

## Alleviating Poverty through Entrepreneurship Development

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### ABSTRACT

*The world is strongly divided into the rich and the poor nations. As technology develops the gap continues to widen. Poverty therefore becomes one of the “monsters” that must be fought from all its various faces. These faces include: having the face of unemployment, a gender face, face of a criminality, face of corruption, loss of human dignity, face of hunger, etc. A poor person is more likely to be unemployed; he commits crimes such as armed robbing to survive; he lacks knowledge, initiative, skills, leading to begging. To move out of this sympathetic stage, it becomes necessary to initiate possible lives of survival. One of such is through entrepreneurship development. Development is the process of improving the quality of human life. There are three very important aspects of development. One is by raising people’s level of living (their incomes and consumption levels of food, medical services, education, etc). another is by creating conditions conducive to the growth of people’s self-esteem and by increasing people’s freedom by enlarging the range of their choice variables, by increasing varieties of consumption of goods and services. Entrepreneurship development is thus one of the paths through which poverty can be fought. Entrepreneurship is a process of creating and managing a business through innovation and generating of business ideas to achieve desired objectives. It is in fact a very important agent of innovation, growth and technical progress. The way forward in the fight is to participate in the diversification of the economy. Some of the ways include the development of agriculture and the agro-allied industries, small and medium industries, provision of products and services. The socio-economic implications of entrepreneurship include reduction in unemployment, acquisition of skills, educational attainment, providing new products and services, improvement on old systems – thus improving the quality of life, the improvement in the quality of life, the issue of entrepreneurship development, which is a parasea to reduction in unemployment, development in the various sub-sectors of agriculture, increase of income per capita, increase in consumption, better health services and reduction in the dependence on foreign economies through dependence and consumption of local production.*

### INTRODUCTION

One of the greatest challenges of the various governments, particularly in the developing countries, including Nigeria is how to eradicate or, at least, reduce poverty in the society. Poverty and Corruption are two of the major challenges of the Federal Government of Nigeria, which by implication the major challenges facing the three levels of government in Nigeria. A close study is that one is the cause of the other. 5% top corrupt members of the national population can cause poverty for the rest. The National Economic Empowerment Development Strategy (NEEDS) prepared by the Federal Government has human development as its vision, values and principles. The goals of these policies are wealth creation, employment generation, poverty reduction and value reorientation within the

nation's macroeconomic framework. From the topic of this conference, two questions to be addressed are poverty reduction and entrepreneurship development. One can link the two phenomena because in an attempt to fight poverty, one is forced to initiate ideas which lead to entrepreneurial practices. Various strategies have therefore been fashioned out to overcome poverty and transform the society into one of prosperity, wealth creation and employment generation. It is in this light that each of the two issues has to be treated clearly to showcase their linkages. Nigeria is, no doubt, rich in human and natural resources. International evaluation indicates that 6 out of every 10 Nigerians live on less than one US dollar a day. Hence, the National Economic Employment Development Strategies (NEEDS) must more lard to "significantly eradicate poverty in Nigeria. It aims to create a Nigeria that Nigerians can be proud to belong to and grateful to inhabit, a Nigeria that promotes self reliance, entrepreneurship, innovation, rewards, hard work, protects its people and their property and offer its children better prospects than those they may be tempted to seek in Europe or the United States". This, if achieved, will have transformed the society, taking Nigeria and the Nigerians out of the current seemingly hopeless economic situation.

## OBJECTIVES

The main objective of the paper is to identify the economic gains in entrepreneurship as an approach to reduce poverty in the society. Other specific objectives include:

- accessing the negative impact of poverty on the people particularly in developing countries;
- identifying the prospects for Nigeria in terms of reducing unemployment, attitude to economic initiatives; and
- Justifying JABU initiatives in the promotion of entrepreneurship development not only in this University but as part of curriculum in all Universities in Nigeria.

## METHODOLOGY

The paper is basically to identify the causes of poverty in the society and how to alleviate it through entrepreneurship development. Hence, the presentation will be more descriptive, using secondary data based on facts and figures. In doing this, the paper has compared Nigeria with other countries of Africa and the countries of the world. It has attempted to contribute to the efforts of the Nigerian governments in reducing poverty. One of such strategies is to encourage and promote entrepreneurship, whereby poverty can be turned to prosperity and turn wastes to wealth.

