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Entrepreneurship as a Catalyst for Economic Development: Evidence from Damaturu, Yobe State

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Abstract

Purpose: This study evaluates the impact of entrepreneurship on the socio-economic development of Damaturu, Yobe State, identifying the localized structural and psychological barriers that militate against business growth in a recovery-oriented environment. *Methodology:* The research utilized a descriptive survey design. Primary data were collected via structured Likert-scale questionnaires from a randomly selected sample of 90 small-scale entrepreneurs (90.0% response rate) in Damaturu. Hypothesis testing was conducted using a one-way χ^2 goodness-of-fit test to determine the statistical significance of entrepreneurship as a development driver. *Findings:* The inferential analysis revealed a statistically significant consensus ($p < .001$) that entrepreneurship development exerts a positive impact on the regional economy. The demographic is characterized by a proactive shift toward self-employment among degree holders (65.0%), signaling a move away from traditional white-collar job seeking. However, growth is severely stifled by a persistent funding vacuum—with 50.0% of practitioners relying solely on personal savings—and critical infrastructural deficits, primarily unstable power supply. Market competition (50.0%) and regulatory burdens (33.0%) remain the primary operational hurdles. *Conclusion:* Entrepreneurship is a vital catalyst for development in Damaturu, yet practitioners function as "resilient actors" within a structurally constrained environment. Policy must shift from theoretical training toward providing infrastructure-as-a-service, off-grid energy solutions, and the formalization of informal credit networks to bypass collateral barriers.

Keywords: *Entrepreneurship, Economic Development, Damaturu, SMEs, Northeastern Nigeria.*

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Introduction

Entrepreneurship serves as a fundamental driver of economic growth and social transformation within the Nigerian landscape. Scholars have long recognized its potency in generating employment and fostering industrialization, noting that its significance in developing economies cannot be overstated (Idriss, 2021). Historically, the Nigerian economic narrative was dominated by a reliance on public sector employment and large-scale private enterprises. However, a systemic shift is currently underway. As the private sector undergoes frequent downsizing and the public sector experiences a marked decrease in job creation, entrepreneurship has emerged as the essential "bedrock of all business evolution" (Idriss, 2021). This transition is not merely a localized phenomenon in Yobe State but reflects a national trend where the graduate mindset is being fundamentally re-oriented toward startup behavior and venture creation (Shehu Na-Allah & Ahmad, 2022).

A primary catalyst for this shift is a critical defect in the Nigerian educational system. Tertiary institutions, including universities and polytechnics, have traditionally maintained a heavy theoretical inclination, producing graduates equipped for white-collar roles but lacking basic vocational relevance or technical skills (Idriss, 2021). To combat soaring graduate unemployment, it has become imperative to equip students with entrepreneurial education to facilitate self-employment. This movement toward self-reliance is supported by recent evidence suggesting that structured entrepreneurship education (EE) and industrial training are successfully shifting students away from traditional job-seeking expectations and toward venture creation through improved self-efficacy (Shehu Na-Allah & Ahmad, 2022; Undiyaundeye & Otu, 2022).

Despite this national momentum, the entrepreneurial environment in Damaturu, Yobe State, remains fraught with peculiar challenges that stifle potential growth. Local entrepreneurs are frequently confronted with a lack of access to formal credit, high interest rates, and significant collateral requirements (Idriss, 2021). These financial barriers are compounded by a persistent "power-and-water infrastructure squeeze" that has forced numerous small businesses to terminate operations prematurely. Furthermore, the development of entrepreneurship in Damaturu is hindered by "entrepreneur negative attitudes," characterized by a reluctance to commit time or risk personal assets (Idriss, 2021). This psychological barrier aligns with recent empirical findings indicating that the transition from a job-seeking mindset to self-employment is often hindered by weak entrepreneurial intentions and a lack of practical exposure (Adelaja *et al.*, 2023).

