

IMPACT OF ENTREPRENEURIAL HUMAN CAPITAL ON YOUTH ECONOMIC INCLUSION THROUGH AGRIPRENEURSHIP IN OSUN STATE

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Abstract

The high rate of youth unemployment in Nigeria has prompted a shift in focus to agricultural pursuits to ensure youth economic survival. However, entrepreneurship in agriculture will not happen in a vacuum but with adequate attention for human resource capabilities. The impact of entrepreneurial human capital on youth economic inclusion through agripreneurship was examined in this study. The study used a survey research approach, with primary data collected by a standardised questionnaire delivered to 100 selected unemployed currently in the National Youth Service Scheme in Osun State, Nigeria. The study employed multiple regression to analyse the data gathered. At the same time, the results revealed that both entrepreneurial administrative skills and entrepreneurial accounting skills have a significant positive impact on youth economic inclusion through agripreneurship with values of adjusted $R^2 = 0.922$ and 0.971 at ≤ 0.05 level of significance, respectively. The study, therefore, recommends that adequate attention should be given to the human capital stock of the youth for optimal productivity in the economy of Osun State via agripreneurship.

Keywords: Agripreneurship, entrepreneurship, economic inclusion, human capital, youth

Introduction

The challenge facing the youth in Nigeria in terms of unemployment and economic empowerment is high (Emeh, 2012). Apart from the challenge of the government not providing enough jobs for the teeming youth population, many of these youth are essentially not employable due to the problem of lack of requisite skills that employers are looking for, or that may encourage them to start a venture on their own (Emeh, 2012). To boost productivity, profitability, and self-reliance, the young must be included in entrepreneurial economic activities in the face of rising unemployment and poverty among the country's youth.

Economic inclusion, or the provision of economic opportunities to underserved socioeconomic groups in the pursuit of sustainable economies, has been proposed to solve the young unemployment crisis on multiple occasions (EBRD, 2017). Since the government's ability to provide jobs for the teeming population of unemployed youth has become a problem, their development in terms of skills and capabilities to start a new business,

particularly in the agricultural sector of the economy, or to increase their employability opportunities has become imperative. The idea of Youth Economic Inclusion is to improve their access to economic opportunities through on the job training and skill development, referral to entrepreneurship support activities and information service opportunities.

To prepare the youth for economic inclusion in agripreneurship, researchers have argued that entrepreneurial human capital and specific accounting skills acquisition will assist in making the child ready for a turn-around in their life. Endogenous accumulation of entrepreneurial human capital, such as knowledge, skills, decision-making, and risk assessment, can improve the youth's productive capacity, competencies, and inventive talents (Amin, 2018). Despite having these skills, the need for effective management and optimal valuation of investment opportunities for youth economic inclusion through agripreneur makes accounting skills imperative.

Statement of the Problem

Unemployment and poverty are two of the most developmental severe issues confronting developing economies such as Nigeria. As a result of rising unemployment among the youth, who are considered the most important agents for economic development, the incidence of poverty in the country has been exceptionally high. While the government has not been paying attention to providing employment for the youth, a significant number of them are also unemployed by organisations, as has been noted multiple times in the literature. Agriculture has been discovered to be a dynamic enterprise, giving several economic prospects for engagement along the value chain, in the hunt for an alternative for young employment. Agriculture has been discovered to be a dynamic enterprise, offering various economic opportunities for participation across the value chain in the search for a new way to engage young people. The study examined entrepreneurial human capital as a fundamental criterion for youth economic inclusion in Nigeria through agripreneurship. This is to promote our youth's financial adequacy through agricultural entrepreneurship and effective economic management performance.

Objective of the Study

The study's primary goal is to determine the influence of entrepreneurial human capital on youth economic inclusion through agripreneurship in Osun State to develop innovative ventures as a substitute for paid work. The specific objectives include:

1. To investigate the impact of entrepreneurial administrative skill on youth economic inclusion in Osun State through agripreneurship.
2. To determine the impact of entrepreneurial accounting skills on youth economic inclusion through agripreneurship in Osun State.