## Poverty

Poverty is understood to mean a life below acceptable standard. Famoriyo (1994) describes it as one of the most phenomenal, yet real and contentious issues that have confronted both the theory of economics and its practitioners from the Classical to the New Keynesian period. Because of the complex nature of poverty, there are many angles from which we can understand its meaning. Poverty is the denial of the necessities of life – information,

education, good health, decent accommodation, food, clothing, etc. Hence, many people have looked at it severally. There are such questions that are asked regarding poverty. Some of them are; who are the poor? Where are the poor? Why are they poor? Todaro and Smith (2002) share the experiences of those defining poverty. A poor woman in Uganda says: "When one is poor, she has no say in public, she feels inferior, she has no food, so there is famine in her house, no clothing and no progress in her family." A blind woman from Moldova says: "For a poor person, everything is terrible – illness, humiliation, shame, we are cripples; we are afraid of everything; we depend on everyone. No one needs us. We are like garbage that everyone wants to get rid of". A discussion group in rural Ethiopia says: "Life in the area is so precarious that the youth and every able person has to migrate to the towns or join the army at the war front in order to escape the hazards of hunger escalating over here." Yet, a discussion group in Brazil states "(Poverty is) ... Low salaries and lack of jobs. And it's also not having medicine, food and clothes." These are all dimensions of poverty. Apart from lack of education and information, there is still lack of employment. One dimension however, is a situation where there is abundance of human and natural resources, yet there is poverty due to the attitude of the people or the style of governance. Many people are lazy to work, while many lack orientation and the will power. McNamara (1973) sees poverty as "a condition of life so limited as to prevent realization of the potential of the gene with which one is born, a condition of life so degrading as to insult human dignity and yet a condition of life so common as to be the lot of some forty percent of the peoples of the developing countries."

NEEDS (2005) observes that "despite great natural wealth, Nigeria is poor and social development is limited. If present trends continue, the country is not likely to meet the Millennium Development Goals. The current fact is that the number of poor people in sub-Saharan Africa is likely to increase between now and 2015. So mobilizing Africans and International resources to fight poverty is more urgent than ever. African partners are trying to help in different ways, with economic policy advice mainly from the Breton Woods Institutions with moves to ease the debt burden through the Heavily Indebted Poor Countries (HIPC) initiative and for development and trade policies. Three main facts need to be understood. They are that:

- Not all our people enjoy the same chance of prosperity
- Past governments in Nigeria, instead of focusing on delivering essential public services assumed control of major sources of national income. In the process, corruption thrived in the public service and gained a strong foothold in the society;
- Although the environment for private enterprise is improving, there are still many challenges such as lack of continuum in governance, unstable development policies, etc.

The developing world is known for the relevance of poverty, with its various features. Poverty is massive, pervasive and chronic, engulfing a sizeable proportion of the society

(Ilori, 2003). Unfortunately, there is no general agreement on the definition of poverty in the literature. This is because poverty affects many aspects of human conditions including physical, moral, psychological and even spiritual (Ogunnike and Ozughala, 2001, Ozughala, 2004). Poverty is a plaque affecting people all over the world. It is dehumanizing, a condition that denies individuals the right to exercise their full potentials. Poverty is a condition where people live below a specified minimum level of income; that is, an imaginary international poverty line. Poverty knows no natural boundary. It exists readily in New York City as it does in Lagos, although its magnitude is likely to vary with certain factors. Poverty therefore, is an economic condition in which people lack sufficient income to obtain certain minimal levels of health services, food, housing, clothing and education generally recognized as necessary to ensure an adequate standard of living. According to the World Bank, absolute poverty is a condition of life degraded by diseases, deprivation and squalor. An absolute poverty can be conceptualized as inability to afford a commodity basket that guarantees the attainment of an objective minimum acceptable standard of living. It connotes insufficiency of income/consumption as well as some degree of deprivation (Ozughala, 2004). Relative poverty connotes the inability of certain regions of a society to earn adequate income to satisfy their basic needs according to what obtains in the better-off regions. Other categories of poverty include material poverty and subjective poverty. Material poverty implies lack of ownership and control of physical assets such as land and animals husbandry (UNDP, 1997). Subjective poverty on the other hand, requires individuals (including the poor) to define what is considered to be decent or minimal adequate standard of living (Afonja and Ogwemike 2003).

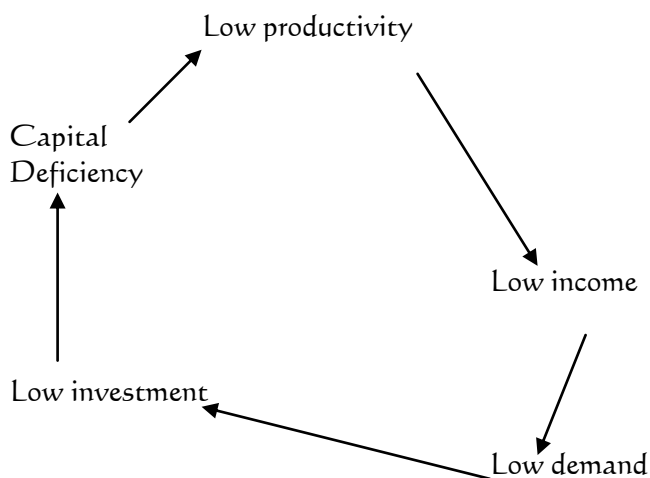
The level of poverty is now used most frequently in the classification of countries between economically developed and under-developed. Hence, poor countries are usually classified as economically underdeveloped. Nigeria is classified as one of the poorest countries in the world. The economic well being of people in a country is usually measured by the Gross National Product (GDP), per capita index. According to Todaro (2000), the Per Capital Income (PCI) of Nigeria was relatively low when compared with other nations' (both developed and developing countries). In 1997, the PCI of India, China and Brazil were \$390, \$4,720 and \$28,740 respectively. During the period under reference. The PCI of Nigeria was only US \$260 in the same period. It is evident that the poverty rate is very high in Nigeria despite the available natural resources endowment.