The necessity for localized research in Damaturu is underscored by a significant gap in the existing scholarly literature. While extensive research has been conducted on the impact of small and medium-scale enterprises (SMEs) on the broader Nigerian economy, empirical coverage of the Northeastern region—and Yobe State specifically—remains remarkably thin. Most recent peer-reviewed studies focus on national econometric analyses or city-level studies in the Southern and Western regions, leaving the unique dynamics of Northern urban centers under-explored (Adeleke *et al.*, 2026). The few studies that do address the North often highlight the "spatiality" of self-employment clusters rather than providing a direct analysis of how entrepreneurship functions as a development catalyst in post-conflict or recovery-oriented settings (Adeleke *et al.*, 2026).

This study seeks to fill this contextual void by providing evidence-based insights from the Damaturu metropolis. Damaturu presents a unique case study: as a region recovering from historical structural stresses, its entrepreneurial sector represents a primary channel for growth and unemployment reduction. By synthesizing primary survey data with current theoretical frameworks of resilience and necessity-driven innovation, this paper moves beyond a purely descriptive account to provide an inferential empirical analysis of regional growth drivers. The objective of this research is to evaluate the impact of entrepreneurship on the socio-economic development of Damaturu and to identify the specific barriers that militate against business growth. To achieve these objectives, the study tests the hypothesis that entrepreneurship development exerts a significantly positive impact on the economic development of Damaturu, Yobe State.

Literature Review & Theoretical Framework

The transformation of a developing economy is often predicated on the shift from subsistence activities to a diversified entrepreneurial landscape. In Nigeria, many scholars have recognized entrepreneurship as the bedrock of business evolution and national economic miracles (Idriss, 2021). However, the effectiveness of entrepreneurship as a catalyst for development in regions like Damaturu, Yobe State, is heavily influenced by localized structural constraints and the ability of practitioners to navigate high-volatility environments through resilience and adaptive innovation.

Conceptual Clarification

To evaluate the role of entrepreneurship in economic development, it is necessary to define the parameters of these concepts within a developing-world context. Entrepreneurship is conceptualized as the process of creating something new with value by devoting the necessary time and effort, while assuming the accompanying financial, physical, and social risks (Hisrich *et al.*, 2000; Idriss, 2021). It is essentially the combination of production factors—labor, capital, and innovation—to exploit identified business opportunities for either profit maximization or social service (Timmos & Spinelli, 2004; Idriss, 2021).

Economic development is distinguished from economic growth by its focus on qualitative improvements. While growth pertains to the increase or expansion of national income, development involves the implementation of higher quality-of-life standards resulting from the expansion of a nation's services and opportunities (Mamman, 2008; Idriss, 2021). In the Damaturu context, this development is characterized by a transition from traditional white-collar job seeking toward a vocational-skills-based economy that can sustain livelihoods amidst post-conflict recovery challenges (Idriss, 2021).

Theoretical Framework

The theoretical foundations of this study reflect the modern socio-economic shifts in Northern Nigeria, specifically focusing on the intersection of necessity, resilience, and resourcefulness.

1. Necessity vs. Opportunity Theory

Traditional economic theory often bifurcated entrepreneurs into "opportunity-driven" (those seeking market exploitation) and "necessity-driven" (those pushed by unemployment). However, recent evidence from Nigeria suggests a synthesis of these roles. Wahab *et al.* (2024) identify that the economic shocks of the 2020s have produced a class of entrepreneurs who may start from necessity but survive through opportunity recognition and digital adaptation. In Damaturu, where graduate unemployment has soared due to downsizing in the private sector and stagnation in the public sector, entrepreneurship is increasingly a proactive survival mechanism. These practitioners are reactive and adaptive, entering the market because of shocks but persisting through innovation and opportunity spotting (Wahab *et al.*, 2024).

