. Descriptive statistics were used to show the data, and regression analysis was used to evaluate the hypotheses. The statistical software utilized for the analysis was SPSS v.23.

Model Specification

The model for the research is specified as:
$y = f(x)$
Where:
y = Dependent variables i.e. self-employment rate, ownership rate
x = Independent variables i.e. road accessibility, power supply
$SER = \beta0 + \beta1RA + \mu$ ……. (1)
$OWR = \beta0 + \beta2PS + \mu$…….. (2)
Where:
SER = self-employment rate
OWR = ownership rate
RA = Road accessibility
PS = Power supply
$\beta0$ = Constant
$\beta1$; $\beta2$ = Coefficient of variables
μ = error term

Results

Table 1: Reliability Statistics

Cronbach's Alpha	N of Items
.852	20

Source: Field survey, 2022

Table 2: Demographic Information of respondents

Variable	Responses	Frequency	Percentage (%)
Gender	Male	75	54.0
	Female	65	46.0
Age	25 and below	39	28.0
	26-45	62	43.9
	46 and below	39	28.1
Length of Business	1-5 years	42	30.2
	6-10years	56	40.3
	10 years above	42	29.5

Source: Field Survey, 2022

Test of Hypotheses

Hypothesis One:

H_0: There is no significant relationship between Road accessibility and self-employment rate

H_1: There is a significant relationship between Road accessibility and self-employment rate

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.946[a]	.895	.892	.72473	2.075

Source: Field Survey, 2022

a. Predictors: (Constant), RA

b. Dependent Variable: SER

Table 3 summarizes the magnitude of the independent variable's (road accessibility) effect on the dependent variable (self-employment rate). The R-square value of R2 =.895 indicates that the independent variable accounts for roughly 95% of the total variance in the self-employment rate (road accessibility). Other variables not included in the model account for the remaining 5%.

Table 4: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	602.632	3	200.877	382.451	.000[a]
	Residual	70.907	135	.525		
	Total	673.540	138			

Source: Field Survey, 2022

a. Predictors: (Constant), RA

b. Dependent Variable: SER

Table 4 reveals that at the 5% significant level, there is a positive significant association between road accessibility and self-employment rate. The result if (3/135) = 382.451, P 0.05, supports this. At a 95% confidence interval, this means that the null hypothesis is rejected and the alternative hypothesis is accepted. As a result, the study suggests that road accessibility has a large and favorable impact on the rate of self-employment in Ilaro, Ogun State.

Hypothesis Two

H_0: There is no significant relationship between power supply and ownership rate.

H_1: There is a significant relationship between power supply and ownership rate.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.847[a]	.717	.700	1.23698

Source: Field Survey, 2022

a. Predictors: (Constant), Power supply

b. Dependent variable: Ownership rate

The model result of the variables used in this investigation is shown in Table 5. The value of R2 in the table is.717, indicating that power supply explains around 71.7 percent of the variation in ownership rate. The R2 number of.717 also demonstrates the model's strength; the closer the value is to one, the better the result. After adjusting for the degree of freedom, the adjusted R2 suggests that the model could explain around 70% of the systematic variance in Ilaro's ownership rate.

Table 6: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	128.093	2	64.046	63.528	.000[b]
	Residual	158.282	157	1.008		
	Total	286.375	159			

Source: Field survey, 2022

a. Dependent Variable: OWR
b. Predictors: (Constant), PS

Table 6 reveals that at the 5% significant level, there is a positive significant association between electricity supply and ownership rate. The result if (3/135) = 23.21, P 0.05, supports this. At a 95% confidence interval, this means that the null hypothesis is rejected and the alternative hypothesis is accepted. As a result, the study shows that electricity supply in Ilaro, Ogun State, has a large and favorable impact on ownership rates.

Conclusion

The study looked at the link between basic utilities and business development in Ilaro, Ogun State. According to the findings, good roads and stable power supply have a significant and positive impact on the self-employment and ownership rates in the investigated area. According to the findings, basic amenities and entrepreneurial development in Ilaro, Ogun State, have a positive and significant relationship.

Stemming from the findings, the study recommends the following:

1. To enhance the rate of self-employment in Ilaro, the state should have appropriate and accessible highways. For businesses that pay a considerable amount in corporate tax to the government, road issues are a major cause of concern. They ought to be provided with good and suitable road networks in order to promote their business and assure their survival.
2. The government of Ogun State should take charge and the supply of electricity for residents and businesses in the state, so as to engender ownership rate in the state.

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