

ISSN 1117-9481



ILORIN JOURNAL OF SOCIOLOGY

Volume 11, No.1&2, MARCH 2019

**Published by the
DEPARTMENT OF SOCIOLOGY
UNIVERSITY OF ILORIN, NIGERIA**

VOLUME 11, NUMBER 2, MARCH, 2019

Recruitment in Nigeria Civil Service: Issues, Challenges and Solutions Oluwatoyin Gbenga, BAWALLA & Sunday Samuel ADEDAYO	152-164
Perception of Nigerian Parents on the Influence of Visual Media on Social Behaviour of Children Aminat Adeola Odebode	165-176
Recruitment Factors and Leadership Crisis in Nigeria: A Contextual Analysis Ofilu, Frederick Iwendi & Boroh, Stanley Ebitare	177-188
Terror of Religious Fanaticism and the Rights of Girl-Child Education in the North East, Nigeria Chukwunka, C.A.C.	189-201
Challenges of Generating Internal Revenue in Ogbaru Local Government of Anambra State (2013 – 2016) Oshoma, Osigbeme & Edegware, Jesuhovie Gideon	202-211
Personality Factor and Self-Perception Susceptibility as Correlates of Internet Addiction among University of Ibadan Students Oyeleke, Johnson Tunde & Ibrahim, Abiodun Bashirat	212-220
Socio-Psychological Approaches to Understanding Sexual and Reproductive Health Lucky Osaretin Odia; Ochuko Iduemre & Kingsley Ufuoma Omoyibo	221-233
Comparative Analysis of Rainfall Trend in South-Western and North-Central Nigeria Ajewole Davies O.	234-247
Incubation Hubs and Development in Southwestern Nigeria Olayinka Akanle; Adefolake Olusola Ademuson & Omotayo Abraham	248-260
The National Healthcare Policies in Nigeria: Trends and Challenges ISIAQ, Atanda Abdulwaheed & ABDULQADRI, Nafiu Toyin	261-272

INCUBATION HUBS AND DEVELOPMENT IN SOUTHWESTERN NIGERIA

Olayinka Akanle, PhD.

Research Associate, Department of Sociology, Faculty of Humanities, University of Johannesburg, South Africa & Department of Sociology, Faculty of The Social Sciences, University of Ibadan, Nigeria
yakanle@yahoo.com, yk.akanle@ui.edu.ng 08136695268

Adefolake Olusola Ademuson

Department of Sociology, University of Ibadan, Nigeria 09090883444.
folakeademuson@yahoo.com

&

Omotayo Abraham

Department of Sociology, University of Ibadan, Nigeria. 07061988809.
meetomotayo@gmail.com

Abstract

Incubation hubs have become a global concept. There has been a continuous increase in their numbers around the world, especially in Europe and America as they have been found to be very good tools for job creation and socio-economic development. In recent times, African countries have embraced incubation hubs, with a lot of startups and small businesses undergoing incubation, especially in Nigeria. Although there has been an increase in the studies of incubation hubs globally, little has been done in understanding the prospect of incubation hub especially the private ones in Nigeria. Adopting an explorative, explanatory and descriptive research design, this study employed triangulation using qualitative and quantitative methods and Social Network Theory as the theoretical framework. The research was conducted in Lagos Metropolis and Ibadan, Oyo state. This study covers the prospect of incubation hubs as drivers of development; it considers the impact of incubation hubs on the community as well as the influence of the community on them and their ability to drive development in the nation-state. Findings from this study revealed that the incubation space has the potential to help Nigeria achieve sustainable development through job creation and support for the local community where they are located while contributing to the overall development of the nation. To enhance the growth of the sector, this paper recommends that adequate support should be provided to this space by the private and public sector through collaborations that will increase the synergy in the space and drive productivity.

Keywords: Incubation hubs, National Development, Youth Unemployment, Southwestern Nigeria

Word count: 247

Introduction

Incubation programs have increased in number around the world in recent years (Miller and Stacey, 2014). This increase in number goes to show the importance of incubation to the different nation-states. Nigeria has not been left out of this space as there has been an increase in the number of incubation hubs in Nigeria as well in the last five years (Ndiomewese, 2017). Incubation hubs perform both social and economic function in the society. Incubation is a collection of techniques that can be used to prove an idea, develop a

team and reduce the risk of ventures for later-stage investors. It is aimed at helping startups¹ grow and overcome early challenges associated with starting up business (Miller and Stacey, 2014). Incubation occurs in Incubation hubs such as incubators², accelerator programs, co-working spaces, social venture, academies and learning programs, competitions and through the work of very early-stage investors (Miller and Stacey, 2014). In a similar study by Bart, Mike and Jonas (2015), it was affirmed that over the last decade, incubation programs have continued to spread globally as a popular form of support for startups of business.