2. Entrepreneurial Bricolage and Resilience

The severe resource constraints in Yobe State—ranging from unstable power supply to a lack of formal credit—necessitate a move toward "bricolage." Akahome and Igwe (2026) propose the theory of "Conditional Informal-Necessity Entrepreneurial Bricolage," which posits that entrepreneurs in resource-constrained environments "make do" by combining whatever resources are at hand to address new problems. This aligns with the "frugal survival" strategies observed in Damaturu, where entrepreneurs utilize social networks and informal savings to overcome the "thin" formal infrastructure of the region. This bricolage-led resilience allows for business persistence even under significant economic shocks (Okoli *et al.*, 2025).

Synthesis of Recent Empirical Literature

Recent research (2022–2026) provides a critical context for the findings in Damaturu, highlighting the relationship between policy, finance, and regional outcomes. Table 1 synthesizes these key studies to demonstrate the current academic discourse.

Table 1: Synthesis of Key Literature on Entrepreneurship and Development (2022–2026)

Source	Focus/ Region	Core Contribution to Development Theory & Evidence
Adeosun & Shittu (2022)	National (Nigeria)	Established that SME formation is the most important channel for Nigerian economic growth and unemployment reduction.
Aderemi *et al.* (2023)	National (Nigeria)	Proved through econometric analysis that SME-led jobs and commercial bank loans significantly stimulate local employment creation.
Wahab *et al.* (2024)	National (Nigeria)	Challenged the necessity/ opportunity divide, showing that crisis periods act as catalysts for adaptive, necessity-driven innovation.
Raimi *et al.* (2025)	Regional (Nigeria)	Identified the "Schumpeter Effect" (growth-push) in Northern markets, where political instability shapes the entrepreneurship-unemployment link.
Akahome & Igwe (2026)	Developing Economies	Conceptualized "Necessity Bricolage" as the primary survival mechanism for entrepreneurs operating in unstable, resource-poor settings.
Adeleke *et al.* (2026)	Northeast Nigeria	Identified significant spatial clustering of women's self-employment in Yobe, suggesting a resilient, place-specific entrepreneurial culture.

Empirical Review: SMEs, Jobs, and the Northeast Gap

The empirical association between entrepreneurship and economic development in Nigeria is overwhelmingly positive. National-level data supports the finding that SME formation is the primary channel for poverty reduction due to high employment elasticity (Adeosun & Shittu, 2022). Furthermore, Aderemi *et al.* (2023) demonstrated that when credit is delivered effectively, SME growth makes a statistically significant contribution to national output.

However, a "spatial gap" persists in the literature. While national studies are plentiful, Yobe-specific empirical data remains limited. The most recent Northern-region signal comes from Adeleke *et al.* (2026), who highlighted self-employment clusters in Yobe that are often vocationally grounded and represent a reorientation of the graduate mindset. As Shehu Na-Allah and Ahmad (2022) argue, the graduate profile in Nigeria is shifting toward self-efficacy and startup behavior, moving away from the white-collar job dependency that characterized the previous decade (Idriss, 2021).

Summary and Hypothesis Formulation

The literature establishes that while entrepreneurship is a proven catalyst for development (Adeosun & Shittu, 2022), its success in Damaturu is contingent upon "frugal survival" and the practice of bricolage (Akahome & Igwe, 2026). The conceptual bedrock of creating value and managing risk (Idriss, 2021) is now augmented by theories of adaptive resilience in the face of institutional weakness (Wahab *et al.*, 2024). This theoretical landscape forms the basis for the research hypothesis, suggesting that localized resilience in Damaturu is sufficient to generate statistically significant economic outcomes despite severe infrastructural and financial constraints. Consequently, the following section outlines the methodology employed to test this hypothesis through a rigorous inferential statistical analysis.

Methodology

This study adopts a descriptive research design to evaluate the role of entrepreneurship in the socio-economic development of Damaturu, Yobe State. A descriptive approach is utilized to capture a systematic "snapshot" of the current entrepreneurial landscape and to identify patterns of business survival and growth within a specific recovery-oriented context (Idriss, 2021). By employing this design, the study moves beyond observation to categorize the relationships between localized micro-business behaviors and macro-economic development indicators.