Literature Review

Conceptualising Youth in the Economy

An attempt at conceptualising youth by various scholars usually comes from different points of view, considering age, peer group, knowledge, and skill. However, whichever way this concept is viewed, it is an agreed phenomenon that it should be the period in the life of man when he is full of vibrancy, vigour, ideas and dreams. According to the National Youth Policy of 2001, youth should be the most active, most dynamic, and yet most vulnerable sector of the population in terms of socioeconomics, emotions, and other aspects of life.

The ongoing discussion about who qualifies as a youth hasn't cleared up any ambiguity around the term. As a result, it's not unexpected that the concept of youth has been interpreted and applied differently by different governments, non-governmental organisations, and the general public (Mkandawire, 1996). International organisations, such as the United Nations and the Commonwealth Association of Nations (British), have come up with specific age groups to describe youth to standardise youth programs. For example, the United Nations defines youth as being between the ages of 15 and 24, whereas the Commonwealth defines youth as between the ages of 15 and 29. The United Nations or Commonwealth definitions have been adopted by the majority of countries. In Nigeria, however, the age range of 15 to 36 years is considered the category of youth (NYAC, 1987). In sociology, youth denotes the transition from childhood to maturity (Chinguta, 2002). Youth have the ability to stimulate economic growth, social improvement, and total national development in any society (Echebiri, 2005).

Exposure to an expanding number of vulnerabilities and hazards is something that many of these youth shares. Many social and economic constraints inevitably influence their life choices. Young people cannot contribute to the growth and development of their societies due to a lack of quality work, education, health care, and civic participation. This is especially harmful in countries that are experiencing a rapid population increase. As a result, if allowed to succeed, young people are more likely to enter the workforce, seek meaningful education, or engage in other activities that contribute to economic growth.

Entrepreneurial Human Capital

In general, the term "human capital" refers to a combination of the words "human" and "capital." From an economic standpoint, capital is defined as "factors of production used to create commodities or services that are not themselves largely consumed in the production process" (Boldizzoni, 2008). In this sense, the term "human" refers to the person in charge of all economic operations such as production, consumption, and transaction. Human capital can be deduced from the preceding concept clarification that it is one of the production elements that can generate added values by inputting it.

Cunliffe (2002) correctly observes that learning from experience enhances an entrepreneur's human capital capacities and provides possibilities to transfer that experience into innovation through reflection and reflexivity. While management and technical competencies are crucial, (Cope 2003; 2005) maintains that the ability and willingness to engage in critical review offers the creativity required to enable organisational learning. The ability of an entrepreneur to connect information and possibilities necessitates a unique set of talents and insight. Entrepreneurs must have the social skills necessary to pique the interest of other possible stakeholders in a new enterprise (Baron & Tang, 2008). These social skills (human capital) are critical for transforming 'weak relationships' into solid ties that enable access to lucrative resources (Granovetter, 1973, Larson & Starr, 1993). These skill kinds indicate the business and management knowledge and skills required to succeed in a firm. Bookkeeping, risk assessment, market analysis, planning, goal-setting, and issue resolution are just a few examples. They rely on literacy and numeracy abilities as a basis. These skills influence individuals' capacities in the production and service provision processes, with the only goal of profit maximisation through the optimal use of resources available for such operations.

The upshot of obtaining such abilities will be an enhanced process of addressing market needs and an overall scenario of improved human welfare as a result of more excellent entrepreneurial activities. The primary nature of skills required for effective entrepreneurial performance includes:

Administrative Skill: The skill to administer human and material resources available to a business concern or an entrepreneur planning to start up a business is paramount for business success. Such skill can be acquired through education in the area of study of humanities. Generally, of vital importance is that whatever kind of education is received should impact the individual. Planning, organising, leading and directing as leadership is a practical issue for entrepreneurship development.