Nigeria, as well as a lot of African countries, are currently exploring the potential of incubation hubs for creation of employment opportunities in terms of goods and service rendering through business startups that focus on technology, mostly incubated in business incubators as well as social impacts through social incubators (Obaji, Olugu, and Obiekwe, 2015). All these have impacted the society as youths are engaging more in information technology as opposed to the traditional agricultural businesses, with most of the educated youths seeking employment in urban centers and not rural areas where agricultural businesses are being fueled (Akanle and Abraham, 2017). As a study with the focus on society, this study is concerned with the socio-economic impact of incubation hubs on the development of Southwest, Nigeria as well as how they are able to leverage the social capital³ and networks available to them for startup growth and national development. The specific objectives of this article are to examine the nature of incubation hubs, the social relations of incubation hubs and the relationship between incubation hubs and job creation as element of national development.

Incubation hubs and Development

There are different ways that foster entrepreneurship and sustainable development other than incubators, however, the incubation space is a broad policy area that supports development and poverty reduction and this is because of the inherent potential that is in the space (Rouwmaat, Reid and Kurik, 2003). This space consists of a whole array of instruments ranging from support for trade fair participation to grants, credit guarantees, training, consulting and infrastructure (Rouwmaat *et al.* 2003). Thus, the creation of a vast number of incubators is not a goal in itself but the means to an end, with the end being the overall development of the society (Rouwmaat *et al.* 2003; Bubou and Okrigwe, 2011).

Incubators benefit the society and create the opportunity for societies to evolve such that each society is able to create jobs and remain relevant in the future (Rouwmaat *et al.* 2003). They benefit the government, the community and the tenant's⁴ in the hub. Highlighting some of the benefits in the hubs Rouwmaat, Reid and Kurik (2003) saw incubators as tools that support the government in economic development, job creation, increase the tax base,

¹ A startup is a young entrepreneurial venture that is typically a fast growing business, that aims to meet marketplace need by developing a viable innovative product and services (Clarysse, Wright and Hove, 2015)

² Although the concept of 'incubation hubs' is wider in scope than 'incubators', however as in several literatures the term incubator is used interchangeably with incubation hub in this study.

³ Social Capital: this is the sum of the resources, actual or virtual, that accrues to an individual or group because of their connection to a network (Katz, David, and Arrow, 2004)

⁴ Tenant in the context of this study refers to startups that are domiciled in incubation hubs (Inanga, 2014)

Incubation Hubs and Development In Southwestern Nigeria

incomes and they contribute to achieving the objective of enhancing company birth and level of innovation. Incubators are generally innovation space; however, not all hubs are innovation space; innovation is common with hubs that are technology incubators (Rouwmaat *et al.* 2003). Besides the individual business and the nation at large the communities where incubators are located benefit from the space as incubators improve the visibility of an area and improve the entrepreneurial culture in the areas where they are domiciled (Rouwmaat *et al.* 2003). Also, one of the most important supports they provide to the community is that majority of the business graduating from the hubs stay within the area (Rouwmaat *et al.* 2003).

The challenge in most developing nation is not the lack of entrepreneurs or that of an idea that can make the society better; rather it is the challenge of an enabling environment that can help the startups thrive (Doing Business, 2017). To overcome this challenge Rouwmaat, Reid and Kurik (2003) saw incubators as being either multipurpose or specialized and found out that they are capable of providing the enabling environment for startups. They argued that the main idea of incubators is to provide entrepreneurs with a supportive environment to help establish and develop their projects. They further affirmed that by providing services on a “one-stop” basis and enabling overhead costs to be reduced by sharing facilities, business incubators can significantly improve the survival and growth prospects of start-ups and small firms at an early stage of development. The nature of the hub space is such that they encourage and support infrastructural development in the areas where they are located (Bubou and Okrigwe, 2011). As a result of the foregoing, there has been increasing number of incubation hub space in the world, and Nigeria is a part of the movement (Miller and Stacey, 2014; Ndiomewese, 2017).

As it currently stands, Nigeria economy depends only on oil which is no longer sustainable and there is therefore a need for the diversification of the economy. This is particularly important as the nation depends largely on crude oil and partly agriculture; employing incubation would help in the diversification of the economy in many ways (UN Millennium Project, 2005; Knopp, 2007; Ekekwe, 2015; Lawlor, 2016;). With a growing youth population and a drive towards technology, the nation needs to pay more attention to the incubation space as a tool for driving development (Akanle and Abraham, 2017). A research by Al-Mubarak and Busler (2013) on the effect of incubators in developing countries concluded that through quality initiatives and careful planning; incubators may present a pathway to stimulate the economy of developing nations and improve the quality of life of her citizens. They further buttressed this noting that Incubation hubs help in job creation, innovation, and commercialization of technology, which can benefit the local community and the nation at large. Incubation drives entrepreneurship and entrepreneurial culture especially (Al-Mubarak and Busler, 2013).