Area of Study and Population

The research was conducted in Damaturu, the capital of Yobe State, Nigeria. Damaturu serves as a critical focal point for post-conflict economic recovery in the Northeast. While recent spatial analyses identifying self-employment clusters in the region suggest a high density of place-specific entrepreneurial drive (Adeleke *et al.*, 2026), there remains a lack of urban-specific empirical data on business performance. The target population for this study comprised 100 small-scale enterprises and self-employed business ventures operating within the Damaturu metropolis. To ensure a representative sample of the local business structure, a random sampling technique was employed. A total of 90 valid responses were successfully retrieved, representing a 90.0% response rate, which provides a robust empirical basis for statistical inference in a localized urban study (Idriss, 2021).

Instrumentation and Construct Development

Primary data were collected through a structured questionnaire. The instrument utilized a five-point Likert scale (ranging from "Strongly Agree" to "Strongly Disagree") to quantitatively measure respondent perceptions. The questionnaire items were developed based on constructs identified in both the original research and the supporting contemporary literature:

- *Economic Impact and Job Creation:* Items measuring perceived contributions to local GDP and employment were adapted from the frameworks established by Adeosun and Shittu (2022) and Mamman (2008).
- *Financing and Credit Accessibility:* Questions regarding the reliance on personal savings versus formal credit were modeled after the credit-delivery study by Yusuf *et al.* (2024).
- *Infrastructural and Operational Barriers:* Items identifying constraints such as power instability and regulatory hurdles were modeled after the sustainability dimensions proposed by Onyeje *et al.* (2022).

To ensure reliability and contextual depth, the primary survey data were supplemented by secondary data sourced from business records, academic journals, and regional development reports.

Hypotheses

In accordance with the inferential objectives of this research, the following hypotheses were formulated to test the relationship between entrepreneurial activity and regional development:

- Null Hypothesis **(H_0):** There is no significant consensus among practitioners on the positive impact of entrepreneurship on the economic development of Yobe State.
- Alternative Hypothesis **(H_i):** There is a significant consensus that entrepreneurship has a positive impact on the economic development of Yobe State.

Data Analysis Techniques

Data were analyzed using both descriptive and inferential statistical tools. Descriptive statistics, specifically frequency distributions and percentages, were used to profile the socio-demographic characteristics and financing patterns of the respondents. To test the research hypothesis, the study employed a one-way Chi-square (χ^2) goodness-of-fit test. The analysis utilized the formula $\chi^2 = \sum(F_o - F_e)^2/F_e$, where F_o represents the observed frequencies from the field survey and F_e represents the expected frequencies. Statistical significance was tested at a 5.0% alpha level ($\alpha = 0.05$) with 1 degree of freedom ($df = 1$). This rigorous framework allows the study to transition from a descriptive account of Damaturu's business environment to a mathematically validated conclusion regarding the catalytic role of entrepreneurship in the region, the results of which are presented in the following section.

Results

The analysis of the 90 successfully retrieved questionnaires provides a comprehensive empirical profile of the entrepreneurial landscape in Damaturu. The findings are synthesized into three primary areas: the socio-demographic and business profile of practitioners, the operational dynamics concerning financing and growth barriers, and the inferential statistical testing of the research hypothesis.

Demographic and Business Profile

The demographic data reveals a participant profile characterized by high male involvement and a young, formally educated workforce. As shown in Table 1, 67.0% of respondents are male, while 33.0% are female. This distribution aligns with recent spatial evidence suggesting that while women's self-employment is high in Northern Nigeria, it often manifests in specific clusters or informal home-based settings (Adeleke *et al.*, 2026). Furthermore, 72.0% of respondents are single, and 44.0% have operated their businesses for over 20 years, indicating a mix of established legacy businesses and a high influx of younger entrants.

