

PROMOTING ENTREPRENEURSHIP AMIDST POVERTY AND UNEMPLOYMENT: THE ROLE OF NIGERIAN EDUCATIONAL POLICIES



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ABSTRACT

Article History

Received: 10 May 2017

Revised: 14 July 2017

Accepted: 31 July 2017

Published: 9 August 2017

Keywords

Entrepreneurship

Poverty

Unemployment

Necessity entrepreneurs

Opportunity entrepreneurs

Educational policy.

The resurgence and popularity of entrepreneurship among policy makers in the 21st century is accentuated by the perceived importance and its efficacy in promoting country's economic prosperity, reducing poverty and unemployment amongst others. Many believed that the slow face of entrepreneurship development could be linked to Nigeria educational policies. Therefore, the objectives of this paper are two, first to qualitatively review the role of educational policies in promoting entrepreneurship. Secondly, highlight the implications of entrepreneurship amidst poverty and unemployment in Nigeria. The Nigeria educational policy during the colonial period was geared toward preparing able men and women for effective administration of Nigeria colony and protectorates. Nigeria, despite its vast material and human resources fails to provide required job for teaming job seekers and increase the general income level of people over the last two or three decades. It is believe that the high poverty and unemployment rate in Nigeria are clear indications that the country has a good cause for fighting poverty and unemployment. It was argued that pursuing entrepreneurship might have serious implications in addressing the country's economic developmental issues. Similarly, entrepreneurship practice in an economy such as Nigeria could reveal many exciting information. It is interesting to find whether the businesses created by the poor and unemployed translate into economic growth or not. On the one hand, it was argued that business created by this group of people can have indirect effect to the economy. The successful ones can create jobs for others and stimulate innovations which will subsequently contribute to the overall productivity and competitiveness of the economy. It is expected that entrepreneurship could make serious impact especially in Nigeria.

Contribution/ Originality: This study contributes to the existing literature by connecting educational policies with the entrepreneurial outcomes and by highlighting the implications of entrepreneurship in unemployment and poverty ridden economy.

1. INTRODUCTION

Economists have since recognized the position of entrepreneurship in explaining antecedences of countries' economic development. The roles of entrepreneurs are repeatedly mentioned in economic literature as important

agents of economic development. For instance, the main concern of classical economists is to create surplus. They assume that resources are not scarce, but vary in quality from one geographical location to another. Therefore, the major economic problem of classical economist is how surplus could be created. Therefore, the task is how the agent can work productively within the constraints of low quality resources to create this surplus. Although, they do not explicitly mentioned entrepreneur with that role, but it was impliedly assumed that such an act was entrepreneurial in nature.

Entrepreneurship practice is not something new as some people thought, but the resurgence and popularity of entrepreneurship among policy makers in the 21st century is actually accentuated by the perceived importance and its efficacy in promoting country's economic prosperity, reduce poverty and unemployment amongst others. One interesting thing about entrepreneurship is its relevance to both developed and developing countries. The strategies, approaches and entrepreneurial policies used by different countries determine how entrepreneurial skills and talents could be channeled among various sectors of the economy. The output in return explains the extent of impact expected from entrepreneurial activities at a particular time. Policies are formulated to address realities of the time and future challenges. Many countries provide the necessary support for entrepreneurship development in an attempt to advance their economies and address certain fundamental socio-economic challenges. In most developing countries entrepreneurial policy emerges as a framework to tackle particularly problem of poverty and unemployment. For instance, the Millennium Development Goals (MDGs) set a target for countries among other things to reduce poverty by the year 2015. Thus, many nations adopted robust entrepreneurial policy to provide the necessary impetus and support for private sector development through entrepreneurship. In fact, many poverty ridden and unemployment trapped countries continue to view entrepreneurship as a magic bullet for attacking poverty and curtailing unemployment.

