

## Youth Unemployment and Innovative Employment Creation (IEC) among University Undergraduates in Nigeria

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### Abstract

Youth unemployment has become a pervasive issue globally, with profound implications for individuals, communities and economies, particularly in Nigeria where a substantial portion of the youth is absorbed into informal sectors characterized by low productivity, minimal job security and limited access to social benefits. This study examined the innovative employment creation in the midst of widespread unemployment among youths in Ibadan specifically investigating the reasons youth engage in Innovative Employment Creation (IEC), the challenges faced and the coping mechanisms adopted. IECs are new and usual economic activities and business efforts youths engage in to earn income so as to escape unemployment which is widespread and a social reality in Nigeria. Descriptive research design was used. Human Capital Theory was used as theoretical framework. Structured questionnaire and in-depth interviews (IDIs) were used to gather data. Findings suggest that addressing the challenges of youth unemployment and promoting entrepreneurship requires a collaborative approach involving educational institutions, government agencies, private sectors and community stakeholders. It is therefore recommended that all the above-mentioned stakeholders should enhance access to entrepreneurship education and training programs while supports to youths are key as they continue to innovate to combat widespread youths unemployment in Nigeria and Africa.

**Keywords:** *youth, unemployment, innovative employment creation, undergraduate students*

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## Introduction

Youth Unemployment has become a pervasive issue globally, with profound implications for individuals, communities, and economies. The International Labour Organization (ILO) reports that the global youth unemployment rate stood at 13.9% in 2020, with approximately 267 Million young people aged 15-24 facing unemployment or underemployment (ILO, 2021). This alarming trend is not only a reflection of economic challenges but also a symptom of systemic issues such as inadequate education and training systems, mismatched skills, and limited access to opportunities. The demographic dividend, has been marred by a high incidence of unemployment among the youth, reflecting a mismatch between the skills acquired through traditional education and the demands of a rapidly evolving job market.

Innovative Employment creation is the process of developing and implementing novel unconventional strategies, initiatives, or projects that generate new job opportunities for young individuals which contributes to economic growth. Furthermore, IEC has emerged as a viable solution, offering young people the opportunity to create their own employment opportunities and contribute to economic development. It does not only generate jobs, but also drive innovation, foster competition and spur economic growth (Acs and Szerb, 2020, (Ezeanyej, Imoagwu. And Ejefobilu 2019). The experience of annoyance has the potential to result in disappointment, therefore eroding the innate optimism of young individuals as they embark on their professional journeys.

In addition to disillusionment, the prevalence of youth unemployment has several negative ramifications, including but not limited to rise to both social and economic ramifications. The potential consequences of elevated young unemployment rates on societal stability are noteworthy, since marginalized individuals may resort to engaging in protests or criminal activities (Yusuf & Ojewale, 2023). The aforementioned situation poses a threat to the well-being of the general population and places additional pressure on law enforcement agencies. The lack of engagement and involvement among the younger population, who possess the

potential to actively contribute to the city's progress and advancement, leads to a decline in economic production (Odunlami, Nwokporo and Akanle, 2024)

The implementation of strategies by organizations aimed at fostering entrepreneurship as a means to mitigate the issue of youth unemployment is a multifaceted strategy that has significant potential. These organizations provide guidance to aspiring entrepreneurs, facilitate access to financial resources, and impart knowledge on the initiation and growth of a business. These programs aim to cultivate resilience and business acumen among young individuals through the promotion of risk-taking behaviour and the acquisition of valuable lessons from failures. In conjunction with financial support from incubators and accelerators, the collaboration between local government and the corporate sector is of paramount importance. In order to facilitate the establishment of start-up enterprises, it is essential to streamline bureaucratic protocols pertaining to business registration and licensing (Paul & Ofuebe, 2021).