From these observations, we can corroborate the extent of poverty as identified by Todaro (2002) identifying two factors in any country which depend on

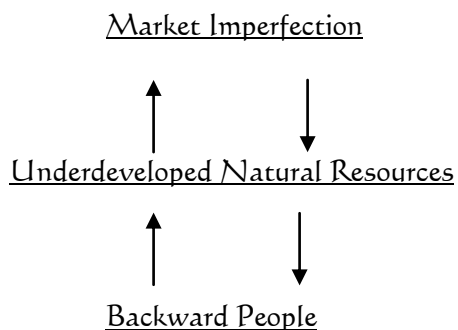
- (a) The average level of national income; and
- (b) The degree of inequality in its distribution.

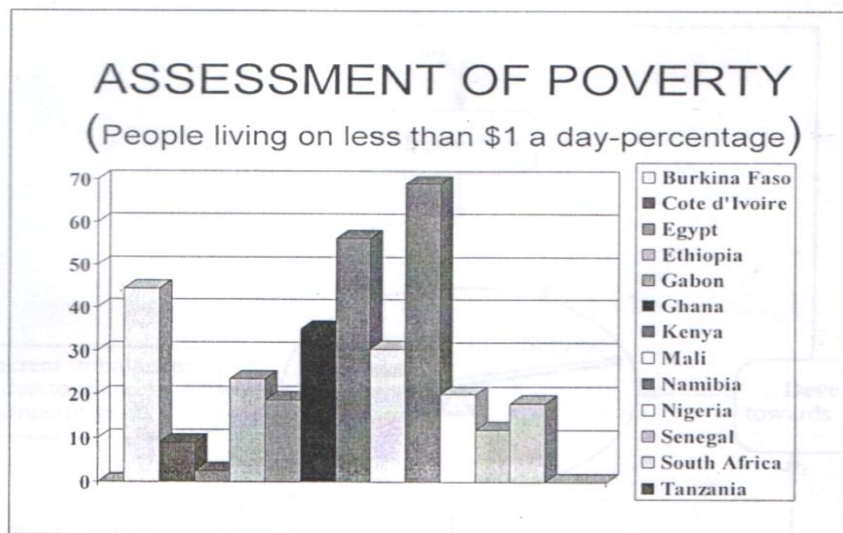
He emphasizes that for any given level of national per capita income, the more unequal the distribution, the greater the incidence of poverty. Similarly, according to him, for any given distribution, the lower the average income level, the greater the incidence of poverty. A summary of the causes of poverty can be traced to the vicious circle of poverty.

Diagram 1



In a situation of high level poverty, there is underdevelopment of human and natural resources, which is dependent upon the productive capacity of the people of a nation. This is brought about by such characteristics as backwardness and level of illiteracy, lack of technical skills/knowledge, weak governance, gender issues and entrepreneurial activities. When there are underdeveloped resources, both human and natural, they lead to market imperfection, which is demonstrated as follows:





Source: Authors' calculations using the World Bank's Development Indicator

Another important dimension to poverty is unemployment. Today, there is large-scale level of unemployment in the society. There are thousands of graduates of tertiary institutions (Universities and Polytechnics) who are unemployed because of the very tight labour market. Yet the middle level, where entrepreneurial practice should be initiated and intensified, is relatively neglected. For example, the nation should have more students in colleges of Technology/Polytechnic than in Universities. Polytechnics provide technical skills generate new ideas and entrepreneurship tendencies. Hence, the turn out from our institutions of higher learning is growing at a geometric progression while the job opportunities are at an arithmetic progress. Many graduates roam about for between 2 and 3 years without job. The causes of poverty according to Olaiya (2001) also range from political, social, economic, and environmental to self-inflicted ones. Mismanagement and large-scale looting of public funds have become the order of the day, which have resulted into income inequality. In 1980 an estimated 27 percent of Nigerians lived in poverty. By 1999 about 70 percent of the population had income of less than one US dollar a day, and according to NEEDS (2004) the proportion has continued to rise.

#### The two types of Poverty:

There are two main types of poverty. It can be chronic/structural or conjunctual/transient.

- (a) Structural or Chronic Poverty = long-term or persistent. This is a situation in which a poor individual remains stagnant without initiatives or ideas of how to move forward.