Nigeria, despite its vast material and human resources fails to provide required job for teaming job seekers and raise general income level within the last two or three decades. Today, the high poverty and unemployment rate in Nigeria are clear indications that the country has a good cause for fighting poverty and unemployment. Entrepreneurship development has to do with increasing the rate of business creation, which believes to have impact in addressing socio-economic challenges. Now, the act of stimulating entrepreneurship amidst high poverty and unemployment might have some positive and negative implications. It is believe that all entrepreneurs are important, but they may differ on their impacts to the society. What do we do measure the impact of entrepreneurship in an economy ravaged by poverty and unemployment or what kind of entrepreneurship do we anticipate in such a country?. Previously, it doubtful if there was no deliberate attempt to evaluate government efforts and policies to ascertain whether the businesses created over time have reduced poverty and unemployment or not and how the educational policies contribute in promoting entrepreneurship in Nigeria. Many believed that the slow face of entrepreneurship development could be linked to Nigeria educational policies. Therefore, the objectives of this paper are two, first to qualitatively assess the role of educational policies in promoting entrepreneurship. Secondly, highlight the implications of entrepreneurship amidst poverty and unemployment in Nigeria.

2. HISTORICAL DEVELOPMENT OF ENTREPRENEURSHIP IN NIGERIA

The history of entrepreneurship activities in Nigeria predates the country's independence. Therefore, tracing the historical development of entrepreneurship is herculean task looking diversity and heterogeneity of Nigeria art and culture which to a large extent relate to people entrepreneurial practices. For convenient sake, in this paper the historical review of entrepreneurship development has been reduced to pre-independence era. This review can easily be could be done in phases through an assessment of various policies right from the period of colonialism, post independence and to the present time.

During the colonial period entrepreneurship activities among the indigenous populace were not elicited and encouraged by the colonial masters. At that period, the colonialists consider the active men and women as rural producers of raw materials for exportation abroad for the use of colonial industries. The then Nigeria economy was mainly agrarian where majority of able men and women were engaged in agricultural activities, art and craft. Entrepreneurship development at that stage was farfetched as the concerned for most of the rural dwellers were just to produce and sell surplus for subsistence. The colonialist engaged very few privileged citizens who were trained specifically for administrative purposes. The rest of the able populations were left contributing their labour in most to the family farming activities and other menial jobs to earn a living.

After the country's independence in 1970s, the indigenous government then saw the need to promote the process of industrialization in the country. Therefore, policies were formulated that implicitly gave preference to the development of large scale industries. Business creation among micro and small entrepreneurs was not among the top priority economic agenda. The micro and small enterprises were directly supported and encouraged at the very beginning of the country's economic planning immediately after the independence. All efforts were targeted towards country's industrialization to enable both local and foreign investors to actively engage in mass production of commodities for both domestic and international market. The import-substitution policy was the first policy strategy adopted by the indigenous government to replace foreign imports with domestic production. The idea of import-substitution industrialization policy was not only peculiar to Nigeria as many countries adopted the same as an attempt to reduce their countries' foreign dependency through local production of industrialized products. Although, historically this policy had been advocated since 18th century by economists such as Friedrich List and Alexander Hamilton (Ozay, 1999; Ha-Joon, 2002) it basically became popular in 20th century as a development economic policy. The major objectives of the policy were to create employment opportunities, empower business men and women, and accelerate the pace of economic development in the country. The implied target of the policy then was to promote the emergence of large firms that could be engaged in mass production of consumer goods. The government at that time granted a lot of incentives to attract foreign direct investment (FDI).

Due to the failure of the import- substitution policy to achieve the desired objectives, it was not continued. Thereafter in 1972, the Nigerian indigenization policy was set up to allow greater participation of Nigerian entrepreneurs to own, manage and control the productive sector of the economy. The policy succeeded to some extent in producing managers, but insignificant number of entrepreneurs who would drive the economy. However, later in the mid 70s the government because of perceived importance of small scale industries to the economy, the then government decides to focus attention on small and medium sector. In fact, that was an important milestone in entrepreneurship development in Nigeria. Consequently, industrial centers and institutions were set up to support the activities of entrepreneurs in the small and medium industries in the country. Some of the institutions set up were; Nigeria Industrial Bank (NIB), Nigeria Bank for Commerce and Industries (NBCI), Nigeria Agricultural and Cooperative Bank (NACB) etc.