Example of some of the nations that have benefitted tremendously from incubation and has had socio-economic development through it is China, India and United States (Al-Mubarak and Busler, 2013). In the case of China, for example, it was noted (Lalkaka and Lalkaka 2003; Chandra and Fealey, 2009) that the extensive business incubator program developed in the early 1990s played a key role in facilitating the country's transition from a socialist to a market economy by enabling the commercialization of technological developments and promoting a culture of innovation across China. .

If well executed the incubation program has the potential of helping Nigeria fulfill some of the global goals for sustainable development. Through the program there can be a reduction of poverty as more jobs would be created and more people would be employed, this is in line with sustainable development goals (SDG) of decent work and economic growth, Industry innovation and infrastructure, and sustainable cities and communities(SDG, 2017). These are some of the salient benefits that Nigeria can get if all the stakeholders pay attention to this space and improve their relationship through collaboration.

Incubation Hubs as Engine for Community Development

According to a research by the U.S. Department of Commerce Economic Development Administration (EDA, 2009) incubators provide communities with numerous benefits. They argued that Incubators provide significantly more jobs as much as 20 times at far less cost than do any other public works infrastructure projects including road and bridges, industrial parks, commercial buildings, sewer and water projects (EDA, 2009). Incubators also help in developing the human resource of entrepreneurs in startups; this is facilitated by the training and mentorship provided by professionals in their chosen field, in turn, this improves the human capital available to the society at large (Akanle and Abraham, 2017).

Knopp (2007) in his research sums up that the concept of incubation, be it technology or otherwise was conceived as a means of meeting a variety of economic and socioeconomic policy needs that included but are not limited to the following: Creating jobs and wealth; Fostering a community's entrepreneurial climate; Technology commercialization; Diversifying local economies; Building or accelerating growth of local industry clusters; Business creation and retention; Encouraging women or minority entrepreneurship; Identifying potential spin-in or spin-out business opportunities; and Community development. Incubators help in the diversification of the economy in many ways.

In Nigeria, understanding incubation space is particularly important especially because of the nature of the Nigerian society as well as the growing rate of hubs and their impact on job creation, especially in the urban space. This is important for policymakers as it helps them in assessing the social impact of the hubs as well as the networks that exist within and around the hubs and how this, in turn, has affected the larger society and how the society has affected them in return.

Methodology and Theoretical Framework

This article was part of a larger study conducted in Ibadan and Lagos Nigeria in 2017. A field research was conducted, triangulating both the quantitative and the qualitative methods of research; this method of data triangulation was adopted for complementarities and robust processes that could enhance data quality and reliability as well as the validation of findings. A total of 24 interviews were conducted for the qualitative method, they comprised 18 in-depth interviews and 6 key informants interview, there was also a one-month non-participant observation done in one of the hubs in Lagos. The quantitative method involved the distribution of questionnaires, a total of 370 questionnaires were completed and submitted giving a statistics response rate of 92.5%. The qualitative data generated through IDI and KII were analyzed with the use of content analysis, while the quantitative data generated from the questionnaire administration were analyzed using Statistical Package for the Social Sciences (SPSS 20).

Incubation Hubs and Development In Southwestern Nigeria

The qualitative method was found very useful for this study because it enabled an in-depth exploration of the research issues at stake, especially on a germane subject such as this. It also enabled an understanding of the socio-cultural processes punctuating the actors, the actions, the patterns and the notion held on the prospect of incubation hubs as drivers of development. This study was conducted in South West Nigeria, at the Lagos metropolis, in Lagos State and Ibadan metropolis in Oyo State. The choice of these locations is because of their status as centers of incubation hubs in Southwest Nigeria and in Nigeria at large. Lagos and Ibadan are among the leading 20 cities in Africa (Mo Ibrahim Foundation, 2015). The cities status as members of the leading cities in the world and in Africa makes them the most suitable for this study in Nigeria and in South West Nigeria especially. This is so because Incubation hubs thrive in urbanized areas with high literacy rate and high access to information technology. Also, the purposive selection of these locations enabled the researcher to get appropriate proportions of respondents representing various types of incubation hubs in order to avoid hasty generalizations but to arrive at findings that are inclusive of all.

This study adopted the social network theory as the theoretical framework for explaining the connectedness of incubation hubs and how it drives development, leveraging on the available social capital in the space. A social network consists of a number of actors each with a set of attributes or characteristics of their own, based on their connections, the relationships build a distinct pattern. The incubation hub space links in the same way, as actors interact with each other to drive the space. Social network theory explains an analysis of connection, showing who is connected to whom (pattern of connection), the social benefits of those patterns, what resources the network actors gain by being a member of the network. It identifies the gaps or structural holes in the pattern and the connections close or distant. Social network theory helps us in identifying the nature of these connections (formal or informal), how many actual and potential connections do network members have access to (Garland and Alestalo, 2014). Questions asked from the field include on incubation business type whether it is social or technological in nature, the influence of location on incubation program and vice versa, the nature of interaction between incubation hubs and communities, how incubation relate with job creation.

