

# THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

## Entrepreneurship Training: A Panacea for Social Economic Gains

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### **Abstract:**

*This study focused on entrepreneurship training: A panacea for socio-economic gains. The main objective of the study was to attempt to show that entrepreneurship training can contribute to unemployment and poverty reduction in Nigeria. Information was collected from secondary sources. Based on the findings it was concluded that entrepreneurship training plays a crucial role in determining the level of reduction of unemployment and poverty in the economy. The paper recommended that Federal government should establish Entrepreneurship Training Information Administration (ETIA) agencies to generate information for entrepreneurship training – researches, development and growth in the country; to develop policies for professional bodies' collaboration. Government should allocate more funds for entrepreneurship training.*

**Keywords:** Entrepreneurship training, unemployment reduction, poverty reduction

### **1. Introduction**

From Nigeria's attainment of independence in 1960, considerable efforts have been focused on industrialization. Initially efforts were driven by government through entrepreneurship, recently however, focus has moved to entrepreneurship training sequel to the lessons learnt from the gains of entrepreneurship training as evidenced by the Asian countries' growth economically (Ojo, 2003). Hence the shift now, in strategy of Nigeria's drive to industrializing through entrepreneurship training. Before now emphasis has mainly been on government leading industrialization, by substituting imports.

Beginning from 1980 however, government started reducing its interventions as the main actor in industrialization by adopting economic liberation as prescribed by the IMF Structural Adjustment Program (SAP). With this, focus shifted from entrepreneurship-to-entrepreneurship training, which has the potentials for domestic economic development. The contribution of entrepreneurship training to economic growth and development is universally known. Increasingly it is being recognized as a pivot for generating employment, redistributing income and creating wealth (NISER, 2004). For instance, the educational sector accounts for about 87 percent of all institutions in operation in Nigeria as far back as 2005 (USAID, 2005).

In view of the significance of entrepreneurship training in driving economic growth through the reduction of unemployment and generation of increased income to GDP, the Nigerian government adopted measures to address factors that inhibit its progress and survival. In argument, Ojo (2003) posit that education assistance programs did not promote the growth of entrepreneurship training as envisaged. In agreement Tumkella (2003), observed that such programs failed to attain the goals expected largely because they were abused, and poorly evaluated and monitored.

Poverty goes beyond the inadequacy of income and resources for production for continuous livelihoods. Its manifests as hunger and malnutrition, restricted access to education and to other basic services, being socially discriminated and excluded, as well as paucity of taking part in decision making. Poverty is destructive to the mind, the being and the body. Globally and in Nigeria, the factors that feed poverty were again made worse and deepened by the global depression which Nigeria appears not to have fully recovered from. As the influx of aid and funds were reduced by donors, nations with limited resources and lowest financial strength suffered mostly. Although the financial meltdown was all encompassing and affected virtually everybody, the poor were the worst hit as transfer payments to them dwindled. The financial meltdown therefore presented increased risks that heightened the significance of entrepreneurship as a quick and effective solution for poverty.

World Bank (2000) stated that a society that renegades on its constitutional and fundamental duty of developing its human resources stands at high risk of producing deviant and rebellious citizens. This is especially the case as the age

bracket that suffers the pains of unemployment the most are the youths, who are also the most given to deviance and rebellion. What is going on in the society currently, such as armed robbery, cultism, cybercrime, political thuggery, kidnapping, prostitution and human trafficking etc. are unfavourable effects of the nation's inability to provide full employment for the citizens. The Nigerian situation is further compounded by her demographics skewed in favour of youths.

A nexus exists between unemployment and poverty. Unemployment breeds poverty, poverty makes self-employment a herculean task, yet self-employment is the quickest way out of unemployment. It is a wonder if indeed poverty and unemployment can be significantly reduced given the extent of unproductive government policies, programmes and endemic corruption. Corruption is a root cause of failed government policies, unemployment and poverty. The challenge of poverty and unemployment reduction entails systematic and structural components that are not geographically bounded, and that need similar comprehensive reforms and interventions. For the poor and unemployed, at best it is a question of coming out of the situation through aid and opportunity, and at worst it's a question of survival. Entrepreneurial training can be a pivot in assisting to fill the lacuna in accessing locally essential resources, and empowering people to raise themselves out of the poverty cycle and unemployment. This study seeks to X-ray the effect of entrepreneurial training on unemployment reduction and poverty eradication in Nigeria.