In the 1980s, the country faces problem of balance of payment which necessitated the government to seek for a bailout from International Monetary Fund (IMF) and World Bank in order to resuscitate the economy (NBS and SMEDAN, 2010). In fulfilment of the loan conditions, the government embarked on Structural Adjustment Programme (SAP) in 1986. It was made clear that promoting small business sector is the major priority of the programme. Since then entrepreneurial activity through micro, small and medium enterprises (MSMEs) came into the limelight of the Nigerian economy. Various institutions were subsequently established in support of MSMEs and entrepreneurship development in the country. The government for instance established Small Scale Industrial Scheme, National Economic Reconstruction Fund, Small and Medium Scale Loan Guarantee Scheme, People's Bank of Nigeria and National Directorate of Employment. Some of these institutions did not survive longer as the subsequent government regimes came up with other alternative programmes and schemes to replace the former.

Additionally, the government established Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in 2003 to take the responsibility of facilitating the creation, resuscitating and stimulating the growth and development of MSMEs in Nigeria [NBS and SMEDAN \(2010\)](#). The government also through central bank launched the microfinance policy, regulatory and supervisory framework for the country in 2005. The objective is to provide a sustainable and reliable microfinance banks that can mobilize and channel funds to MSMEs. A part from the emergence of microfinance banks, the existing community banks were also converted into microfinance banks and licence were issued to other private individuals who are interested investing in micro-financing business.

The Small and Medium Enterprises Equity Investment Scheme (SMEEIS) is another initiative in response to the government calls for private sector's support for entrepreneurial activities. The bankers' committee resolved that all commercial banks in the country are required to set aside 10% of their profit after tax for equity investment in MSMEs in Nigeria. Initially, the banks were able to set aside the sum of N42 billion as at December 2009. But unfortunately large number of the entrepreneurs and MSMEs were not accessing or benefitting from this scheme because they cannot meet up some of the conditions.

Similarly, Small and Medium Scale Enterprises Guarantee Scheme (SMECGS) was established in 2010 to fast track development in the MSMEs subsector, set the pace for the industrialization of the economy and increase access to credit by MSMEs. The scheme has N200 billion funds as a guarantee on loans by banks in order to absorb the risk of lending to the sector. The MSMEs with total assets not exceeding N500 million and work force of 11 to 300 employees will become beneficiaries for this scheme. The scheme guarantees up to a maximum of N100 million in form of working capital, loan for refurbishment or equipment up grade or expansion. Also SME restructuring/refinancing fund was established by the Federal Government through Central Bank. The objective of this fund is to enhance access to credit by the SMEs and improve financial position of the commercial banks. The money was sourced from N500 billion debenture stock issued by the Bank of Industry (BOI). Also in August 2013, the CBN launched Micro and Medium Enterprises Development Fund (MSMEDF) to mainly enhance access to financial services by MSMEs; increase productivity and output of micro-enterprises and to increase employment and wealth creation. The funds has a take-off seed capital of N220 billion.

Moreover, subsequently there are many initiatives by the Federal, State governments and private sector in support of entrepreneurship development in the country. In spite of all these efforts, the MSMEs are still facing challenges in accessing funds for business financing. Apart from financing problem, there are other problems especially the dearth of infrastructure. Lack of adequate electricity supply remains the major impediment to entrepreneurship development.

3. THE ROLE OF NIGERIA EDUCATIONAL POLICIES

The present state of entrepreneurship in Nigeria may not be unconnected to the educational policies operated right from period of colonial administration. The Nigeria educational policy during the colonial period was geared toward preparing able men and women for effective administration of Nigeria colony and protectorates ([Aladekomo, 2004](#)). The policy was only aimed at producing Nigerians who can read and write to hold certain positions such as clerks, interpreters and inspectors. The priority of the colonial masters then was neither to encourage self reliance nor to produce entrepreneurs who would play active role in developing private sector. In other word, the knowledge and skills acquired in schools were not meant for entrepreneurial activity or business creation.