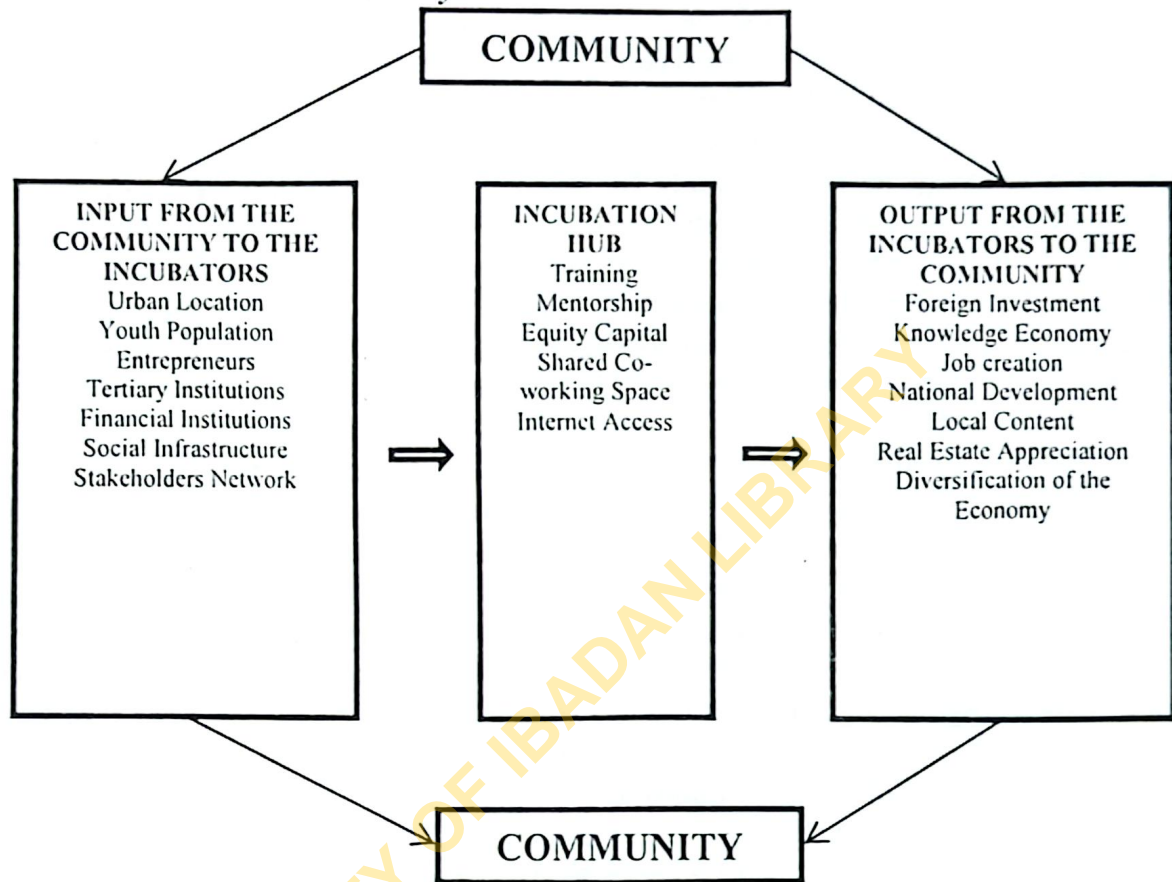
Presentation of Findings

Prospect of Incubation Hubs as a Driver of Development

The extent, to which incubation hubs can drive development in the nation, can be determined by the impact that this space has on the entrepreneurs that work in it, and the community in which it is domiciled while looking at the overall prospect on the Nigerian state.

Incubation hubs in Southwest Nigeria have been affected largely by the community where they are situated and they have also, in turn, had a huge impact on their community. Yaba is an example of a thriving hub community in Nigeria, it is adjudged as the home of incubation hubs in Nigeria, it has growing in influence in Lagos state and Nigeria at large. The relationship between the input made by the hub communities like Yaba and the output that the incubation hubs produce that affects that community and by extension the nation at large is shown in figure 1.

Figure 1: *Relationships between the Input and Output of Incubation Hub in the Community*



Source: Field Survey, 2017

The prospects of incubation hubs as drivers of development are hinged on the input that the hubs receive from their host community as shown in figure 1. The hub establishment is often in urban space, as is the case with respect to their establishment in Lagos and Ibadan. The presence of youth population, entrepreneurs, tertiary institutions, financial institutions, social infrastructures, and stakeholder network are some of the reasons why there is an agglomeration of hubs in Lagos and Ibadan. The impact of the community in which hubs are situated was revealed in this study as findings show that the incubation hub community in Lagos is stronger than that of Ibadan. Some of the reasons for this are because most of the conditions necessary for the establishment and sustenance of hubs can be easily accessed in Lagos in comparison to Ibadan. Lagos state is more populated, with a larger youth population and possesses more social infrastructure when compared to Ibadan. Also in terms of accessing financial support, it is easier for those in Lagos to get financial support because of the high presence of financial institutions in the city.