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(b) Conjunctual or transitory poverty – is temporary or transient, which is short-term. It can occur at a period of actualizing a business idea. The major causes can be summarized as:

- Natural disasters (draught, man-made disasters such as wars and environmental degradation).
- Period of skills acquisition or investment activity.

On the purely economic angle, poverty occurs when structural adjustment reforms and changes in domestic policies result in price changes, increased unemployment, mismanagement of the nation's resources, technological backwardness, low capacity utilization and the predominance of agrarian.

### **Characteristics of Poverty**

There are many characteristics of poverty, which can be summarized as:

- skills and management constraints;
- low productivity constraints;
- physical and environmental inhibition and degradation
- attitudinal and inadequate commitment to programme implementation;
- denial of essentials of life;
- bad governance; and
- Corruption.

### **Entrepreneurship**

Entrepreneurship can be defined as the process of creating and managing a business through innovation and generating business idea' to achieve desired objectives. It is in fact a very important agent of innovation, growth and technical progress. It is a form of science for which economic theory did not pay much attention. According to Evereth Hagen (1975), "the national product then depends only on the absolute and relative qualities of land, labour and capital available". He states that "entrepreneurship is the human input into innovation". This makes an entrepreneur to face problems and takes the risks. Yusuf Sayighm (1962) listed entrepreneurial functions and "asked 207 heads of Lebanese business firms which four of these they regarded as their firms, the two most often ranked high in their replies were receiving the idea and designing the organization that is converting into a functioning organization". However, Gerald Meier (1975), in sketching the potential scope of the entrepreneurial task in an underdeveloped economy, by widening the typical three-of-four function description of the industrialists job to a more appropriate degree of articulation of thirteen roles of specific kinds of activities that the entrepreneur himself might have to perform for the successful operation of his enterprise.

The 13 roles according to Meier are as follows:

1. Perception of market opportunities
2. Gaining command over scare resources
3. Purchasing inputs

4. Marketing of the product and responding to competition.
5. Dealing with the public bureaucracy
6. Management of human relations within the firm.
7. Management of customer and supplier relations
8. Financial management
9. Production management
10. Acquiring and overseeing assembly of the factory
11. Industrial engineering
12. Upgrading process and product quality
13. Introduction of new production techniques and products.

“The thirteen (13) roles have been categorized into four (4) subgroups of:

(1-4) as exchange relationships

(5-7) as political administration

(8-9) as management control, and

(10-13) as technology

In his own concept of entrepreneurship, Gomez-Mejia (2005) it is “the process of creating a business enterprise capable of entering new or established markets. “He emphasizes that this requires innovation, development of resources and people’s appropriate skills to develop a new organization through innovation and the utilization of available information to produce something new. Welken paul (1975) in his own clarification, states that “entrepreneurship..... involves combining to initiate changes in production” where management involves combining to produce.

### **The Entrepreneur**

In simple definition, the entrepreneur is the one who ventures or undertakes an enterprise, sometimes applied to a firm or more generally to entrepreneurship as decision-maker. The entrepreneur risks his capital but owns the business. He decides what to produce, on what scale, by what methods and at which locations of the country. He is therefore the key figure in a free economy, which decentralizes decisions to individual entrepreneurs. However, in modern industrial society, the various functions, the risks and the decision-making are being separated and the owners (shareholders), who bear the risks, even though they have the ultimate power of control. The single entrepreneur assesses likely markets and the demand structures, forecasts the trend of costs, and in competition and raises capital in the market at the prevailing rates. But in large firms, the functions are undertaken by executives, with attention to decisions about distribution of profits to stakeholders or on the retention within the business.

### **The Successful Entrepreneur**

To be a successful entrepreneur, there must be vision and mission. Having identified one’s business opportunity, he must acquire the necessary skills and capital resources. He must also be a strategist in order to remain in today’s fast paced business environment. This is



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because as technology develops, new skills acquired, new product competing, the market both national and global, the competition for entrepreneurial supremacy promotes the development of business strategies. This makes the entrepreneur become a strategist in business development, business marketing and business management. As a business developer, he becomes a visionary worker. He is seen as somebody that sees the end from the beginning, and works hard to achieve his business objectives. Such a strategic business developer, being a visioner, treats challenges, in the process of operation as a motivating force to put more effort to achieve his goals. He is thus an idealist, a keen researcher and adventurer, a builder of Business Empire based on available opportunities and becomes a student, who realizes that in spite of his business acumen, he always seeks more knowledge for better performance to undercut his rivals.