Immediately after the country's independence in 1960, a number of questions were raised on whether the country is to retain the legacy left by colonial masters or open up and gradually evolve a new distinct character of its own. Although, some modification has been made with time to reflect changing demand, little or no achievement has been recorded in developing enterprise and entrepreneurship in schools at the elementary level. In a similarly manner, the then tertiary education was mainly concerned with the development of both higher and middle level

manpower in the country. Thus, higher education policy as stipulated was expectedly to cater for production of scientist and technologist to work for government or public offices (Aladekomo, 2004).

It is important to state that immediately after Nigeria independence, there were few educated elites who replaced the colonial administrators in manning various administrative positions in the country. At that time, children were encouraged and in some areas compelled to pursue western education because the country was in dire need of educated and enlightened populace that will serve at various administrative capacities in government establishments. Then, unemployment was unnoticeable among the educated youth and those employed enjoyed all the privileges and perks such as staff accommodation and motor vehicle loan. Hence, there was higher incentive for employment than business creation particularly among educated youth at that time. These initial policies and structure of Nigerian education influence to a large extent, the psyche of young people that education is a means to an end. Those who have chosen to become entrepreneurs do so to follow the footsteps of their parents or family members.

In an attempt to ascertain the way forward in response to the contemporary challenges of unemployment and poverty in the country, many questions were raised as to what is the right educational policy for Nigeria and what kind of education may be suitable in reversing the problems of poverty and unemployment?. It may be recalled that in the past technical and vocational education have received a lot of attention at both State and Federal levels. In that respect different institutions were established to offer vocational and technical education. These include Technical Colleges, Polytechnics, Colleges of Technical Education, Vocational Centers etc. The technical education in particular has been described in the National Policy on Education of 2004 as “aspect of education which leads to the acquisition of practical and applied skills as well as basic scientific knowledge”. Among others, the aims of technical education were to provide trained manpower in applied science, technology and commerce, particularly at sub-professional grades and to provide the necessary skills leading to the production of craftsmen, technicians and other skilled personnel who will be enterprising and self-reliant. Technical and vocational institutions were designed mainly to prepare technicians at various occupational levels. According to Faka (2005) “emphasis is on skill-acquisition and sound scientific knowledge, which gives ability to the use of hand and machine for the purpose of production, maintenance and self-reliant”. In other word, technical and vocational education (TVE) is concerned with the preparing people for the labour market. Therefore, the skills needed must be in tandem with developments in the world of work otherwise it will be useless.

There were arguments among scholars on the importance of vocational and technical education in addressing unemployment. Some were of the opinion that vocational and technical education cannot provide the necessary solution to the unemployment. The continued threat of job scarcity and growing unemployment in Nigeria could creates doubts and pessimism on some mounted programmes of vocational and technical schools and the education system in general. The commonwealth Ministers of Education in 1988 and the Commonwealth Association of Polytechnics in Africa (CAPA) in 1991 concurred with the idea that students in tertiary institutions should be taught entrepreneurship education in their final sessions to inculcate the spirit and entrepreneurial mindset. Entrepreneurship education should be considered as very necessary option for tackling unemployment particularly among high number of graduates coming from Universities and Colleges without corresponding vacancies. If entrepreneurship receives the necessary attention right from the beginning of the country’s educational policy, it would have created much difference among the students in terms their productivity as well as knowledge. But the formal education was only geared toward making people to be the same in spite of their differences in them (Garba, 2010).

At present, the number of students coming out from various institutions into labour market is quite alarming. The need to refocus the current system of education toward entrepreneurship became apparent. There is nothing wrong if the educational institutions become centers for inculcating entrepreneurial spirit in all programmes rather than producing crops of graduates ready for only white collar jobs. The task of the educators/teachers is to change

the mindset and let the students unlearn the past by believing that creating their business could be more rewarding than the working for someone else. The entrepreneurship curriculum should be tailored and aimed at promoting the spirit and culture of entrepreneurship to students while in their schools.