Incubators are able to provide all of the services that they provide because of the input they get from the community. From the study, it was revealed that in Southwest Nigeria, the services provided by these hubs are very important to the growth of startups and Micro, Small and Medium Enterprises (MSMEs) and not just them but the nation at large. Challenges such as the provision of internet and electricity are some of the challenges that

Incubation Hubs and Development In Southwestern Nigeria

affect the success of entrepreneurs in Nigeria as such the tenants see the incubation space as a blessing to their enterprise as they do not have to grapple with those challenges.

According to the tenants, one of the major challenges that startups face prior to being resident in the hub is electricity. Provision of constant power supply is one challenge that the nation faces as a whole and it affects the startups and MSMEs in particular in terms of their business growth. However, the tenants are able to overcome this challenge as they are provided with adequate power supply by the hubs. This is important to the startups, as it provides them with the opportunity to focus on work without being bothered about the challenge of power supply. Beyond the availability of power, internet access is essential for startups in the hub especially because they engage largely in technology-driven business and they relate with some of their customers digitally. The hubs provision of this service reduces the amount of money spent on internet by the startups as well as the provision of fast internet network by the host.

Besides the aforementioned, training and mentorship are part of the services that hubs render which help startups grow, overcome challenges and militate against failure. This study revealed that while training provides startups with the needed skill for business success, mentorship helps to hold them in the hand and ensure that they are guided properly, to do that which is best for them. The training and mentorship program also helps in cementing the network and further strengthening the system in which the startups & themselves. One way to consider the prospect of incubation hubs as drivers of development is to look at the system that leads to the possibility of such development. This point was buttressed by a female cofounder in an incubation hub in Lagos thus:

Incubation hub is an encouraging initiative for startups, as I don't have to spend much-raising capital for workspace, this presents me with an opportunity to raise capital for the business instead. They have been very helpful as they have helped startups by providing office space, which is one of the difficult things to get. Besides office space there is mentorship. You & out that it's not just about having the ideas there are other things involved, how to manage operations, prepare for investors, how to build your app in the way that it is attractive. (Startup Founder/Lagos/F/Private/IDI/2017)

Shared co-working space arrangement and equity funding is another driver of growth in the system. These two are very important to driving development in the space. The availability of co-working space provides startup with the opportunity to interact, synergize and network. The interactions among startups in this space help them cross-fertilize ideas that are necessary for their business growth and national growth; it is a Win-Win situation for both the nation and the business in the end. This study revealed that the ecosystem would move at a snail speed without adequate funding. It was also gathered that the businesses that are well funded had a higher chance of succeeding in addition to other supports that they receive from the space.

A careful observation and analysis of response from this study showed that there is a huge potential and prospect for job creation and national development by Incubation hubs in Nigeria. It is particularly so because some things that entrepreneur should have access to are hard to access because of the economic condition of the nation, however, hubs have helped in reducing the negative effect of societal reality on the startups and businesses. Incubation hubs

are means by which government and private organization present an environment for building business, local content and showcasing them to the world. One of the prospects of incubation hub was captured by a startup founder in Ibadan simply as this:

Entrepreneurship is the way to go really, people should be encouraged to pursue their dreams, there is great value and it ensures that job will be created really and the value chain goes on.

(Startup Founder/Ibadan/M/Private/IDI/2017)

The impact of incubation hub is not limited to business alone as shown in the interview above, rather it presents the ability of the startups to facilitate job creation and much more than that, it ensures that there is a system that will ensure that more jobs are created through a continuous chain reaction and that the quality of life of the citizenry and the community is improved as a result of this. Also, it provides the opportunity for Nigerians to buy more of made in Nigeria goods that are certified as quality. According to this research, one reason why consumers and clients do not patronize made in Nigeria goods a lot of the time is that they are not aware of the quality product and they do not see government patronize them. To harness the potential in the market maximally the respondents suggested that government needed to see the value created by this space and promote them. A startup from Incubation Center Ibadan complained about low patronage from government for product made in the hub, the complaint is captured below:

FG needs to help in terms of purchasing our product and buying made in Nigeria goods. When they buy it, it helps business growth and also encourages other Nigerians to buy. So really what we need is not mainly seed funding but patronage from government and exposure. At the moment what we have is lips service. There is joy when we see our product go farther than our reach, especially when we get feedback from such places

(Startup /Ibadan/M/Private/IDI/2017)

The product and services made by an entrepreneur is an extension of the entrepreneur external to the person; as such, the entrepreneur rejoices when his or her product goes beyond the immediate reach to a more national and global audience. Most of the small businesses from the Ibadan Incubation center highlighted that if their products are bought by the government, the benefit in it for them is more than getting financial support from the government. This is so because the more patronage they get the more they are able to sell and by extension the more profit they are able to make and reinvest into their business. Also, they believe that if the government purchases their products it will improve their reputation and allow for more Nigerians to do the same.