### *1.1. Statement of the Problem*

In spite of the acknowledged potentials of entrepreneurship training in contributing to economic development, creation of wealth, eradication of unemployment and poverty, it has been observed that its performance in this regard has remained somewhat not impressive in Nigeria. A number of problems have been identified as being responsible for this situation such as: lack of access to finance for educational operations; poor managerial skills; experience; lack of access to markets; lack of infrastructures and poor linkages with large scale firms, amongst other issues.

These challenges have curbed the ability of entrepreneurship training to deliver on the expectations of society. Specifically, the problems encountered by entrepreneurship training have impeded their capacity to employ large numbers of person on an individual basis. As such, most entrepreneurship training is found to be able to employ very small number of people. In view of the situation of entrepreneurship training in Nigeria, this paper seeks to establish the extent to which such institutions have contributed to unemployment and poverty reduction through jobs creation and generation of income. Hence, the pertinent question in this paper is: To what extent does entrepreneurship training contribute to unemployment and poverty reduction?

## **2. Literature Review**

### *2.1. Conceptual Issues*

According to Okorie (2001), an entrepreneur is someone who organizes, manages and assumes the risk of a business enterprise. The expert stated that an entrepreneur is a person who can 'create out of nothing' a viable business. Training is an effective mean of stimulating indigenous entrepreneurship. According to the European Commission as stated in Branquinto et.al (2020) entrepreneurship education equips people to be responsible and enterprising persons. This is achieved through the development of skills, knowledge, and attitudes needed to attain their set goals. People with entrepreneurial training are known to be more employable.

Poverty has social, economic, and political facets. Poverty can be absolute or relative. Absolute poverty broadly means complete lack of capacity to fulfill basic physiological needs namely food, clothing and shelter. Absolute poverty does not recognize the existence of social and cultural needs, only physiological. Persons are relatively poor if comparatively lower than the standard of living in their society. Both concepts however, are mainly interested in income and consumption. According to the European Commission in Longford (2012), poverty is not simply the inadequacy income and funds. It extends to the lack of basic capabilities and limited access to education, health, natural resources, employment, land and credit, political participation, services and infrastructures. The Japan International Cooperation Agency (JICA) (2011) guidelines defined poverty as a circumstance of lack economically, humanly, protectively, politically and socio-culturally.

Poverty reduction is a set of interventions economically and socially meant to completely remove persons from being poor. Poverty reduction strategies either target increasing the supply of basic human needs or focus on increasing disposable income. JICA (2011) view poverty reduction as the ability to elevate persons from poverty by strengthened economic, human, protective, political and socio-cultural capabilities and creation of a conducive environment for manifestation of their abilities.

According to Pettinger (2019) unemployment occurs when a person of working age is unable to get a job though he is willing to be fully employed. He went further to state that unemployment could be voluntary or involuntary. Again, unemployment can be categorised into frictional, cyclical, structural, seasonal and real wage. Voluntary unemployment is when a person chooses not to work such as full-time housewives while involuntary occurs when a person seeking for a job is unable to get it. Frictional unemployment is when a person is in-between jobs. The structurally unemployed are workers without skills or workers that are geographically immobile. Cyclical unemployment or demand deficient occurs when there is a downturn in business or in the economy as in periods of recession. There is seasonal unemployment when jobs are not available because of season, for instance off farming season. Real wage unemployed cannot find jobs because the minimum wage is higher than the equilibrium wage.