Another turning point for entrepreneurship education was in 2006, when Federal Ministry of Education directs all tertiary institutions to include entrepreneurship education in their curriculum. Since then the Universities, Polytechnics and Colleges of Education have been making effort to inculcate entrepreneurial spirit to student as necessary condition for graduation. Perhaps from 2006 to date the period is sufficient to evaluate the impact so far on what the institutions have done to change their students' mindset toward believing in self-employment and entrepreneurship. It is quite disturbing the seemingly confusion among the institutions and entrepreneurship educators on what is the right method and how entrepreneurship should be taught. In fact, it is unlikely for the institutions to achieve the goal of entrepreneurship education going by the mode of teaching in most of the institutions. There is no difference in the manner in which entrepreneurship courses are being taught from other courses. Ideally, the task of entrepreneurship educators is to inspire, motivate, and stimulate students' intention toward business start-up. As it is now, the instructional content does not provide the students with real life entrepreneurial experiences by establishing actual relationship and contacts with relevant stakeholders in the market (i.e customers, suppliers and competitors) during any entrepreneurship class. They only assume to be students of entrepreneurship during the programme and thereafter forget the idea completely. One of the most ingrained practices among the educators is to instruct the students to write a business plan that is all. Provision of necessary support and seeing to the implementation of ideas are not of interest to the educators. Encouraging students to come up business plan is obviously good, but it may not automatically guarantee successful in launching and sustaining a venture that is created. Perhaps, the period or duration of training and skills acquisition is another factor contributing to the failure to inculcate entrepreneurship spirit among students.

4. POVERTY AND UNEMPLOYMENT PROFILE

Poverty has been a very serious problem confronting Nigeria. In fact, for many decades ago the country has been facing a wave of degeneration from rich to one of the poorest countries of the world as the overwhelming majority of the populous are becoming poorer day by day. It is ironical that the country is blessed with abundant natural resources, but majority of citizens are wallowing in poverty. Nigeria is currently among the top five countries in terms of numbers of poor in the world. The country is ranked third with seven percent of world poor.

Table-1. Poverty and Unemployment Profile in Nigeria 1980 to 2014

Year	Population in poverty (in Millions)	Poverty rate (%)	Unemployment rate (%)
1985	34.7	46.3	6.1
1992	39.2	42.7	3.4
1996	67.1	65.6	3.8
2004	68.7	56.7	13.4
2010	112.5	62.2	23.9
2014	178.5	54.7	6.4
2015	110.0	60.9	10.4

Source: National Bureau of Statistics & The World Bank

It can be seen from Table 1 that in 1985, the poverty rate in the country was 46.3% and by 1996 it reaches 65.6.1% .Then it dropped to 56.7% in 2004 and thereafter it fluctuate between 2010 to 2015, where the poverty rate hits 60.9. According to World Bank poverty rate in Nigeria has dropped from 35.2 % in 2010/2011 to 33.1% of population in 2012/2013. But, it was not ascertained whether World Bank applies the same measure of poverty as used by NBS. Otherwise, the discrepancy or drop in poverty rate between 2010 to 2014 could not be explained.

By the same token, high unemployment poses serious threat as majority of employable men and women have no job to do. From the same table 1, it can be seen the increasing trend of unemployment from 1992 to 2010. But surprisingly in 2014, the percentage was drastically fall to 6.4 %. This dropped in the percentage of unemployment rate was not directly representing a drop in the number of unemployed in the country. Perhaps, it can be as a result of adjustment made on the definition and methodology used in computing unemployment statistics. The NBS have done that to basically ensure that the measure is in line with international standards as well as local conditions. Previously, The NBS defined unemployment as the proportion of the labour force that did not work at all or worked less than 40 hours per week. The International Labour Organization (ILO) uses one hour per week as the benchmark, but now the NBS adopted less than 20 hours a week instead of 40 hours which was in line with recommendation given by a Committee on review of unemployment index in Nigeria. The recent sharp increase of unemployment rate to 10.4 % in 2015 may not be unconnected to deteriorating economic conditions in the country.