Incubation Hubs and Job Creation as Element of Development Contribution

As shown in figure 1 the hubs do not just receive from their immediate community they give back to the community in different ways as a means of driving development. Incubation hubs stimulate startup growth and create more employment opportunities in their localities, thus growing the economy of their locality. Also as a result of the presence of incubation hubs in an area, there is a high tendency of increase in the number of non-resident startups in that locality. This is because of the social infrastructure as well as the social capital

Incubation Hubs and Development In Southwestern Nigeria

that startups can tap from their proximity to this space. A look at Yaba environs in Lagos showed that there is currently an increase in the number of hubs in the area and the knowledge of this enterprise as increased among urban dwellers. It is believed that there would continue to be addition of more hubs and expansion of existing ones. The founder of one of the startups resident in one of the Lagos hubs capture the possibility in the space thus:

It is an encouraging initiative for startups as I don't have to spend much-raising capital for workspace, this presents me with an opportunity to raise capital for the business instead. They have been very helpful, as they have helped startups by providing office space, which is one of the difficult things to get. Besides office space there is mentorship- you & out that it is not just about having the ideas there are other things involved, how to manage operations, prepare for investors, how to build your app in the way that it is attractive. - (Startup Founder/Lagos/M/Private/IDI/2017)

Foreign investment, growth of information technology and an improved knowledge economy⁵ are some of the benefits that the community and nation at large benefit from incubation hubs. This study revealed that a lot of private owned hubs run on foreign investment, also by reason of this investment and the amazing local talent that is in this ecosystem their community gets international recognition globally. An example mentioned by one of the hub managers and a startup founder was the recent visit by Mark Zuckerberg, the founder of Facebook to the Yaba hub community and the international exposure that the hubs and Yaba environs got as a result of this in 2016. This according to them increased the perception of people about Yabacon. The presence of the founder of Facebook made the space more popular and revalidated Yaba as an environment for technological innovation in Africa. Yabacon, as it is internationally known is not just an incubation hub environs but a place where knowledge economy is fuelled and entrepreneurs whose focus is information technology thrive.

Although Incubation hubs are on the increase in Yaba, there is still so much to desire according to some of the respondents, this is because the ecosystem is still evolving and is yet to be fully synergized. For the incubation hub to achieve the kind of impact that it should have. Respondents suggested that there is need for increased synergy. At the moment what exists is a superficial relationship among stakeholders. This research revealed that there is a disconnection between universities, startup community and policymakers. There is a lack of integration between the incubation hubs and policy makers in government. To buttress this point an example was shared by an educational startup founder thus:

Take for instance on online education; we are creating an online education learning platform. I have an interest by reason of what I did during my MSc, I am coming from an academic background, and however, the government is making regulation hindering online education access in Nigeria. If there is synergy, there should be handshake between startups and government while

⁵ Knowledge economy refers to the production of services based on knowledge-intensive activities that contribute to an accelerated pace of technical and scientific advancement. It focuses largely on intangible products (Powell and Snellman, 2004)

we also rely on the academic community. Presently I feel there is so much to be done. (Startup Founder/Lagos/M/Private/IDI/2017)

The above response shows that there is so much potential in this space, especially with respect to ideas that are not conventional. Education is one of the challenges facing the Nigerian state as there is low synergy between organizations and the academics as well as the use of internet for online learning. Ideas like the one of the educational startup shared above are not only important to the society in terms of learning, but also in terms of employment. This is so because startups in hubs also employ people to work for them, as such the more their business prospers the more people they employ. On an average, the interviewed startups (tenants) employ at least two people either as full-time staffs or interns while still under incubation in the hub. The startups that employ interns (mostly student) believe that they help them gain valuable experience before they go back to school. The potential for startups to employ and help solve unemployment problem was shared by an entrepreneur at the Ibadan Incubation center owned by the government:

Like in my own case, the number of employees that I will have in my own business is nothing less than 10 people. The number of employees I employ is a factor of my level of production, the more I produce the higher the chances that I will employ more. For example, if I am doing 100kg of fish, I need two people, Imagine if I am doing a tonne (1000kg) I will need to employ minimum of 8 to 10 people, if you don't do it that way by my production calculation you will kill yourself -(Incubatee/Ibadan/M/Public/IDI/2017)

Despite the prospect of the hubs, the government-owned incubation center is faced with several challenges that have inhibited its productivity. The incubatees (tenants in the hubs) in Ibadan Incubation center argued that incubation hubs are important and have the ability to create employment and drive national development, they, however, were skeptical about establishing more government-owned incubation centers. Unlike the privately owned hubs where the tenants clamored for the establishment of more hub space, some of the incubatees from the government-owned incubation center suggested that more should not be established as the existing ones are not well managed and that the government has failed in her duty in that regard. They questioned what the essence of having more hubs would be when the available ones are not well financed. Another reason mentioned by the incubatees and the center managers interviewed is that government is not gaining from the schemes as small businesses that are supposed to drive the economy are unable to do so because of lack of support from government.