## 2.2. Unemployment in Nigeria

Unemployment rate in Nigeria was 7.0% in 1987, reduced to 1.9% in 1995, subsequently went up to 2.8% in 1996. It fluctuated between 2.8% and 17.5% between 1996 and 1999 (Njoku & Ihugba, 2011). National Bureau of Statistics (NBS, 2009; 2010) indicate that Nigerian unemployment rates were 31.1% in 2000, 13.6% in 2001, 12.6% in 2002, 14.8% in 2003, 13.4% in 2004, 11.9% in 2005, 14.7% in 2006, 14.6% in 2007, and 14.9% in 2008. It is important to observe that in 2005, Nigerian's unemployment rate reduced to 11.9% from 14.8% in 2003. The decrease is credited to the government poverty reduction programmes. Also, more people became involved in informal sector activities. However, unemployment increased sharply from 14.9% in March 2008 to 19.7% in March 2009, and it has been on the increase since then with 21.1% in 2010, 23.9% in 2011, 27.4% in 2012, 24.7% in 2013, 25.3% in 2014, 14.23 in 2016, 20.42 in 2017, 23.1 in 2018 and 33.3 in 2020 (NBS, 2015; 2021).

## 2.3. Poverty in Nigeria

The poverty incidence of Nigeria is as follows 1980 (27.2%), 1985 (46.3%), 1992 (42.5%), 1996 (65.6%), 2004 (54.4%), 2010 (60.9%) and 2011 (61.9%) \*(2011 figure is estimated), 2012/2013 (33.1%), 2014/2015 (21.35%), 2016/2017 (43%), 2018/2019 (39.1) (NBS 2011; 2021). Today Nigeria is adjudged the nation with the highest number of the poor.

## 2.4. Entrepreneurship Training and Employment Opportunities in Rural Communities

Etuk (2009) stated that the major part of the Nigerian population resides in the rural areas. A reduction in unemployment and poverty in the rural areas will therefore reflect on the national figures. The significance of rural employment in reducing poverty in developing countries has been considered globally in their development strategies and policies. Several new employment opportunities in several developing nations are formed in the informal sector, where the rate of growth could be more than that of the formal sector and which has a heavy presence in the rural.

Udono and Usoro (2014) states that the rural-urban drift of labour where youths migrate to the urban seeking office jobs, depletes rural manpower and increases unemployment in the urban. Despite this, large percentages of the population in developing countries are rural dwellers and are majorly poor (UNDP, 2001). According to Barrett and Reardon (2000), job opportunities in rural areas may be dependent on strengthened ability of non-farm activities to absorb excess labour. Small scale enterprises made possible by skills acquired from entrepreneurship training can contribute significantly to rural employment, through policies and training activities provided to support those processes.

## 2.5. Social Gains from Entrepreneurship Training

### 2.5.1. Reduction of Drug Abuse

The engagement of youths in entrepreneurship training is a useful measure in reducing the menace of drug abuse among the youths, especially those who are unemployed. Robson and Gallagher (2005) noted that when youths are engaged in some activities, formally or informally, it gives them the opportunity to interact with responsible people in the environment. The youths earn income to take care of their needs and as such their interest in social vices such as drug abuse are diverted.

NISER (2004) as a matter of policy, proposed that entrepreneurship education will create more employment that engages the minds and energy of the youths in money making ventures rather than indulging in drug abuse and other social vices. Therefore, according to him, recognizing the practicing small scale business association and union would be an avenue to further impact knowledge and more funds as well as creating better awareness which could be sustainable and enduring for job creation to the frustrated youths.

### 2.5.2. Reduction of Prostitution among the Youths

The case of the human trafficking of Nigerian youths in Libya investigated by CNN Freedom project is still relatively fresh in the media. Engagement of entrepreneurship education is one of the sure means of reducing prostitution among the youths. Jokes and Weston, (2004), substantiate this claim by asserting that, many of the developing countries, which have adopted the measure of mobilizing youths into small scale businesses as a policy, have been able to reduce the negative effect of unemployment. According to Jokes and Weston, (2004), in a study of Kenyan female basket producers, most of the youths who were involved in prostitution as a means of livelihood that started making baskets lost interest in offering sex for money.