5. POVERTY AND UNEMPLOYMENT AS PUSH FACTORS FOR ENTREPRENEURSHIP

Although, there are many reasons why individuals engage in entrepreneurial activities, poverty and unemployment could be among the prominent factors in developing countries. In general, less developed countries are perceived to be characterized by low per capita income, lack of infrastructural facility, corruption etc. These problems over the years create miserable condition and impoverished the majority of people. Lack of employment and income negatively affect the quality of life of most people. Those that are affected may find self employment as respite for their predicament. The fight against poverty, unemployment and long term economic and social development process should be important components of any development issues (Szirmai, 2005). The struggle for poverty reduction should be the ultimate goals of all development endeavours (Akoum, 2008). The poor may engage in micro and small scale business in order to have income and sustain their lives. These individuals could make a difference by turning themselves into entrepreneurs to productively and economically contribute to their wellbeing and to the society. Lack of recourses may not necessary coincides with lack of talent or business acumen. Even though someone is poor, he/she can be endowed with intellectual ability to generate and promote his/her ideas with little support. Scholars are increasingly recognizing the fact that entrepreneurship and venture creation is a solution to poverty (Bruton *et al.*, 2013; Alvarez *et al.*, 2015; Bruton *et al.*, 2015). Entrepreneurs are the driving forces for competitiveness in micro and small enterprises (UNIDO, 2003).

Researchers are often making reference to some factors when analyzing the rate of business creation in a country. The Global Entrepreneurship Monitor (GEM) project points out the nature of entrepreneurship and total entrepreneurial activity (TEA) of each participating country. TEA is a consistent and comparable measure of entrepreneurship in the world. It measures the proportion of adult who are either in the process of starting up business or owners of enterprise that is less than 42 months old (Wong *et al.*, 2005). Entrepreneurs can be differentiated based on the condition or situation surrounding their decision to create their own business. Those that are motivated to create their own business because of perceived opportunity in the market place are usually referred to as opportunity entrepreneurs. This means that they are pulled into creating a new business in order to exploit existing opportunities. On the contrary, those creating new business because of unfavorable socio-economic conditions and who have no other alternative than becoming self employed are referred to as necessity entrepreneurs. In essence, this people are pushed into business creation as a last resort and solution to their predicament.

Table-2. Drive for Entrepreneurial activities in some countries in GEM (%of population aged 18 -64)

Countries	Established business ownership	Necessity-driven (% of TEA)	Improvement-driven opportunity (% of TEA)
Brazil	15.4	28.6	57.4
Nigeria	17.5	25.4	52.3
South Africa	2.9	30.3	31.5
China	11	33.9	35.9
India	10.7	38.8	35.9
United Kingdom	6.6	16.1	45.2
United State of America	7.5	21.7	57.4

Source: Global Entrepreneurship Monitor, 2013

From table 2, it can be seen that in both developing and developed countries listed only India has higher percentage of necessity entrepreneurs (38.8%) than that of opportunity entrepreneurs (31.5%). Ideally the percentage of opportunity entrepreneurs ought to be higher because they are the real entrepreneurs going by Schumpeter and Kirzner's arguments. They are needed more because of their potential of growing their investment and making impact to the country economically. The interest here is not to look at the advantages of opportunity entrepreneurs, but rather to re-examining the influence of poverty and unemployment in driving entrepreneurship which will provide the necessary impetus for economic growth. Therefore, the focal point is on the contributions of necessity entrepreneurs to economic growth and development.

It can be seen that in Nigeria only 25.4% of the adult between ages of 18 to 64 were engaged in necessity driven entrepreneurship. For whatever reason they choose to create business, the overwhelming opinion is that these people are helping in improving both their economic status and prosperity of their country. In many studies entrepreneurship is regarded as synonymous with self-employment. Self-employment through business ownership could contribute in enhancing economic growth, reduce poverty and unemployment (Audretsch *et al.*, 2001). In any case, where business creation reduces these socio-economic challenges, there is said to be a Schumpeterian effect. On the other hand, where unfavorable socio-economic conditions spur business creation, then there is said to be a refugee/shopkeepers effects. The 'Schumpeterian effect hypotheses and 'Refugee/shopkeepers effect hypotheses' explains the dynamic relationship between entry into entrepreneurship and socio-economic conditions. There are many empirical studies that tested the validity of these hypotheses in some countries (Evans and Leighton, 1989; Van Stel and Storey, 2004).