Furthermore, the potential of government-owned hubs to drive the economy is said to be bleak because funds dispensed by the Federal government does not get to the hub as it ought to. This is believed to be so because of the level of corruption in Nigeria that affects things from working as they ought. The incubatees also decried that instead of things to get better things are emancipating the more despite the fact that the scheme is being funded there is nothing to show for it and this they believe is making the Federal government get fed up financing this scheme as they are not getting their desired outcome. However, despite all of the challenges that the government hubs face especially because of corruption and the inability of the small businesses to access all of the benefits that it can get from the government, majority of the incubatees still acknowledge that incubation center is needed for

Incubation Hubs and Development In Southwestern Nigeria

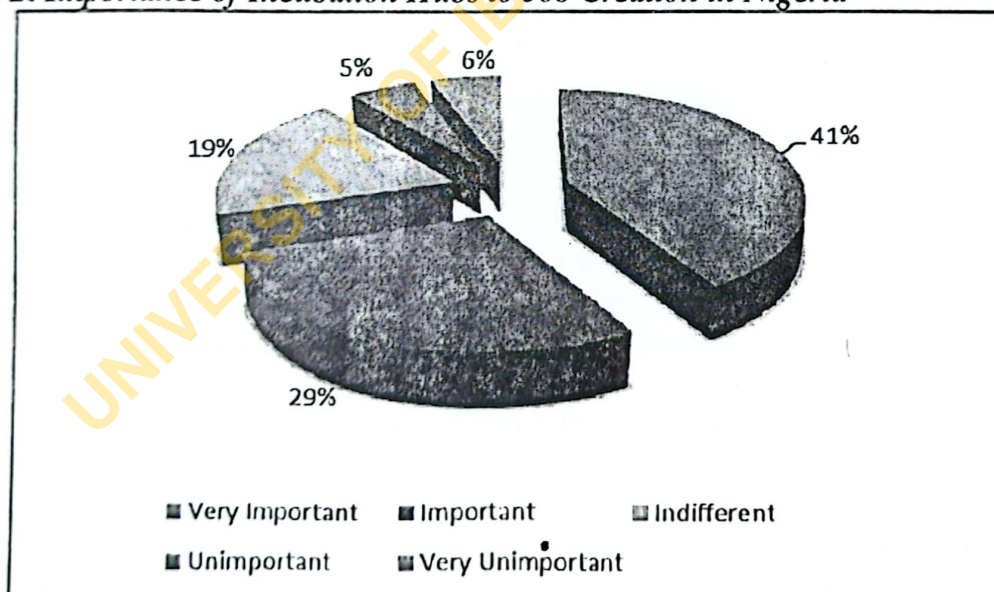
business growth and development. A male entrepreneur respondent at the Incubation center had this to say:

At the moment we don't even have enough, thank God the dependence on oil is gradually fading away and interest in entrepreneurship and a resolve to support the local economy seem to be increasing. Our government should focus more on SMEs which means that more investment should be given along that line.- (SME Founder/Ibadan/M/Public/IDI/2017)

Hub managers of the government-owned hub interviewed argued that ideas such as incubation hubs should be encouraged as it will help drive national growth; however, they suggested that they should be well funded and leakages should be blocked. This study revealed that businesses run in the incubation center have increased sales and more market acceptance of their products by reason of their association with the Federal Ministry of Science and Technology. This is a positive feedback as it boosts their business and by extension the nation's economy. As regards financial support for the government-owned hubs, the incubation center serves as intermediary between the tenants and the Federal government or other donor agencies.

This study further examined the worldview of Nigerians on the importance of incubation hubs to job creation in the nation, the findings are captured in figure 2

Figure 2: Importance of Incubation Hubs to Job Creation in Nigeria



Source: Field Survey, 2017

From figure 2 we see that a lot of people see the potential inherent in incubation hubs and its ability to foster job creation and drive development. The largest percentage of the respondent (41%) believe that incubation hubs are very important to job creation in Nigeria, while another 29% percent of the respondents believe that it is important. A total of 70 percent of the respondent agree on the importance of incubation hubs in job creation, this further corroborates the assertion by the officials of incubation hub as well as the startups in the space. Among the respondents, 19% of them were indifferent about the importance of incubation hubs to job creation, this is so because they could not situate whether the hubs are

important to job creation or not. The respondents who have a worldview that incubation hubs are very unimportant are 5%, while those who believe that they are unimportant are 6%. A summary of figure 2 from the analysis above shows that Nigerians view incubation hubs as very important to job creation in Nigeria and that government needs to pay more attention to them in order to ensure that jobs are created in Nigeria to combat the problem of unemployment.