Tax incentives might also potentially aid start-up enterprises in reducing their financial burden, hence enhancing the attractiveness of entrepreneurship among young individuals. One crucial aspect in tackling young unemployment is the mitigation of the skills gap. The importance of a vocational training program that places significant emphasis on industry skills cannot be overstated. Young individuals seeking employment or aspiring to establish their own ventures might enhance their chances of success by acquiring valuable and in-demand skills. Youth unemployment in Nigeria, is a significant issue that affects the city's socio-economic and psychological aspects. The phenomenon of youth bulge has significant promise in terms of production and creativity; nevertheless, it also gives rise to challenges in situations when employment opportunities are limited (Ojolo & Singh, 2023). This article however contributes to knowledge through these research questions: What are the reasons for Innovative Employment Creation(IEC)? What are the challenges or obstacles faced by youth as they engage in IEC, furthermore, what are the coping mechanisms youth adopt to tackle these challenges as they engage in IEC? The significance of this study is

crucial in addressing the prevalent issue of excessive youth unemployment in Nigeria.

## **Human Capital Theory: Theoretical Framework and Literature Review**

Understanding why individuals choose career paths and how their skills influence their successes in the labor market is crucial. Human capital theory by Becker in 1964, offers a compelling explanation. This theory views education, training, and experience as investments individuals make in themselves, much like investments in physical capital. These investments enhance a person's human capital, the knowledge, skills, and abilities that increase their productivity and value in the job market. The theory also sheds light on the phenomenon of Skill mismatch. Sometimes, the skills individuals possess may not align with the specific demands of the labor market. This mismatch can lead to unemployment or underemployment, even for highly educated individuals.

The significance of fostering creative job creation is paramount, particularly in Nigeria, where the prevalence of youth unemployment gives rise to substantial socioeconomic challenges. The need for novel approaches to work development arises from the inadequacy of traditional employment practices in accommodating the expanding youth demographic (Okonwko et al., 2019). In the context of employment generation, innovative practices include the conception and execution of novel ideas and endeavors aimed at establishing enduring and purposeful employment opportunities specifically targeted towards the younger demographic. The development of entrepreneurship plays a crucial role in fostering innovative employment creation in Ibadan. Entrepreneurship serves as a catalyst for individuals to start and establish firms, therefore stimulating economic growth and generating employment opportunities (Soliu, 2021).

The implementation of a proactive strategy to job creation is vital for a multitude of reasons, as it is beyond the mere reduction of unemployment rates and serves to enhance a nation's economic well-being (Akanwa, 2020). Firstly, it is imperative to acknowledge that the generation of employment opportunities plays a

pivotal role in fostering economic expansion and advancement. The well-being and financial stability of individuals in any given country are contingent upon their work status. Efficient and industrious employees fulfill their tax obligations, make valuable contributions to the Gross Domestic Product (GDP), and possess discretionary cash that facilitates fuel consumption, all of which are integral to fostering a prosperous economic environment (Ovbiebo, 2021). Therefore, the direct and effective reduction of unemployment, which is a significant concern in several nations such as Nigeria, can be achieved through the implementation of creative job creation strategies.

Engaging in Innovative Employment Creation (IEC) however presents numerous challenges for youth in Nigeria. These challenges are multifaceted and arise from a combination of economic, social, and structural factors. The primary hindrance to young entrepreneurship in Nigeria is the limited availability of capital (Idowu & Ogunnubi, 2022). The aforementioned issue is prevalent among the youth population residing in economically disadvantaged nations, whereby they have difficulties in acquiring financial resources for entrepreneurial endeavors (Ajayi, 2017). The presence of an economic gap contributes to disparities in entrepreneurial opportunities and impedes the progress of inclusive economic growth. The lack of sufficient knowledge and training is a challenge for young individuals in Ibadan, Nigeria, who want to engage in IEC. The acquisition of knowledge is a fundamental need for both personal and professional development, and within the context of innovation and entrepreneurship, it plays a crucial role in facilitating progress (Sheriff & Agrawal, 2017). Regrettably, a significant number of youths residing in this vibrant urban center encounter difficulties in acquiring the requisite competencies and knowledge essential for achieving success in the domains of innovation and entrepreneurship (Oke, 2021).