Accounting Skills: According to Evbodaghe (2009), the accounting profession is responsible for the distribution of financial information and a commitment to assisting businesses, non-profit organisations, and individuals in developing their capacity for success. The ability to succeed is based on the accounting abilities required for human venture management success. Accounting skills encompass a wide range of capabilities, including record keeping, attention directing, financial management, and reporting, which are intended to aid in the practical decision-making, performance evaluation, and business reporting of any company (Akanke 2011). He went on to say that attention directing skill allows the owner-manager to make critical decisions on production and pricing concerns while reporting skill specifies the way and methodology by which business information is communicated to the business's stakeholders.

Concept of Economic Inclusion

Economic inclusion, or providing economic opportunity to underserved socioeconomic groups, is critical to ensuring a sustainable market economy transition. Anyone, regardless of gender, location of origin, family history, age, or other conditions over which they have no control, has full and equitable access to labour markets, finance, entrepreneurship, and, more broadly, economic opportunity in an inclusive market economy. As a result, inclusion is a necessary component of a long-term market economy. Rather than being a social policy decision, promoting an inclusive market-based system is about efficient (human) resource allocation. As a result, economic inclusion is a crucial transition quality. People are more inclined to join in employment, pursue education, or engage in other activities that lead to economic growth if they are given a chance to succeed.

Youth Economic Inclusion

According to Mohammed and Dunya (2017), the current generation of young people is the largest in history. Over 3 billion individuals are under the age of 25, accounting for roughly half of the world's population. Developing countries are home to about 90% of the world's youth. Young people are an excellent resource for their countries, and investing in them reaps enormous social and economic rewards (Sukarieh & Tannock, 2014).

Considering most developing countries' statistics, youth between the ages of 14 and 35 constitute more than 35% of the population in most developing countries. They also include 70% of the national unemployment figure. The efforts directed towards the employment of youth still constitute limited benefits and employment security. Children remain marginalised in the mainstream economy, and we can still see high poverty among young people (Sukarieh

and Tannock, 2014). Besides the lack of start-up capital, youth don't have mindset development programs that help them break the shields around them, even in rich developing countries.

In contemporary times youth targets government-guaranteed pay jobs, waiting for many years to get into such a system while not daring to engage opportunities. Despite graduating from high schools and universities, youth in many countries don't know the essential roles of the economy. Many kids in developing countries, for example, think either focused on government or private sector, without being able to see the importance of both social and business entrepreneurship. This certainly slows down the cycle of the economy and, in turn, increase the vicious cycle of poverty. This category of youth becomes a burden rather than which could transform more rapidly societies for a better future. Hence, the need for a youth-based Economy via Youth Economic inclusion that would focus on developing techniques that would ensure proper engagement of the young decision-makers of tomorrow in the development decisions of today becomes necessary (Fletcher 2015). Therefore, youth economic inclusion will promote access to employment and skills, entrepreneurship, and access to finance and access to services that enhance economic opportunities.

Concept of Agripreneurship

Agripreneurship is the successful union of agriculture and business. Agripreneurship is the process of turning a farm into an agribusiness. Agripreneurship is a synonym for agricultural entrepreneurship and refers to the formation of agribusinesses in the agricultural and associated sectors. It is a viable option to consider to make agriculture a viable economic venture in today's marketplace. Agripreneurship may help with social and economic development, poverty reduction, and food security by ensuring proper nutrition. Furthermore, it contributes to the diversification of the economy and income sources and the creation of employment and entrepreneurial prospects (Shoji, Kerobim, Kuhwaha, Meena & Pravin, 2014). Dollinger (2003) defines agriculture entrepreneurship as the formation of creative economic organisations for growth or profit in the face of risk and uncertainty.