Schmitz (2008) observed that scarcity of jobs, the economic pressure of being dependent youths, especially females, and the inadequate financial support from parents and husbands render women vulnerable to prostitution. Apparently, if jobs are created for women through small scale enterprises, quite a lot of them would retire from taking advantage of their body for making money through prostitution. Unicef (2001) stated that prostitution increase at a progressive and steady dimension with the cause traced to misery and poverty. Tiano and Fiala (2001) also observed that the women from Bangladesh garment factory (small scale enterprise) expressed satisfaction with the new freedom that came with earning wages. Thanks to independent source of income, they abandoned an unfavorable trade (prostitution) that constituted a social problem and entered into one or more legal businesses in the small-scale enterprises that are favorable and accepted.

It has been observed that there is direct effect of small-scale enterprises in the reduction of prostitution among female youths. In Nigeria the bulk of prostitutes exported to Italy were from Edo State. This actually causes a social problem for the state and the country as whole. As a remedial measure, the governor of Edo State as at then Lucky

Igbenidion set aside some funds of about fifty thousand naira (N50,000:00) each to identified prostitutes. This, he did in order to empower them to start up small scale business as a means of livelihood instead of prostitution (Awake, 2003).

### 2.5.3. Reduction of Armed Robbery

NTI (2000) affirmed that a lot of efforts have been made to reduce arm-robbery in the country including: formation of vigilante groups, avoiding late night travels. Installing burglary prove devices in houses, not staying out too late at night as well as arresting, trying and shooting of armed robbers by government when found guilty. In all these measures, there is no mention of job creation opportunities for the youths. Professionals in the economic disciplines such as business have suggested small scale enterprises as one of the measures of tackling these social problems. These professionals include Chima (2008) who commented that as a result of high rate of unemployment among the youths (both school leavers and graduates), the federal, state and local government have formulated certain policies and embarked on some schemes, aimed at encouraging some of the youths to be self-employed through the establishment of small-scale enterprises. This according to him can be achieved by providing them with the essential infrastructures, loan, incentives and other support services.

Non-governmental organizations (NGOs) have also identified small scale business as a means of reducing armed-robbery among the youths. The government has initiated and implemented schemes, such as supporting, training and entrepreneurial programmes (STEP). This is aimed at providing training, consulting research and technical assistance for micro and small-scale enterprises in Nigeria. STEP is meant to assist by generating employment for many jobless Nigerian youths who have engaged in carrying arms to extort money and other valuables from the innocent public. With this programme, (Iwok, 2002) asserted that cases of armed robbery have been remarkably reduced.

### 2.5.4. Reduction of Assault

Assault among the youths has become s concern, according to Ann and Borek (2001), the persistence of assault among the youths underscores the importance of researches on their effective prevention. He attributed assault on government, family and community by youths to negligence. He further explained that youths react violently on government as an expression of anger for not creating a favorable economic environment for their survival. Thus, Hambury(2005), in his bit encouraged the government to create good economic environment for the youths through supporting small scale enterprises. Entrepreneurship education stimulates the development of local technology by stimulating indigenous enterprises. Furthermore, Hambury (2005) proposing a means of reducing youth restiveness and violent attacks on government properties and the operating companies in the Niger Delta, suggested that, the youth should be gathered, trained and empowered to startup small scale businesses that would serve as a means of livelihood. It has been alluded that the Niger Delta militancy started after the one-million-man march orchestrated by General Ibrahim Babangida. The visit to Abuja afforded the Niger Delta youths, a firsthand picture of the socio-economic benefits from the exploration of oil from their devastated land. Black marketers of petrol product that flood the streets in Nigeria during any fuel scarcity period (despite the high risk to live involved) are typically an example to show that the youths will be ready to work to earn a living if given opportunity to do so.

### 2.5.5. Reduction of Violent Behavior

Now can the development of entrepreneurship through small scale business contribute to the reduction of violent behaviour among the youths?