It is important to emphasize the significance of early comprehension of entrepreneurship, as well as the potential for skill development, access to resources, and use of best practices. Paradoxically, a significant number of aspiring entrepreneurs exhibit a lack of

awareness about the diverse range of tools and programs that are accessible in an age characterized by abundant digital information (Olotu, 2022). Individuals may have difficulties in identifying entrepreneurial pathways in the absence of adequate mentoring and information. A deficiency in comprehension might potentially hinder exceptionally talented individuals from actively following their inventive concepts and establishing new enterprises, hence inhibiting economic advancement and impeding the cultivation of a dynamic entrepreneurial ecosystem (Idowu & Ogunnubi, 2022). Geographical factors provide challenges in terms of providing convenient access to educational institutions, incubators, and business development centers throughout various areas within Ibadan. Geographical disparities have the potential to exacerbate inequalities by disproportionately limiting opportunities for marginalized communities.

Youth engagement in Innovative Entrepreneurship and Creativity (IEC) often requires the adoption of coping mechanisms to navigate the complex challenges and uncertainties that come with pursuing innovative ventures. These coping mechanisms are crucial for the personal and professional growth of young individuals. Resilience is a fundamental coping strategy used by young entrepreneurs and individuals in creative fields. The presence of risks and uncertainties makes the business journey a trial that requires tenacity and flexibility. In the context of the IEC, where innovation and originality are highly valued, the attribute of resilience has significant importance (Ezemenaka, 2018). Failures, rejections, and obstacles are integral components of the entrepreneurial journey. When faced with these obstacles, aspiring entrepreneurs may experience a sense of discouragement. Nevertheless, the attribute of resilience enables individuals to see failures as valuable learning experiences rather than insurmountable barriers (Olowofeso, 2021). The alteration in perspective has significant importance in fostering both personal and professional development.

The initiation or advancement of Information, Education, and Communication initiatives sometimes need financial resources. Young entrepreneurs may explore many avenues for financial support, including as acquiring

loans, securing grants, attracting angel investors, or engaging in crowdsourcing activities as efficient financial planning involves identifying optimal sources of finance and structuring agreements in order to achieve the objectives of the endeavor. Young entrepreneurs in Nigeria may seek the guidance and expertise of financial professionals or mentors in order to proactively address potential financial challenges like as unexpected expenses, fluctuations in revenue, and economic downturns (Ekpo, 2018). The implementation of a financial safety net might potentially mitigate financial crises and enhance the resilience of the organization.

## Methods

The study was carried out in the Ibadan metropolis and was descriptive in nature, which helped to comprehensively describe and assess the phenomenon without introducing any alteration. It also gave a comprehensive data that facilitated the development and implementation of innovative employment strategies for the youth population. The Concurrent mixed methods (Qualitative and quantitative) were used to collect data. The quantitative method was used to quantify the problem at hand, while the qualitative method was to provide context and enhance overall results. For the quantitative data, copies of the questionnaire were administered on 250 participants chosen by the use of the convenience sampling technique. Certain steps like ensuring diversity with the samples, gender balance and equitable education and employment statuses were taken to cater for the biases of the convenience sampling method. Ten participants were purposively selected across six local governments for the in depth interview. The interviews also served as a valuable method for capturing personal narratives and insights that may not be effectively represented by quantitative data alone. The interview was a supplement to the questionnaire used. Both multiple choice and open ended questions were on the copies of the questionnaire to adequately capture the objective of the study. Appropriate questions were also generated as interview guides for the qualitative method. The qualitative data were content analyzed using different themes for discussion, while the quantitative data

were analyzed by the use of the Statistical package for the Social Sciences (SPSS)

## Data and Results

This section shows the data and results from the research in line with three research objectives; The reason for Innovative Employment Creation (IEC), the challenges faced by youth in engaging in IEC and the coping mechanisms youths adopt as they engage in IEC

### *The Reasons for IEC*

Through the use of structured questionnaire, the data revealed a diverse set of reasons driving individuals to participate. The desire for extra income emerged as the most prominent motivation, with 60.5% of respondents citing it. This indicates a significant proportion of individuals seeking additional financial resources through entrepreneurial endeavors. Additionally, pursuing a passion or interest ranks high, with 22% of respondents indicating this as a motivation. It suggests that a considerable portion of individuals engages in IEC not solely for financial gain but also to pursue activities they are passionate about. Lack of formal job opportunities is cited by 7.5% of respondents as a motivation. This highlights the role of necessity entrepreneurship, where individuals turn to informal entrepreneurial activities due to limited formal employment options. Moreover, the need to support family financially (5%) and the appeal of flexible work hours (5%) also contribute to motivating individuals to engage in IEC. These motivations collectively depict a diverse range of drivers influencing individuals' decisions to participate in informal entrepreneurial activities, reflecting both economic necessity and personal interests.