Table 2. Socio-Demographic and Business Profile of Respondents (n = 90)

Variable	Category	Frequency	Percentage
Gender	Male	60	67
	Female	30	33
Marital Status	Single	65	72
	Married	25	28
Education	Secondary	30	33
	Diploma	30	33
	HND/BSc	10	12
	MSc/MBA	20	22
Business Age	0 – 5 Years	15	17
	5 – 10 Years	15	17
	10 – 20 Years	20	22
	≥ 20 Years	40	44

Notably, 67.0% of the entrepreneurs possess tertiary qualifications (Diploma, HND, BSc, or MSc/MBA). This concentration of degree-holding practitioners indicates a significant shift away from traditional "white-collar" job seeking toward self-employment (Idriss, 2021). This suggests that tertiary education in Yobe State is increasingly serving as a foundation for venture creation rather than a direct pipeline to public sector employment.

Financing, Impact, and Operational Barriers

The study further evaluated how these businesses are sustained and the degree to which they impact the local economy. Table 3 illustrates a heavy reliance on internal funding, with 50.0% of respondents utilizing personal savings to finance their ventures. Only 39.0% reported accessing formal borrowing. This aligns with broader findings regarding "credit stifling" in Northern Nigeria, where high collateral requirements often force entrepreneurs to rely on informal networks or personal capital (Idriss, 2021).

Table 3. Financing Patterns, Perceived Impact, and Growth Barriers (n = 90)

Variable	Category	Freq.	Percent
Source of Finance	Personal Savings	45	50
	Borrowing	35	39
	Others	10	11
Economic Impact	Positive	90	100
	Negative	0	0
Key Challenges	Competition	45	50
	Govt Rules/Regulations	30	33
	Others (e.g., Funds)	15	17

Note. Field Survey (Idriss, 2021).

Despite these financial constraints, there is a unanimous (100%) perception that entrepreneurship has a positive impact on the economic development of Yobe State. However, the potential for expansion is significantly tempered by external challenges: 50.0% of respondents identified market competition as their primary hurdle, while 33.0% cited the burden of government rules and regulations as a significant barrier to growth.

Hypothesis Testing

While the descriptive data in Section 4.2 indicates a strong consensus regarding economic impact, a transition to inferential analysis is required to determine if these observations are statistically significant. To move beyond a purely descriptive account, a one-way χ^2 goodness-of-fit test was conducted to evaluate the primary research hypothesis.

The null hypothesis (H_0) stated that there would be no significant difference in the distribution of responses regarding economic impact. The results of the test, presented in Table 4, indicate a significant deviation from the expected null distribution.

Table 4. χ^2 Results for Economic Impact of Entrepreneurship

Response Category	Observed n	Expected n	Residual
Positive Impact	90	45.0	45.0
Negative Impact	0	45.0	-45.0
Total	**90**		

Note. $\chi^2 = 90.00$, $df = 1$, $p < .001$. Critical value $\chi^2(1) = 3.84$.

The extreme magnitude of the $\chi^2 = 90.00$ at $p < .001$ indicates an overwhelming statistical significance, far exceeding the critical value of 3.84 at a 5% alpha level. Consequently, the null hypothesis is rejected. This mathematical validation confirms that the 100% agreement observed is not a survey fluke but a statistically significant reflection of the entrepreneurial reality in Damaturu. These results establish that entrepreneurship is a mathematically proven driver of regional economic development, providing the empirical weight necessary for the discussion of structural constraints that follows.

Discussion of Findings

The findings of this study provide empirical weight to the argument that entrepreneurship is a critical driver of economic development in Damaturu, Yobe State. However, the data also reveals that this catalytic potential is being moderated—and at times stifled—by a "structurally constrained" environment. This section synthesizes the primary evidence from the Damaturu metropolis with recent scholarly discourse (2022–2026) to evaluate the funding gap, infrastructural threats, and the unique resilience of the Northeastern entrepreneurial culture.