Theoretical Review

Contemporary discussions on the study are premised on theories from different schools of thoughts relating to variables identified for review. Some of these theories which provide a framework for the study are discussed below:

Human Capital and Productivity Theory

Becker (1993) postulated a theory around the issue of human capital development through education. In theory, he viewed that there are different kinds of capital, including schooling, training, and expenditure on medical care. He noted that the most valuable of all forms of capital is an investment in human beings. According to Becker (1993), the theory assumes that there are firm's specific human capital which include expertise gathered through education and training in management system and accounting software e.t.c and general-purpose human capital relating to general knowledge for varieties of activity within the firms (Marimuthu, Arokiasamy & Ismail, 2009).

Becker (1993) postulated that investment in education and training would result in increased productivity due to improved human capital formed in human resources through the

investment process. The theory proposed three stages of relationship resulting from the investment. The first stage relationship is that investment in education and training will increase learning, the second postulates an association between increased human capital (improved learning) and high-level productivity. In contrast, the third stage relationship shows increased productivity leading to increased wages and business earnings (Swanson & Hilton, 2001). The critical element of the theory is that improved human capital formed in an individual tends to promote improved productivity in the area of endeavour.

The Modernisation Theory

The modernisation paradigm created by Parsons (2003) to explain a model of progressivetransition from a "pre-modern" or "traditional" society to a "modern" society was based on Max Weber's (1864– 1920) modernisation theory. The theory aims to identify the internal social elements that contribute to a society's social progress and development and explain the process of social evolution, with a focus on education as the foundation for urbanisation and industrialisation. The theory focuses on how education changes a person's values, beliefs, and behaviour, fostering universalistic values, success incentives, social and geographic mobility, literacy growth, urbanisation, and the erosion of traditional authority. The inference is that expanding educational and capacity-building opportunities affect individual values and beliefs, so laying the groundwork for a more productive workforce and longer-term economic growth. When a significant portion of a population transforms in this way, the rate of modernisation and economic development in numerous sectors accelerates.

Methodology

The survey research design technique was used in this investigation. To gather their experiences and opinions on the intention to start their own business in the agriculture and allied services sector and change their perspectives on salaried jobs, a questionnaire was distributed to 100 unemployed youth randomly selected from the National Youth Service Corps Scheme in Osun State. To show the study's outcome, the data was examined using both descriptive and inferential statistics.

Model Specification

The dependent variable in this study (youth economic inclusion through agribusiness) is measured by the increase in the youth economic development index (YED). Entrepreneurial Administrative Skill (EADS) and Entrepreneurial Accounting Skill will be used to measure the independent variable (Entrepreneurial Human Capital) (EACS). The study's regression model definition is as follows:

$$\begin{aligned} \text{YED} &= f(\text{EADS}, \text{EACS},) \text{ where } s \\ \text{YED} &= \beta_0 + \beta_1\text{EADS} + \beta_2\text{EACS} + e \dots \dots \dots \text{Eq. 1} \\ \text{where} \end{aligned}$$

- YED = Youth Economic Development Index
- EADS = Entrepreneurial Administrative Skill
- EACS = Entrepreneurial Accounting Skill
- β_1 - β_2 = Co-efficient of the variables
- e = Error term.

Result and Discussion

H₀₁: Entrepreneurial administrative skill has no significant impact on youth economic inclusion through agripreneurship in Osun State.

Table 1: Summary of linear Regression Analysis of entrepreneurial administrative skill and youth economic inclusion through agripreneurship in Osun State

MODEL	R	R	ADJUSTED R SQUARE	Std. Error of the Estimate		
1	.960 ^a	.922	.921	.14083		
MODEL	SUM OF SQUARES		OF Df	MEAN	F	Sig.
1 REGRESSION	23.517		1	23.517	1185.659	.000 ^b
RESIDUAL	1.983		100	.020		
Total	25.500		101			

Dependent Variable: Youth economic inclusion through agripreneurship
 Predictors: (Constant), Entrepreneurial administrative skill

The R-squared value of .922 indicates that the coefficient of determination is at a 92.2 percent level, implying that the level of entrepreneurial administrative skill possessed by the youth explains about 92.2 percent of the variation in successful inclusion of youth in economic activities in the State. The Error term in the calculation will account for the remaining 7.8 percent. This demonstrates that the variables are related to each other.