### Innovative Role of the Entrepreneur

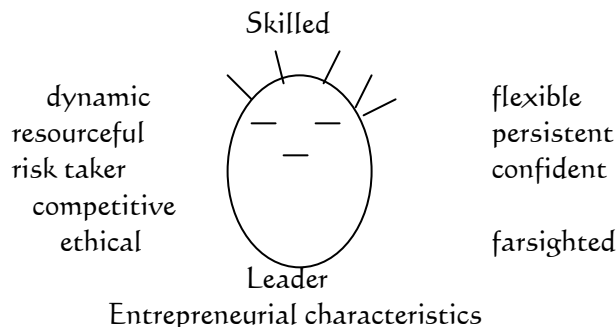
According to Debbie Sunimous Cohen (1998), the innovative role of the entrepreneur is based on the Schumpeterian concept of entrepreneurship as an innovative force in the economy. For the economy as a whole, every small firm's should be assisted to survive. However, Cohen suggests that small firm support should "pick winners" thereby selecting the innovative small firms with a high growth potential for assistance. The entrepreneur is thus one who both initiates and adapts to change. Accordingly, the owner-manager of any viable business can be called an entrepreneur. The support of the start up and expansion of a small business encourages the dynamic entrepreneurial process. This forms the foundation of endogenous local economic development. Schumpeter sees the entrepreneur as a dynamic and pro-active force, whose contribution to economic development was a disturbance of economic equilibrium through innovation (Schumpeter, 1934) Zeigler (1985) used Schumpeter's concept of the entrepreneur to describe the process of innovation in Science – based industries. According to Zeigler, he is of the view that a scientific invention is initially commercialized by an entrepreneur. There then follows a period of diffusion during which the innovation is adopted by imitating firms. This cycle of a move away from equilibrium and the return of the economy to a new equilibrium is also described by Liebenstein's X-efficiency Paradigm (1974, 1978). According to Liebenstein

*"The entrepreneurial role is filling market gaps or correcting market imperfections. Accordingly, in a market of imperfect information and inefficiencies, it would require entrepreneurial skills both to innovate and to access the 'special information' needed to diffuse innovation. As opposed to Schumpeter's 'winners', this definition allows for far more liberal definition of entrepreneurship whereby the owner-manager of any viable business may be a potential entrepreneur."*

From the views and interpretation of the above authors, we can conclude that the entrepreneur has certain characteristics, which can simply be explained with diagram 1

## DIAGRAM 1

### Entrepreneur



### Entrepreneurship and Economics

Economic development is usually seen as a basic national objective. The fundamental reason for creating a nation-state is to improve the living conditions of the citizens of the state (Fajingbesi and Uga, 2003) According to them the core element of economic development is the continuous promotion of the welfare and standard of living of the people, because the development connotes structural transformation, advancing technology, sustainability and equity.

Development in economic terms is the process of improving the quality of all human lives. There are three (3) very important aspects of development.

- a. Raising people's living levels – their incomes and consumption levels of food, medical services, education etc.
- b. Creating conditions conducive to the growth of people's self-esteem through the establishment of special, political and economic systems and institutions that promote human dignity and respect.
- c. Increasing people's freedom by enlarging the range of their choice variables, as increasing varieties of consumer goods and services.

The major goal of economic development is the creation of economic policy capable of creating sustainable improvements in the quality of life of people in the society as stated by World Bank (2000). This can be achieved through the provision of food, shelter, medical services, etc. for a country to attain these requires elements of economic independence through local production of needs. This also requires the process of industrialization. Industrialization and economic development are thus two critical, but interrelated goods being pursued by many developing countries. China, India, Brazil to mention a few tread the path of industrialization together with agriculture. Today these countries not only improve the quality of lives of their people, but have become countries to be reckoned with in the community of nations. According to Diejomaoh and Iyoha (1980), industrialization is widely acclaimed to be one of the most reliable means of raising a country's standard of living.

As Anthony Clancies-Ross, David Fooryth and Mozannal Hug (2009) put it ...

*"After the Second World War the world woke up to the huge gulf*

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*between rich and poor nations. This happened just as hundreds of millions of people were breaking away from the old empires into independent states. The result: a conviction that 'Development' was an urgent necessity"*

Todaro (2011) states that as we wake every morning, we do so under very different circumstances. While some are very comfortable with lots of resources to the extent they can even throw away much of the excesses, many more are much less unfortunate as they hardly have what to eat and what to wear. These are indications that there are the rich, very rich, while there are the poor, very poor. To narrow the gap, the rich nations help by accelerating the pace of development particularly in the poor nations by promoting international cooperation amongst the developed and developing nations.

Development particularly that of the economy should not be equated with industrialization for a number of reasons. There are three important aspects of development i.e.

- Raising people's living level – their incomes and consumption level of food, medical services, education, etc through economic growth process.
- Creating conditions conducive to the growth of people's self esteem through the establishment of social, political and economic systems and institutions that promote human dignity and respect;
- Increasing people's freedom by enlarging the range of their choice variables, as by increasing the varieties of consumer goods and services.