An in-depth data was also obtained to understand the reasons why youth engage in IEC practices. The participants stated the IEC activities they are into alongside their motivations. In today's dynamic economic landscape, many individuals, including students are exploring opportunities in informal employment, such as digital marketing and affiliate marketing, to supplement their income streams. As students, balancing academic responsibilities with the need for financial independence is paramount. Ultimately, the

primary motivation behind these endeavors is the desire to take responsibility for their own financial well-being and cultivate a sense of independence. According to one of the participants:

Okay, so first of all, I engage in informal employment and the one I engage in is digital marketing and affiliate marketing, basically that's because I'm in school right now and at this stage of my life, I can't do any formal work for now and as a student, we all need multiple sources of income and so we go on to learn skills to, you know, build ourselves and then get works, informal works and then get money basically. So, the primary reason or goal was for source of income. (IDI 2/Male/22/Digital marketer/2024)

Another participant said:

Some of the things that I do to make money or to earn is graphics design and then I also do a bit of digital marketing depending on demand. My primary motivation has to do with the need to earn an income because I'm of the opinion that independence is key. Even if you might be like, oh my parents are feeding me and things like that, I just feel like there's a responsibility mindset that should be in the heart of everyone. That you should at least be able to take responsibility for yourself at certain ages in life and I think I'm already past that age. So my major motivation would be the desire to earn an income and of course take responsibility for at least certain things that I can still handle at this point. (IDI 4/Male/24/Graphics Designer/2024)

Amidst external factors, a profound desire to give back and contribute positively to others' lives serves as a powerful motivator. Inspired by teachings from my church community, the notion of working to give resonates deeply with me, driving my pursuit of meaningful employment. The onset of the COVID-19 pandemic further heightened this motivation. Amidst lockdowns and financial uncertainties, the need for self-reliance became apparent. Transitioning from selling data to graphic design, I embarked on a journey of self-sustainability and empowerment. (IDI

5/Female/25/Designer and Birthday Shout Out/2024)

Another participant observed:

Learning the skill was actually not my thing. It wasn't my idea. I had something entirely different, something that in fact as at then I didn't see myself fixing trucks or even fixing anything that has to do with autos. It was my parents' idea, my dad's idea, and then he felt since I'm inclined with electrical stuff that I would do well in truck, anything that has to do with fixing trucks, especially the technical aspects. So, when I started around a few months after I joined the training, I discovered that I had this passion for each and everything. There's just this yearning inside of me to solve problems that I never saw, technical problems on truck. So that has always been my motivation up till now. I just love fixing trucks. I love seeing moving trucks on the road and I love new trucks, new designs, new structures and even new components and it's always intriguing. (IDI 7/Male/25/Truck Technician/2024)

In today's economic landscape, individuals, particularly students, are increasingly turning to informal employment sectors, such as digital marketing, affiliate marketing, and graphic design, to enhance their income. These activities not only offer flexible work options that align with academic commitments but also foster a sense of financial independence and responsibility. Amid external challenges, such as the COVID-19 pandemic, the drive towards self-sufficiency becomes even more pronounced. Motivations range from the desire for autonomy and the ability to support oneself and contribute to family and community, to personal growth and the pursuit of qualifications for future career aspirations. This shift towards informal employment reflects a broader trend of young adults proactively seeking diverse income sources and skill development opportunities in response to both personal aspirations and external pressures.

#### *The challenges faced by youth in engaging IEC*

The dataset provided a comprehensive exploration of the challenges and barriers Youth encounter in informal entrepreneurial activities

(IEC). Lack of capital emerged as the most pronounced barrier, with 72.8% of respondents citing it. This underscores the pervasive struggle many entrepreneurs face in securing the necessary financial resources to establish or sustain their ventures. Following closely, limited access to resources was identified by 56.8% of respondents, indicating difficulties in obtaining crucial assets such as infrastructure, technology, or raw materials, which are vital for business operations and growth. Moreover, competition from established businesses (49.2%), regulatory barriers (31.2%), and a lack of business knowledge (26%) represent additional significant hurdles, emphasizing broader structural and knowledge-related challenges faced by entrepreneurs navigating the business landscape.