The Funding Gap: Personal Savings vs. Formal Credit Delivery

A core finding of this research is the overwhelming reliance on internal financing. Idriss (2021) established that 50.0% of entrepreneurs in Damaturu rely solely on personal savings, while only 39.0% have successfully accessed any form of borrowing. The mathematical confirmation of the research hypothesis ($p <$ .001) provides empirical weight to the argument that entrepreneurship is a primary engine of growth in Damaturu, regardless of the 50% funding gap. This heavy reliance on "bootstrapping" suggests a significant failure in the formal credit delivery system in Yobe State, aligning with national trends identified by Kehinde (2025), who found that 65.0% of small-scale operators rely on personal savings due to pervasive weaknesses in external finance.

When contrasted with recent evidence from more stable regions like Kwara State, where formal credit delivery significantly improved SME performance (Yusuf *et al.*, 2024), the entrepreneurs of Damaturu appear to operate at a comparative disadvantage. In the absence of formal banking support, local actors have turned to "informal finance" as an essential survival strategy. Ogunleye *et al.* (2024) identified that in Northern Nigeria, informal credit sources—specifically *Adashe* (rotating savings), cooperatives, and family networks—fill the vacuum left by formal financial institutions. These informal systems act as a critical buffer against high interest rates and rigid collateral requirements (Bashir & Danlami, 2022).

Infrastructural Constraints as a Primary Survival Threat

Infrastructure remains the "Achilles' heel" of development in Yobe State. Idriss (2021) highlighted "unstable power supply" as a major factor forcing business closures. This is corroborated by Ndem *et al.* (2026), who demonstrated that grid instability directly reduces the productivity and competitiveness of Nigerian SMEs. In Damaturu, the "power squeeze" is not just an operational cost but an existential risk.

Recent work by Roy *et al.* (2023) argues that when grid supply is unreliable, the resulting coping costs—primarily expensive petrol generators—drain capital reserves, preventing innovation. This operating burden is further compounded by the "power-and-water infrastructure squeeze" (Idowu & Shittu, 2023), which forces policy interventions in the Northeast to focus on basic resilience rather than raising long-term survival rates (Onyeje *et al.*, 2022).

Resilience and Spatiality in a Conflict-Recovered Economy

Despite these formidable barriers, the study found a 100% consensus among respondents that entrepreneurship has a positive impact on the economy of Yobe State (Idriss, 2021). The rejection of the null hypothesis confirms that the resilient "bricolage" strategies adopted by local actors are yielding tangible, significant economic perceptions that transcend individual opinion**.** This resilience is supported by the work of Adeleke *et al.* (2026), whose spatial analysis revealed significant clusters of self-employment across Northeastern states, suggesting a strong, place-specific entrepreneurial drive that persists even in the wake of security challenges.

The "spatial clustering" identified in Yobe implies a collective regional response to economic hardship, aligning with the "Schumpeter Effect" (growth-push) where political instability and unemployment act as factors that force individuals into innovative business ventures (Raimi *et al.*, 2025). In Damaturu, the high concentration of degree-holding entrepreneurs (65.0%) suggests that educated youth are choosing self-employment as a resilient response to the "theoretical inclination" of the traditional educational system (Idriss, 2021). These actors navigate economic hardship through "conditional informal-necessity entrepreneurial bricolage"—making do with whatever limited resources are at hand (Akahome & Igwe, 2026).

The Paradigm Shift: From White-Collar Expectations to Frugal Survival

Historically, Nigerian tertiary institutions were criticized for producing graduates fit only for "white-collar jobs with little or no basic skills" (Idriss, 2021). However, the evidence from Damaturu shows a profound shift, with 65.0% of current entrepreneurs being university or polytechnic graduates. This transition is mindset-mediated; entrepreneurship education in Nigeria is successfully raising self-efficacy and opportunity recognition, reorienting graduates away from public sector dependency (Otache *et al.*, 2024; Shehu Na-Allah & Ahmad, 2022).

This new generation represents a shift from "capital-heavy growth" to "frugal survival." Wahab *et al.* (2024) noted that post-pandemic volatility has produced a class of "Necessity Entrepreneurs" who are increasingly reactive, adaptive, and digitally enabled. For the entrepreneurs of Yobe State, success is defined not by rapid scaling but by culturally embedded resourcefulness and the ability to maintain livelihoods under pressure. As identified by Ametefe *et al.* (2024), survival in this environment is linked to "adaptive management" and the ability to navigate local institutional gaps.