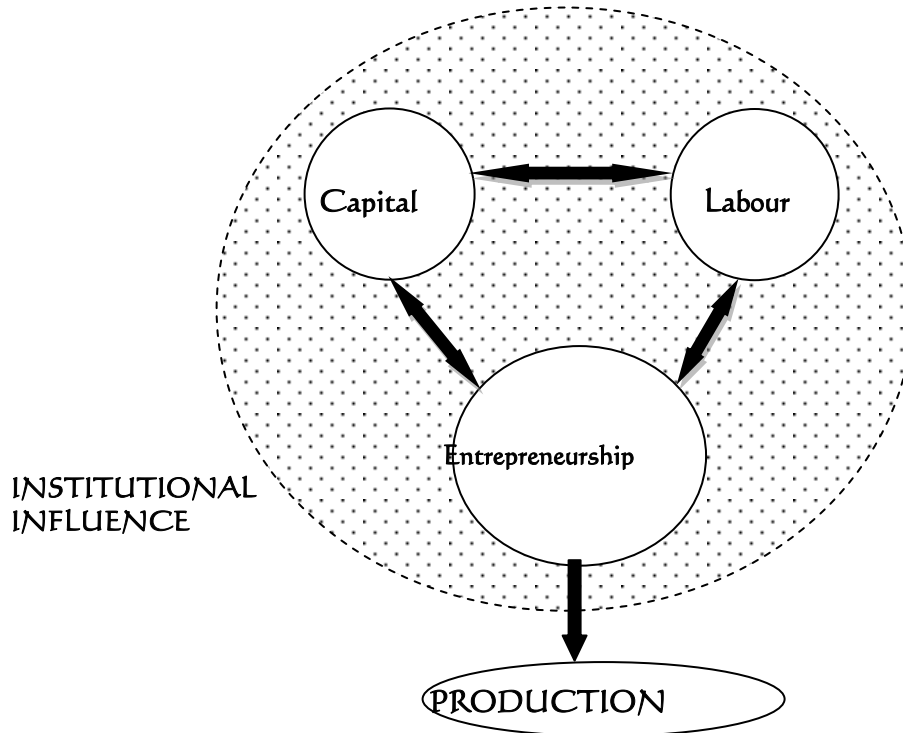
Economists like Seers, Denis Gonlet, A' de Souza, Porter, etc have tried to justify the above aspects by identifying the following attributes for human development.

- Balanced diet for good health;
- Provision of good health;
- Employment opportunities
- Adequate housing
- Sense of self respect
- Security of the people

It is thus clear that the attributes are expected to make life better to live by the people irrespective of their status. The principal goal of economic development policy is the creation of sustainable improvements in the quality of life of people in the society (World Bank, 2000). Adam Smith (1776) asserts that poverty and unemployment inclusive are part of the 20<sup>th</sup> century business. He states "No society can surely be flourishing and happy of which by far the greater part of the populations are poor and miserable".

Calvin Coolidge (1930) states that "When more and more people are thrown out of work, unemployment results" The situation has in fact gone beyond mere just being thrown out of job. It has included inadequate, lack of and misuse of appropriate skills.

Diagram 1



### Aims of Entrepreneurship development and Promotion

The main aim of entrepreneurship development and promotion is to mobilize and utilize appropriately the knowledge and the acquired skills for wealth creation and development, with a view to becoming self reliant, and alleviating poverty. Other specific objectives include:

- Survival through the ability to make ends meet;
- Provision of employment, thereby reducing the army of unemployed;
- Participation in a competitive economy through the provision of products and services capable of effective competition;
- Facing the future with the generation of new ideas, innovation, challenges and confidence
- Raising the general awareness for entrepreneurship practice;
- Changing the attitude towards entrepreneurship from luke-warmness of the past to that of vigorous pursuit;
- Transforming the society to a wealthy and prosperous country through entrepreneurship promotion, development and practice;
- Creating and maintaining a viable reference library/resources centre for potential and existing investors;

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- Forging useful links between members, corporate bodies, agencies of government, donor agencies and the target audiences in order to promote wealth creation in the country; and
- Dealing in any real or corporate property, and acquire rights and privileges, in any part of Nigeria in general in order to further the goals of the organization.

One of the approaches towards the development of entrepreneurship by the federal government through the National Universities Commission (NUC) and the National Board for Technical education is that institutions of higher learning, particularly the Polytechnics and Engineering Faculties of Universities should establish Centres of Work Experience, whereby students would be able to develop business ideas and become graduates capable of making products in demand for the society, which can drastically reduce importation of what the country can otherwise produce. Currently, all Institutions of Higher Learning have Centres of Entrepreneurship Development. Regrettably, funding of education to actualize laudable programmes has always been inadequate or not budgeted for. Where budget is provided, there has always been a mismanagement of the funds, which makes implementation unattainable. Worse is that policies come and go with each administration. Hence, there is no stability in policy implementation in Nigeria.

The mission of Entrepreneurship is to mobilize and appropriately utilize knowledge for wealth creation, alleviate poverty, generate employment, and enhance achievements in the country.