Social stigma or negative perceptions from society due to involvement in IEC also emerge as a prevalent issue, with a substantial proportion of respondents reporting experiencing such stigma regularly. Specifically, 32.8% indicate experiencing it always, while 26.8% report encountering it often. This suggests the existence of societal biases or prejudices against individuals engaged in informal entrepreneurial activities, potentially undermining their confidence, self-esteem, and social acceptance, thus posing significant psychosocial challenges. When considering age as a barrier in IEC activities, the responses varied, reflecting diverse perceptions among respondents. While 34.4% disagree or strongly disagree that age poses a barrier, an equivalent percentage (34%) agree or strongly agree. This suggests nuanced perspectives on the influence of age on entrepreneurial opportunities and success, influenced by individual experiences, societal expectations, and cultural contexts.

In the in-depth interview that was conducted, the responses from the participants highlighted prevalent challenges across various industries. Balancing digital marketing with academics, fluctuating customer demands in graphic design, supply chain disruptions for small-scale traders, policy-induced cost hikes for card production, and inadequate infrastructure for engineering projects underscored the multifaceted hurdles. These obstacles, ranging from time management to economic instability, demand adaptive strategies and resilience.

Entrepreneurs face the imperative to innovate and navigate complex landscapes, from power outages to material sourcing difficulties, reflecting the dynamic nature of entrepreneurial endeavors amidst socio-economic constraints. Flexibility, resourcefulness, and perseverance emerge as crucial attributes in surmounting these challenges.

One of the participants said:

The challenges I've encountered having to go into digital marketing is balancing it with school activities. It's always like I have a lot on my plate, but I have to schedule time, balance time, and then create time to work on digital marketing, which is like an extra thing to do. It's really hard because you already have your whole day planned out and it's full and you're stressed already, but you need extra motivation to say that, oh I'll actually do this tonight. So, that's part of how to balance school activities. (IDI 2/Male/22/Digital marketer/2024)

You know, my business is not very, it's not something that has to do with things like fuel, transportation and stuff. Because most of my customers are students like me. Whenever they order, I just take it to them in their hostel. But then, I think policies affect me as well because the price that I was printing, I don't make only cards. My cards come with envelopes that you're going to put them in and then nylon and packaging and stuff like that. Even if I say I can cut costs and do the design myself, the printing, the card, it's not paper that they used to buy the card. They don't buy the ink with paper. They don't, you understand, like even the envelope is not bought with paper, it's money you're going to use to buy it. So when all these economies, the external economies are clashing and everything is getting more expensive, it's going to affect how much I use to produce these cards and how much I sell at the end of the day. I think yeah policies affect me. And what else? I think it's just that price.' (IDI 5/Female/25/Designer and Birthday Shout Out/2024)

I would say there are two. The first being the most nerve-breaking one. It's electricity. With regards to engineering, you actually always need light. We work with a number of schools. When working with projects and doing some other personal things, it's an issue when there is no electricity. It has made us try to look for other sources of electricity that wouldn't have been an issue even when we were not big like that. Normal electricity, 24/7 light, we really needed that. Another thing is raw materials, yes because the things that we build, the projects that we work on, things that we want to innovate on. We really have to now be sourcing for locally made products that are not as quality as what we would have loved to get. Getting those things are very hard in this part of the country and importing them is another story entirely because the value of the Naira against the universal currency which is the dollar is an issue. Many of these countries don't want to import into Nigeria because of the value of the currency. So, that has been the two major issues in my line of work. Getting materials and electricity. (IDI 7/Male/25/Truck Technician/2024)

### *The coping mechanisms youth adopt as they engage in IEC*

The dataset provides insights into various strategies and approaches employed by individuals to manage the stress associated with running informal entrepreneurial activities (IEC), as well as their responses to challenges, methods of staying motivated, balancing personal and professional commitments, and the role of networking in coping with difficulties. Firstly, regarding stress management, the most prevalent strategy among respondents is practicing mindfulness or meditation, with 46.4% opting for this approach. This indicates a recognition of the importance of mental well-being and self-care in navigating the challenges inherent in entrepreneurship. Additionally, 18.8% of respondents delegate tasks to others, highlighting the importance of effective time and resource management in alleviating stress. Seeking emotional support from friends and family is also common, with 16.8% of

respondents relying on their social networks for emotional reinforcement. However, a notable proportion (10.8%) resorts to working longer hours to address challenges, underscoring the potential trade-offs between workload and stress management.