It is fact that youth violent is a global concern. Most of the violent in the society is perpetrated by the youths. According to Elliot, Hambury and Williams (2000), family violence, school violence and community violence are fronted by the youths. Youths are strong and energetic, and if these energetic classes of people in the society are not mobilized into gainful ventures, they tend to direct their energies into something negative. Shalala (2001), having seen the rate of violence among the youths and how it has become a threat to the peace and stability, challenge our nation to assume 'the first and most enduring responsibility of any society' by ensuring the health and wellbeing of our youths. And that social work should be identified, respond to, and development better means of addressing the issue of violent among the youths.

Burton (2000) also made a policy statement calling on youths to become national, state and local policy makers for improved services, system and program that are universally available and accessible. He further asserts that research is needed to develop violence prevention and intervention strategies that can help meet the needs of different development stages. Okorie (2001) in a paper he presented at a seminar 'youths and poverty alleviation' identified youth's violence as directly proportional to idleness and unemployment. He called on the government to formulate a policy that would incorporate poverty alleviation as a measure to reduce youth violence. He also added that youths should be mobilized to exploit their energies in a gainful employment not only white-collar jobs but entrepreneurship business that further generate employment for others. He addresses the issue of restiveness among the Niger Delta youths by calling on the government and non-governmental organization to join hands to together to encourage the youths to establish small scale business that would help them direct their energies to building their own businesses than spending their time in fruitless acts of violence. In fact, youths should be made to be part of decision makers as well policy formulation.

Considering the policy statement of Okorie (2001) as stated above, youths' violence can be reduced by organizing seminars on how to start up a small-scale business and then give them adequate empowerment to start up a small-scale business, thus diverting their interest from frustration violence. Burton (2000), suggest that, the first step in creating employment for youths was the establishment of the National Directorate of Employment (NDE). By this programme, the NDE will train youths in skill acquisition and provide them with funds or equipment to commence work on completion.

The program recorded high level of success as many serious-minded youths who participated acquired skills such as fashion designing, shoe making, fabricating work, computer operation etc.

Despite the success of the program, the National President of Manufacturing Association of Nigeria (MAN), called on the National Directorate of Employment (NDE) to initiate programmes to incorporate practicing Nigerian entrepreneurs in a more realistic form. To encourage them to reach out to the idle youths, help them engage their energies in ventures that will enhance their status, possibly become employers of labour themselves and divert their focus from violence as an expression of frustration (Gok, 2001). The Tony Elumelu Foundation is a good example of this in Africa.

### 3. Methodology and Presentation of Findings

This paper is conceptual in nature. It used only secondary sources of data to examine entrepreneurship education as a panacea for unemployment and poverty reduction. The paper found that entrepreneurship training can significantly contribute to employment generation, poverty reduction as well as other social gains in Nigeria. The literature review provided the framework to ascertain the views of various researchers in this area.

### 4. Conclusion

Arising from the above findings, it could be concluded that entrepreneurship training has contributed to employment generation in Nigeria. One very important function played by entrepreneurship training is the reduction of poverty through employment generation and the application of proactive compensation system by entrepreneurship trainers. If graduates of universities and polytechnics are entrepreneurially empowered, through government education initiatives they could turn out to be employers of labour, instead of being job seekers, and thus help reduce unemployment and poverty. It is therefore conclusive that entrepreneurship training contributes to unemployment and poverty reduction in Nigeria.

### 5. Recommendations

Based on the findings and conclusions, the following recommendations were made;

- That government should increase its funding of entrepreneurship training among our graduates.
- Federal government should come out with policies that will engage the interest and aspirations of professional bodies in entrepreneurship.
- That federal government should establish entrepreneurship training information administration (ETIA) agencies to gather information for entrepreneurship—research, development and growth in the country. There should be conscientious follow-up of beneficiaries of entrepreneurial training till their businesses are stable.
- Entrepreneurial training in the tertiary institutions should be vocational in nature as well as a one year or at least six months industrial attachment to a relevant accredited firm.

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