### **Factors Influencing Economic Development**

Having identified the concept and objectives of Entrepreneurship, there are advantages for individual entrepreneurs as well as for the society.

For individuals, advantages include:

- Self fulfillment and confidence;
- Independence from the whims and caprices of others;
- Freedom from political manipulations which material empowerment bestows

Advantages for the society include;

- Job creation;
- Minimization of social problems such that are associated with poverty and unemployment;
- Enhancement of economic productivity, development and growth. It is therefore in the interest of everybody, and government in particular that entrepreneurship be promoted and developed, especially in a poverty-ridden and relatively underdeveloped country like our country, Nigeria.

### **Which Way Forward?**

To put our thoughts and ideas into perspective, specific activities and initiatives should be put into practice. The activity components are:

- (a) Awareness campaign through publications, workshops, seminars, electronic media, jingles, etc.
- (b) Research into potentials and opportunities and the wherewithal to utilize them for business organization and successful practice.

Adam Smith (1776) observes that "No society can surely be flourishing and happy of which by far the greater of the populations are poor and miserable". "Poverty is massive and chronic, engulfing a sizeable proportion of the society" (Ilori, 2003). Poverty affects many aspects of human conditions including physical, moral, psychological and even spiritual (Ogunnike and Ozugbala, 2001, Ozughala, 2004). These situations make it imperative to consider the way forward in our quest to eliminate or reduction of poverty through entrepreneurship development. One of the ways forward in the fight against poverty is the development of Agriculture in the path of diversifying the economy. This has been reemphasized by the present administration in its plan to diversify the economy, thereby moving out of the current seemingly monocultural economy. It has been established that Nigeria is one of the leading countries in the world in agricultural production. It will be recalled that Malaysia took palm oil seed and later became the world's largest producer of oil palm. Nigeria is the largest producer of cassava, yams, plantain and other agricultural products. It is also a fact that the country spends over N52b on yearly basis in the importation of food items. The National Bureau of Statistics in 2012 published that Nigeria spent N15.68tr to purchase food items of which over half was imported. Nigeria tops food importing nation's list - Minister of Agriculture Dr. Akinwunmi Adesina said (Punch 27/3/12). "Nigerians were spending N1bn daily on imported rice and N1.3tn annually on other imported basic items like wheat, sugar, fish" He went further "The nation which currently consumes about 5m metric tons of rice per annum could increase the rate of consumption to 36 will metric tons by 2015".

The President Mohammed Buhari recently stated that "Agriculture is the only sector that can bring about rapid development to our rural areas, create massive rural jobs, ensure food security and become the economic diversification success story that Nigeria needs. We bring in tomato paste from China and yet our farmers are crying that their tomatoes are rotting away. We have the strength to be the food basket of Africa" (Guardian 3<sup>rd</sup> February, 2016). In the facts about Israel published Israel Information Centre (1996) Economic development of Israel during the three decades of the mandate, agriculture was expanded; factories were established; new roads were built throughout the country; the waters of the Jordan River were harnessed for production of electric power; and the mineral potential of the Dead Sea was tapped. The Histadrut (General Federation of Labour) was founded (1920) to advance workers' welfare and provide employment by setting up cooperatively-owned enterprises in the industrial sector as well as marketing services for the communal agricultural settlements.

About 71% of people in underdeveloped countries engage in Agriculture, while in the United States of America, Canada and Germany only about 3%, 3% and 4% of the population

respectively are occupied in Agriculture. Yet they feed themselves and even export. So also the largest two countries of the world, i.e. China and India. Nigeria even imports food items from China and India. Our causes of poor production include our underdevelopment of our natural resources either being underutilized or misutilized. We in Nigeria are endowed with natural resources but for one reason or the other such as lack of necessary skills, technological inadequacy, and/or poor attitude towards national development, they are undeveloped. Many countries in Africa, Asia and Latin America are rich in resources such as in Copper, Tin, Bauxite, Gold, Petroleum, Gas, Iro, Zuice, Agricultural Products. But their poor attitude and unexploitation of resources for national development make millions unemployed and thus remain poor. Entrepreneurship development and industrialization play a vital role in the improvement of the quality of life. This is because entrepreneurs are innovative and are in position to reduce their livelihood through innovation, determination to take risks, encouragement to perceive for success and joy for new initiatives. By their success, they are in position to employ workers, who through their employment can improve the quality of their lives.

It is believed that everybody has a talent and unless it is put into practice, even if it entails some risk, the individual will be unable to make his contribution towards poverty reduction and economic development. For example, there are many areas where business initiatives can be put into entrepreneurial practice. They include the production of cocoa-based products (beverages, confectionery, cosmetics, etc) soap making, table water, fashion designing, salon operation, production of starch, maize, yam and cassava powder, production of coconut candy, plantain-based products, cashew shell oil, vegetable, catering services, mat making, poultry and fish farming, fruit juices, toilet soap making, furniture making advisory and consultancy services and many others from which business ideas can be developed. It is very clear that if an individual is not lazy there are potentials in him from which he can identify business opportunities and pull out of poverty.