In terms of response to challenges, a significant portion of respondents (41.2%) report considering changing their IEC activities always, suggesting a high degree of adaptability and responsiveness to external pressures. This highlights the dynamic nature of entrepreneurship and the need for flexibility in adjusting business strategies to overcome obstacles. Another 34.4% of respondents occasionally consider changing their activities, further emphasizing the ongoing evaluation and adaptation inherent in entrepreneurial endeavors. When it comes to staying motivated, setting clear objectives and goals emerges as the most effective strategy, with 50.4% of respondents indicating its importance. This underscores the significance of having a clear vision and purpose in driving entrepreneurial pursuits forward. Additionally, 15.2% of respondents reward themselves for achievement, reflecting the role of intrinsic and extrinsic motivation in sustaining entrepreneurial efforts. Regularly reviewing and adjusting the business plan (14.8%) and seeking inspiration from successful entrepreneurs (11.6%) are also cited as motivational strategies, highlighting the importance of continuous learning and seeking role models in maintaining motivation.

Balancing personal life and IEC commitments is another challenge faced by entrepreneurs, with strict time management being the most commonly adopted approach (60.8%). This underscores the importance of effective time allocation and prioritization in achieving work-life balance. However, 19.6% of respondents mix personal and business activities, indicating blurred boundaries between work and personal life, potentially leading to increased stress and burnout. Sacrificing personal time for business (10%) and relying on family for support (4.8%) are also reported, suggesting the personal sacrifices often associated with entrepreneurial pursuits. The role of networking in coping with IEC challenges is emphasized, with 74.4% of respondents considering it essential for finding solutions. This highlights the significance of

building and leveraging networks for knowledge exchange, collaboration, and emotional support in navigating the complexities of entrepreneurship. However, a small proportion (3.2%) perceives networking as not helpful at all, indicating varied experiences and perceptions regarding the effectiveness of networking in coping with challenges.

The dataset provides valuable insights into the strategies employed by individuals to manage stress, respond to challenges, stay motivated, balance personal and professional commitments, and leverage networking for support in the context of informal entrepreneurial activities. These findings underscore the multifaceted nature of entrepreneurship and the importance of adopting holistic approaches to effectively navigate the demands and pressures associated with entrepreneurial endeavors. In the IDI, participants also shared their experiences on how they have been able to manage and cope with stress that might collide with their informal entrepreneurial activities. The responses vary across the participants. One of the participants said:

I make use of time management and I make use of my to-do list. So, when I get up in the morning, set my to-do list, I have things to accomplish and so I set time for them. Once it's this time, this is what I should be doing and that has really helped me. Once I'm doing them, I'm ticking it and this is done. (IDI 1/Female/24/Graphics Designer/2024)

Well, for the uncertainty part, you might have to explain it more. But for the stress part that I really understand, one thing I do is that if, so the whole stress that comes with my business, like I mentioned earlier, has to do with the research part. Most of the time it's the research part and then recreating what you actually like to do. So what I do is that if the pay is not equal to the level of stress I'm going to engage in, I don't bother taking it at all. So I don't, it's better I don't start than to start and get some results. (IDI 2/Male/22/Digital marketer/2024)

I speak to my friends, I have really supportive friends. I have some that were



quite invested in this business even before I started. So whenever I have things, I'm just like, guy, this is our business because it's our baby, it's not just me, it's our business. I don't tire out because there was a time when I was really sick for a very long time and I could not advertise, I could not speak to people even though I wanted to, but I just could not. The spirit was willing but the flesh was weak. I could not. So I just, I took a break from the business at the time. It was only people that knew me before that were coming back. I didn't advertise, I didn't try to get any new customer. Yes, I just speak to my friends but they're like, oh, just calm down. It's not a big deal. This always happens. It's just, you know, you have friends that are there to hold you by your hand every step of the way. I think it's good to have a very good support system. (IDI 4/Male/24/Graphics Designer/2024)