The scourge of poverty is more common in the least developed countries and Sub-Saharan Africa. It can be witnessed that people living in the rural areas and especially women suffer mostly the burden of the world's poverty. There is a wide gap between the urban-rural populace in terms access to resources and other infrastructural facilities. Government effort toward mobilizing rural people particularly women to engage entrepreneurial activities could drastically reduce redundancy and will help to achieve the resilient economic growth that will push people above the poverty line (UNIDO, 2003). There are many studies that empirically examined the relationship between poverty and entrepreneurship. For instance, in Uganda and Sri Lanka it was found that poverty significantly influenced entrepreneurial activity (Rosa *et al.*, 2006).

Similarly, the propensity to start a business because of unemployment is very important in public policy (Audretsch and Jin, 1994). Many countries that are experiencing unemployment problem have designed some programmes in support of unemployed to create their own business. There is increasing number of studies that examined the relationship between unemployment and entrepreneurship. Most of the studies use cross sectional or longitudinal data at micro level and time series data at macro level (Meager, 1992). The relationship between entrepreneurship and unemployment is not very clear, but empirical studies reveal a dual causal relationship. On the one side lack of job causes business creation and on the other side business creation reduces unemployment. Hamilton (1989) and Faria *et al.* (2010) suggest that the relationship between entrepreneurship and unemployment

can be bidirectional and non linear. At low level of unemployment any increase in unemployment will lead to new business creation, but once unemployment reaches a critical level, any further increase in unemployment will lead to decrease in new business creation. This means that unemployment will no longer induce people to become entrepreneurs. There will be a few business opportunities left and many unemployed who have created business will reveal their bitter experience of business failure which could be threatening to prospective entrepreneurs.

Hamilton (1989) attempted to provide reconciliatory explanation on the relationship between entrepreneurship and unemployment for time series and cross section studies. The frequent entry and exit among unemployed into self employment is due to the fact that some unemployed prefer to temporarily engage in business to keep life moving. As such they may not have the necessary interest and commitment to promote and grow their business like others who consider it as permanent source of income. Similarly, in the labour market, there is a trade-off between lower wages and less unemployment or higher wages and more unemployment (Thurik, 2003). People may accept low wage to keep their employment going because demanding for more wages may result in retrenchment. In fact, this kind of trade-off enables one to think of quitting employment to self-employment or remain as an employee. But some people are of the opinion that this kind of trade-off is an illusion due to rapid development in the labour market particularly with regard ICT revolution which influences the demand of intellectual capital. Individual decision either to become self employed, employee or remain unemployed is dependent on the relative price in the market (Knight, 1971). People are motivated to create business when they perceive an opportunity that yields satisfactory level of benefits. Unemployed person may prefer to start up business that gives lower return than continuing to be unemployed.

It is interesting to find whether the businesses created by the poor and unemployed translate into economic growth or not. On the one hand, it was argued that business created by this group of people can have indirect effect in some ways to the economy. The successful ones can create jobs for others and stimulate innovations which will subsequently contribute to the overall productivity and competitiveness of the economy (Fritsch and Mueller, 2004; Baptista and Preto, 2007). On the other hand, this group of people may have lower endowment of human capital and entrepreneurial talent needed to sustaining the business they have created and may cease to exist too soon due competition and harsh business conditions (Audretsch *et al.*, 2001; Stel *et al.*, 2007). This assumption may not be absolutely right because some poor and unemployed can have some outstanding qualities to make them good entrepreneurs. Additionally, as the saying goes necessity is the mother of invention, they can do the unexpected. Of course, the need for survival can promote their interest to confront whatever challenges to sustain their business. The question here is how many unemployed have the wherewithal and resources to start up the business, how many have the capabilities and competencies to breakthrough?