## **CONCLUSION**

Accessing the trends in our economic development, it has become clear that new initiatives are needed through innovation, research, skills acquisition, training and determination to move the country forward. The institutions of higher learning have a role to play in being relevant to the growth and development of the economy and in fighting poverty from various angles. The country needs to improve on the capacity utilization in the manufacturing sector. It is sad to mention that the capacity utilization in the manufacturing sector has dropped to about 22% from about 45% in 2005 and 53% in 2004. This is an indication that business initiatives and investing in business ventures are falling. It is gladdening however to mention that some Universities are stepping up effort to encourage and promote entrepreneurship in their academic programmes. Prof. Oshun, Vice Chancellor, Joseph Ayo Babalola University, Ikeji – Arakeji (Tribune 16<sup>th</sup> February, 2007) states that the mission of the University (JABU) has, as one of its aims and objectives, the preparedness to produce graduates, who are not just job seekers but job creators, not only for themselves but for their localities and immediate environs.

## RECOMMENDATIONS

Having related the promotion and development of entrepreneurship with the effort to eradicate or reduce poverty in our society, the following suggestions are made:

- (a) Entrepreneurship development and practice should be encouraged and promoted in institutions of higher learning. The current practice of establishing Centres for Entrepreneurship Development in all Institutions of Higher Learning should create facilities for Research and Development and skill acquisition. Every graduating student should develop business ideas and direct his/her research project towards production and the use of local materials.
- (b) Non-Governmental Organizations (NGOs) should be encouraged to give technical, advisory and financial assistance to entrepreneurship development in Nigeria. To achieve this, Nigeria should be responsive to the payment of counterpart fundings. Past experiences have shown that the counterpart funding has not always been honoured appropriately. Hence such projects have been abandoned.
- (c) There is need for stable political environment. It is only through this that foreign and even local investors can be confident in profitable investments through which poverty can reduce in the society. Dependence on imported goods reduces unemployment and the standard of living is improved.
- (d) Government should identify national priorities regarding assisting youths in poverty reduction. Providing youths (by government) with motor-cycles as assistance in poverty alleviation is politically motivated not in the best interest of the economy. "Okada" riding is a job that has "no tomorrow." Youths, who would have engaged themselves in gainful farming or in small scale industries, are wasting the productive part of their lives. Instead, it is suggested that the Entrepreneurship Development Centres made to promote initiative and self-development. The current Micro-Credit financing and the loan facilities for Youth Corpers for entrepreneurial initiatives should be fully encouraged and actualized. This will provide the youths with initiatives and innovative ideas to create wealth for themselves and the society, thereby fighting poverty through entrepreneurship development.
- (e) Government should adopt a system of policy continuum. A situation in which policies, programmes and plans change with every new administration, even when a laudable programme is yet to prove its viability is counterproductive.
- (f) Nigerians should change their attitude of preferring imported products as against locally made ones. If Nigerians love their products, we will not be importing certain products manufactured in China, the South East Asia and India, which can easily be produced locally, thereby generating employment improving the Gross Domestic Product (GDP), creating wealth, thereby alleviating poverty in our society. There are subsectors of Agriculture capable of providing locally what Nigeria spends several billions of Naira annually.
- (g) Students of Secondary schools should be introduced to agriculture and entrepreneurial attitude. This will have been inculcated as habit and way of life by the time they move to tertiary institutions. One of the strategies for entrepreneurship development is to strengthen and properly empower the small-scale



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- industries sector of the economy. Although, the Federal and State governments allocate budgets on annual basis, the effects have been minimal. This is probably because emphasis has been placed more on capital intensive heavy industries.
- (h) It is suggested that a Ministry of Small-Scale Industries and Rural Development is established at the State level. This will make the ministry focus more on grassroots development through entrepreneurial initiatives.
  - (i) Women have been found to be very entrepreneurial, and if encouraged and empowered, they can contribute positively to poverty reduction and economic growth and development. They need training, financial and technical assistance. It is recommended that Women's development Centres be reactivated at local government level and a loan scheme established to enable them develop and demonstrate their entrepreneurial potentials.
  - (j) Finally, government needs to plan ahead for our youths so that life may not be worse but better when they grow up. If the future of the Nation is in the hands of the youths, then government has an uphill task of providing conducive atmosphere for a productive future through orientation programmes, empowerment programme, and training for peaceful political coexistence and the development of the patriotic man of tomorrow...
  - (k) Joseph Ayo Babalola University (JABU) should, as pioneer University in Nigeria to establish a degree awarding department of Entrepreneurship, should go all the hog to overcome the teething problems of pioneers. It should as matters of urgency establish collaborative arrangement with older overseas Institutions that have achieved much in Entrepreneurship development and apply the gains to suit Nigerian needs.

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