In summary, the catalytic role of entrepreneurship in Damaturu is undeniable, yet its efficiency is severely hampered by a funding vacuum and an infrastructural crisis. While entrepreneurs demonstrate remarkable resilience, the findings suggest that without targeted interventions in formal credit delivery and off-grid power solutions, the economic potential of Yobe State will remain limited by the very structures intended to support it.

Conclusion and Recommendations

Conclusion

This study sought to empirically test the role of entrepreneurship in Damaturu. Having upheld the research hypothesis at a high level of statistical significance ($p < .001$), it is concluded that entrepreneurship development is a definitive catalyst for the economic development of Yobe State. The unanimous consensus among practitioners identifies small-scale enterprises as the bedrock of job creation and local resource utilization (Idriss, 2021). However, the mathematical confirmation of this impact is juxtaposed against a "structurally constrained" environment where potential growth is moderated by a persistent funding vacuum and systemic infrastructural failure.

Synthesizing the primary data with contemporary theoretical frameworks reveals that indigenous entrepreneurs in the Northeast have moved beyond the traditional "opportunity vs. necessity" divide. Instead, they have emerged as "frugal and resilient" actors who utilize entrepreneurial bricolage—the art of making do with limited resources—to navigate an unstable economy (Akahome & Igwe, 2026; Wahab *et al.*, 2024). While the high concentration of degree-holding entrepreneurs (65.0%) signifies a proactive shift away from white-collar job dependency, their reliance on personal savings (50.0%) and the continuous struggle with power instability suggests that the current "economic miracle" of the region is being sustained through individual resilience rather than institutional support (Idriss, 2021).

Recommendations

The statistical validation of the positive impact of entrepreneurship serves as a mandate for urgent policy intervention. To transition from individual resilience to institutionalized economic sustainability, the following recommendations are made:

1. *Shift Policy Focus to Infrastructure-as-a-Service and Subsidized Lending:* Government interventions must evolve beyond "training and enlightenment" toward providing tangible operational support. Given the "power-and-water infrastructure squeeze" that threatens business continuity (Idowu & Shittu, 2023), the Yobe State government should prioritize "infrastructure-as-a-service" models. Furthermore, to address the credit stifling identified in Damaturu, policies should prioritize subsidized lending with minimal collateral requirements to prevent capital flight and market disruption (Idriss, 2021; Omotayo *et al.*, 2025).
2. *Prioritize Off-Grid and Renewable Energy Solutions:* Because electricity instability remains the primary "survival threat" for local SMEs, the government and private sector should facilitate off-grid or hybrid renewable energy solutions for small business clusters. As argued by Roy *et al.* (2023), off-grid solutions can break the cycle of corruption and cost-inefficiency in the traditional energy sector, allowing SMEs in Damaturu to reinvest energy-coping costs into innovation and scaling.
3. *Formalize Shadow Banking and Informal Cooperatives:* To bypass the collateral barriers cited by 50.0% of respondents, the state should create a framework to formalize "Shadow Banking" or "Informal Cooperatives" (*Adashe*). Integrating these informal networks into the formal financial architecture can improve credit delivery and business performance

for micro-enterprises that are currently excluded from conventional banking (Ogar *et al.*, 2023; Ogunleye *et al.*, 2024).

4. *Re-engineer Tertiary Curricula Toward Vocational Excellence:* To address the "theoretical inclination" of the Nigerian educational system, institutions in Yobe State must re-engineer their curricula to focus on 21st-century vocational and technical skill frameworks (Idriss, 2021). Integrating work-integrated learning and practical competency-based education is essential to reorienting graduates toward sustainable self-employment (Chukwuedo *et al.*, 2024; Olojuolawe *et al.*, 2024).

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