Conclusion

The cascading effect of incubation hub has shown in this study is that it has in it the potential to help Nigeria actualize some of the goals of the sustainable development goals. Goals such as reduction of poverty, decent work and economic growth, industry innovation and infrastructure and sustainable cities and communities are some of the sustainable development goals (SDGs) identified by the United Nations as the agenda for sustainable development (UNDP, 2015). This study revealed that incubation hubs have a great prospect in bringing about development in Nigeria, through job creation, technology commercialization, community development and increased investment into the community and the nation-state.

The incubation space needs support to fulfill its potentials as a driver of development. To stimulate the incubation space, government should not only support the space financially, but they should also purchase products from different incubation hubs and make use of the services that they render. This will further improve local consumption and encourage Nigerians to buy made in Nigeria goods, following the example laid down by the government. This will also improve the local economy and improve the quality of life of Nigerians.

The partnership between government and private stakeholders in the incubation hub space should be strengthened, especially as it pertains to provision of social amenities, financial support, and patronage. The provision of social amenities by the joint effort of government and stakeholders from the private sector would further facilitate the development of the hubs, their locality and by extension the nation at large. At the moment there is a weak relationship between the private hubs and the government, strengthening this tie would help the community to grow and the government would make policies that would help build and sustain it.

References

- Akanle, O. and Abraham, O. 2017. Youth, Unemployment and Incubation Hubs in Southwest Nigeria. Unpublished .
- Al-Mubarak, M. and Busler, M. 2013. The Effect of Business Incubation in Developing Countries. *European Journal of Business and Innovation Research*. 1(1): 19-25.
- Bart, C. Mike, W. and Jonas, V. 2015. A look Inside Accelerators; Building Businesses. Nesta.
- Bubou G. and Okrigwe F. 2011. Fostering Technological Entrepreneurship for Socioeconomic Development: A Case for Technology Incubation in Bayelsa State, Nigeria. *Journal of Sustainable Development*. 4(6): 138-149

Incubation Hubs and Development In Southwestern Nigeria

- Chandra, A. and Fealey, T. 2009. Business Incubation in the United States, China, and Brazil: A Comparison of Role of Government. Incubator Funding and Financial.
- Clarysse, B. Wright, M. and Hove, J. 2015. A look inside Accelerator: Building Businesses. Nesta
- Doing Business 2017. Doing Business 2017. Equal Opportunities for All; Economy Profile Nigeria. A World Bank Report. 14th Edition
- EDA. 2009. Construction Grants Program Impact Assessment Report. U.S. Department of Commerce Economic Development Administration, EDA Newsletter.
- Ekekwe N. 2015. The Geography of Science and Technology Innovation in Nigeria. Africapitalism Institute
- Garland, M. and Alestalo, S. 2014. Faculty Mentoring in a Networked World. Syracuse, NY: Syracuse University.
- Knopp, L. 2007. 2006 State of the Business Incubation Industry. Ohio: NBIA Publications, Athens.
- Lalkaka, R. Ma, F.L. and Lalkaka, D. 2003. Rapid Growth of Business Incubation in China: Lessons for Developing and Restructuring Countries. World Association of Industrial and Technological Research Organizations. Available at: <http://www.waitro.org/modules/wfsection/article.php?articleid=104> (April 12, 2017)
- Lawlor, A. 2014. Innovation ecosystems: Empowering entrepreneurs and powering economies. The Economist Intelligence Unit
- Miller, Paul and Stacey, Jessica. 2014. Good Incubation. The craft of supporting early-stage social ventures. Nesta.
- Mo Ibrahim Foundation, 2015. 2015, Facts and figures, African Urban Dynamics. Mo Ibrahim Publication
- Nancy Katz, David, Holly Arrow, 2004. Network Theory and Small Groups. Small Group Research. *Sage Publication*. 35(3): 307-332.
- Ndiomewese I, 2017. The definitive list of tech hubs in Nigeria. <https://techpoint.ng/2017/03/06/list-tech-hubs-across-nigeria/> Accessed 29-04-2017
- Obaji, N. Olugu and Obiekwe 2015. Business Incubation Adaptation And Success Factors in Nigerian Context of Developing country: A literature review. *International Journal of Science Technology and Management*. 4(11): 1-7
- Rouwmaat, V. Reid, A. and Kurik, T. 2003. Business incubation: review of current situation and guidelines for government intervention in Estonia. *Innovation Studies*
- UN Millennium Project. 2005. Innovation: Applying Knowledge in Development. Task Force on Science, Technology, and Innovation. London: Earthscan Publishing.
- United Nations 2017. Sustainable Development Goals. <http://www.sustainabledevelopment.un.org/topics/sustainabledevelopmentgoals> accessed 08-06-2017
- United Nations Development Program (UNDP) 2015. 2030 Agenda for Sustainable Development. UNDP. www.ng.undp.org/content/nigeria/en/home/post-2015/sdg-overview.html accessed 10-05-2017