First, for the challenges that I'm having presently, I have people help me. I reach out to people to help me get the things I need to get, especially when I see that time frame is tight for me. I reach out, seeking help from people to buy the things I need to sell. Then, I'm buying in bulk more than I used to. Right now, I'm going to get funds and get about 20 packs of water. So, that's whatever, no matter how scarce water get, I have. Water. It's one of the... .. Mechanisms. Okay. (IDI 6/Female/23/Small-Scale Trader/2024)

Hmmm one of the coping mechanism for me, I'll say having someone you can open up to, I can't put it in the exact word now but I could remember I have someone that I can literally go talk to, the person is not in any way related to my field, in fact he does something entirely different but when I have problems with my boss and my colleagues especially because trust me you will have a lot of different people with different opinion and perspective and I'm like 'who are these people? So I always have someone I reach out to, talk to, just go and rant and the person will basically tell me this this this and then he'll share a

couple of ideas with me and give me some instructions. (IDI 8/Male/24/Repairer, Coding and Tutor/2024)

The shared experiences of participants on managing stress in informal entrepreneurial activities reveal diverse coping strategies. These strategies range from practical approaches like time management and delegation to emotional support through friends or mentors. While one entrepreneur prioritizes tasks with a to-do list, another evaluates projects based on stress versus pay. Some rely on their support systems, including friends who share their business vision or offer encouragement during tough times. Others seek logistical solutions, like stockpiling resources, or draw motivation from maintaining a clear vision for their business's future. Across these varied responses, the importance of external support, whether through personal connections or strategic planning, emerges as a common theme in navigating the stresses of entrepreneurial endeavors.

## **Discussion of Findings**

There is a link between IEC and informal entrepreneurship in the context of study. In fact, there is increasing realisation that informal entrepreneurship is the pathway out of unemployment in Nigeria, and Africa. This is why the undergraduates are motivated to get involved in IEC. Thus, the fear of unemployment is a major driver of informal entrepreneurship induced IEC among the young people (undergraduates) (Oduunlami, Nwokporo and Akanle, 2024). Even though our study focused on IEC, the IEC experiences of the research participants were examined within the broader context of informal entrepreneurship. This is why this discussion is within the remit of informal entrepreneurship which is actually the bigger picture within which unemployment is being tackled in the country, generally through IEC. It is noteworthy that informal entrepreneurship contributes to development and sustenance of IEC by providing the strategic and practical psychosocial and economic bandwidth and elasticity within which the undergraduates continuously innovate IEC activities and approaches. Motivations in this case are drivers and propellers that encourage young people to

engage in IEC as carefully designed approach to avoid poverty and unemployment (Àkànle and Ozodulukwe, 2022). While there are undergraduates and young people who enter IEC and informal entrepreneurship based on preference (those who enter due to opportunity-driven motivations [pursuing passion, flexibility]), there also those who enter informal entrepreneurship due to economic necessity (lack of formal jobs). While there may be distinction between those who engage in IEC as necessity-driven entrepreneurs and those who enter because of opportunity-driven entrepreneurs, widespread generational and intergenerational unemployment is, somewhat, a key and major motivation for both categories of entrepreneurs in context of our study.

Based on experiences in Nigeria, the context of our research, informal entrepreneurship plays a crucial role and this resonates with experiences in many economies worldwide, providing avenues for individuals to generate income, pursue their passions, and contribute to economic growth. This paper critically examined various aspects of informal entrepreneurial activities including motivations or reason for engagement in IEC, the challenges encountered and its coping mechanisms. Understanding the motivations driving individuals to engage in informal entrepreneurship is essential for policymakers and researchers alike. The findings revealed diverse motivations, with the desire for extra income emerging as a significant driver. This finding aligned with previous studies indicating that economic necessity often propels individuals into entrepreneurship in informal sectors. Additionally, pursuing a passion or interest served as a prominent motivator, reflecting the importance of intrinsic factors in entrepreneurial decision-making.