Becker (1993), in support of the result above postulated that investment in education and training will result in increased productivity as a result of improved administrative human capital formed in human resources through the process of the investment. To prepare the youth for economic inclusion in agripreneurship, researchers have argued that entrepreneurial human capital (administrative) skills acquisition will assist in making the youth ready for a turn-around in their life. Endogenous accumulation of entrepreneurial human capital, such as knowledge, skills, decision-making, and risk assessment, has the potential to improve the youth's productive capacity, competencies, and inventive talents (Amin, 2018).

H₀₂: Entrepreneurial accounting skill has no significant impact on youth economic inclusion through agripreneurship in Osun State.

Table 2: Summary of Linear Regression Analysis of the impact of entrepreneurial accounting skill and youth economic inclusion through agripreneurship in Osun State

MODEL	R	R	ADJUSTED R SQUARE	Std. Error of the Estimate		
1	.960 ^a	.922	.921	.14083		
MODEL	SUM OF SQUARES		OF Df	MEAN	F	Sig.

1	REGRESSION	23.517	1	23.517	1185.659	
	RESIDUAL	1.983	100	.020		.000 ^b
	Total	25.500	101			

Dependent Variable: Youth economic inclusion through agriprenurship
Predictors: (Constant), Entrepreneurial accounting skill

R=662a, which indicates the correlation coefficients, is a measurement of the strength of association between the two variables (dependent and independent), indicating that the dependent and independent variables have a strong link (Economic Growth).

The R-Squared value of .971 indicates that the coefficient of determination is 97.1 percent accurate. That is, the amount of entrepreneurial accounting skill possessed by the youth accounts for 97.1 percent of the variation in youth economic inclusion through Agriprenurship, whereas the remaining 2.9 percent is accounted for by the equation error. This indicates that there is a degree of correlation between the variables, implying that the learning of entrepreneurial accounting skills has a significant impact on youth economic inclusion through agriprenurship in Osun State, Nigeria.

Mohammed and Dunya (2017) backed up this claim, claiming that the current generation of young people is the largest in human history. Over 3 billion individuals are under the age of 25, accounting for roughly half of the world's population. Developing countries are home to about 90% of the world's youth. Young people are a great resource for their countries, and investing in them reaps enormous social and economic rewards. 2014 (Sukarieh and Tannock). Saiz-Rubio and Rovira-Más (2020) argued that smart agriprenurship is more than just about raising profits and getting a competitive advantage; it is also about creating value, which is critical in addressing the growing population's food needs. According to Ruttan, Bell, and Clark (1996), hunger and poverty cause the environment to deteriorate and health to deteriorate, therefore value creation in the context of food security is critical.

Conclusion

Economies of developing nations and their components have strongly been battered. Entrepreneurship in agriculture has the tendency to play a vital role in the implementation of various technology in the agricultural activities to improve the quality of products, increase consumption, promote economic growth in Osun State and the nation at large. Human capital stock of players in the agriprenurial activities have been found to be important as it is a general belief that entrepreneurship does not happen in a vacuum. The study has found that the level performance of youth when included in the economic process of the State through agriprenurship will be a function of the various skills possessed by the youth and the implication for the economy of the State will come in form of adequacy of the various skills, competencies and capabilities.

Recommendations

Given the findings of the study, it is critical that the government of Osun State devote appropriate attention to the provision of entrepreneurial knowledge-based training for our

teeming youth in order to equip them for self-employment, particularly in the field of agriculture.

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