The findings underscored the influence of necessity entrepreneurship, where individuals engage in informal activities due to limited formal job opportunities. Furthermore, the need to support family financially and the appeal of flexible work hours has contributed to motivating individuals to participate in informal entrepreneurship. Exploring the types of entrepreneurial activities individuals engage in provides valuable insights into the diversity of opportunities within the informal economy. The

findings present a varied landscape of entrepreneurial activities, with selling of products or crafts and providing services emerging as the most common type of engagement. This finding highlighted the prevalence of product-based ventures in informal sectors. Entrepreneurs in the informal economy are faced with numerous challenges that can impede business growth and sustainability. Lack of capital, limited access to resources, competition from established businesses, and social stigma emerged as significant barriers in the dataset.

To cope with these challenges, the findings revealed that entrepreneurs employ various strategies, including seeking advice from mentors, collaborating with peers, seeking financial assistance, and adapting business offerings. These coping mechanisms reflect the resilience and resourcefulness of entrepreneurs in navigating the complexities of the business environment. Moreover, the findings emphasize the role of networking in coping with challenges, with a majority of respondents considering it essential for finding solutions. This finding aligns with research highlighting the importance of social capital and networking in facilitating access to resources and opportunities for entrepreneurs. Entrepreneurs often struggle to balance personal and professional commitments, leading to challenges in managing work-life balance. The findings reveal that strict time management is the most commonly adopted approach to address this challenge. However, some respondents report mixing personal and business activities or relying on family for support. These findings underscore the inherent tensions and trade-offs associated with managing multiple roles as an entrepreneur.

Moreover, the findings highlight the role of family support in facilitating entrepreneurial endeavors, with many entrepreneurs relying on family members for assistance. This finding resonates with prior research indicating the importance of familial networks in supporting entrepreneurial activities, especially in informal sectors. Additionally, the findings suggest that entrepreneurs often blur the boundaries between personal and professional life, with work becoming intertwined with family and social obligations.

## Conclusion

The exploration of informal entrepreneurial activities (IEC) presented in this analysis offered a multifaceted understanding of the motivations, challenges and coping mechanisms associated with entrepreneurship in the informal sector. Through a comprehensive examination of various dimensions such as motivations, education and training, types of engagement, challenges, coping mechanisms, and desired support, this study contributes valuable insights to the existing body of knowledge on informal entrepreneurship. The study also demonstrates how informal entrepreneurship can be part of an IEC strategy, encouraging innovation in job creation through skills development and market-driven opportunities. One of the key findings of this analysis is the diverse set of motivations driving individuals to engage in informal entrepreneurial activities. The desire for extra income emerges as a primary motivator, highlighting the economic necessity that drives many individuals to seek alternative sources of revenue. Additionally, the pursuit of passions or interests, addressing the lack of formal job opportunities, and the need to support family financially all play significant roles in motivating individuals to participate in IEC. These motivations underscore the complex interplay between economic factors, personal aspirations, and social responsibilities that shape entrepreneurial decision-making in the informal sector.

The analysis also reveals a diverse landscape of entrepreneurial activities within the informal sector, ranging from selling products or crafts to providing services such as consulting, tutoring, or freelance work. This diversity reflects the entrepreneurial creativity and innovation prevalent in the informal economy, as individuals leverage their skills and resources to meet various market demands and opportunities. Despite the potential for success, entrepreneurs in the informal sector face numerous challenges, including lack of capital, limited access to resources, competition from established businesses, and social stigma. Beyond individual challenges, structural factors such as unfavorable regulations for small businesses, limited access to social protection and the lack of government support programs also pose significant barriers to

informal entrepreneurs. However, the study highlights various coping mechanisms employed by entrepreneurs to address these challenges, including seeking advice from mentors, collaborating with peers, seeking financial assistance, and adapting business offerings. Networking also emerges as a crucial strategy for accessing resources, opportunities, and emotional support in navigating the complexities of informal entrepreneurship.

The findings from this study highlights the need for more inclusive strategies such as, access to business trainings, low interest micro-finance and policies that accommodate the growth of the informal sector without imposing overly restrictive regulations. By gaining a deeper understanding of the dynamics and characteristics of informal entrepreneurial activities, policymakers, researchers, and practitioners can develop targeted interventions, support programs, and policy initiatives aimed at fostering an enabling environment for entrepreneurship and empowering entrepreneurs to thrive in their ventures within the informal economy.

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