6. CONCLUSION AND IMPLICATION FOR POLICY

Many believed that the slow face of entrepreneurship development could be linked to Nigeria educational policies. Therefore, the objectives of this paper are two, first to qualitatively assess the role of educational policies in promoting entrepreneurship. Secondly, highlight the implications of entrepreneurship amidst poverty and unemployment in Nigeria. Generally, Entrepreneurship studies have receives a boost due to the overwhelming interest of both academics and policy makers in both developed and developing economies. The theory and practice of entrepreneurship is of long history in economic development discourse. The resurgence of entrepreneurship in the 21st century has to do with the understanding of the importance of entrepreneurship in promoting country's economic prosperity. Entrepreneurship is very relevant to both developed and developing economies.

It is expected that entrepreneurship could make serious impact especially in poverty ridden countries. Nigeria, despite its vast material and human resources fails to provide required job for teaming job seekers and increase the general income level of people over the last two or three decades. It is believe that the high poverty and unemployment rate in Nigeria are clear indications that the country has a good cause for fighting poverty and

unemployment. It was argued that pursuing entrepreneurship might have serious implications in addressing the country's economic developmental issues. Entrepreneurship development is synonymous with increasing the rate of business creation. The act of stimulating entrepreneurship amidst high poverty and unemployment might have some positive and negative implications. Therefore, it requires a careful situational analysis to find ways in which entrepreneurship driven by necessity could provide the desired economic prosperity and competitive advantage in the country. It is also pertinent to evaluate the government efforts and policies to determine the efficacy of entrepreneurship in reducing poverty and unemployment within a particular time frame. In particular, it is important to ascertain if entrepreneurship had really contributes in achieving millennium development goal of poverty reduction at the end of 2015 or it is simply assume that such a goal is elusive.

It is also noted that the present state of entrepreneurship in the Nigeria may not be unconnected to the educational policies operated right from the colonial administration. The Nigeria educational policy during the colonial period was geared toward preparing able men and women for effective administration of Nigeria colony and protectorates (Aladekomo, 2004). The initial policies and structure of Nigerian education create the preconditions for mental and psychological dependence of young people that education for paid employment is a means to an end. Many young men and women have built a notion of coming to either college or university to study and at the end obtain a certificate for a white collar job. Most of the entrepreneurship educators were entangled in a myth of teaching entrepreneurship without understanding the necessary preconditions of harnessing the entrepreneurship potential of their students. They engaged in teaching entrepreneurship without the ability to inspire, motivate, and stimulate students' intention toward entrepreneurship. The instructional context does not provide the students with necessary experiences of establishing actual business relationship and contacts with relevant stakeholders in the market during their entrepreneurship courses. The students only assume to be entrepreneurs during the programme and thereafter they continue searching for paid employment.

The government plays an important role in supporting and motivating the poor and unemployed people to create business as a means of alleviating their socio-economic problem, but unfortunately most of the business created collapse prematurely. The essence of entrepreneurship development is to increase the number of business starts up over time so that they could make impact in job creation and poverty reduction. It may be unlikely to achieve the desire of curving unemployment and poverty if the percentage of necessity entrepreneurs is higher in the country. Ideally the percentage of opportunity entrepreneurs ought to be higher because they are the real entrepreneurs going by Schumpeter and Kirzner's arguments. They are needed more because of their potential of growing their investment, innovate and help the economy to grow. It is witnesses that there is high frequent entry and exit into self-employment among poor and unemployed who see their business as temporary. As such they may not have the necessary interest and commitment to promote and grow the business like others who consider it as permanent source of income.

Sustaining a business in the world of competition is very difficult to especially weak entrepreneurs/business owners. The type of products/services offered to the market will determine whether the entrepreneur will survive or not. And certainly to provide customers with choices and to gain competitive advantages through innovations should be of priority to the entrepreneurs at any time. The success of any business created depends on how ideas are translated into reality in providing actual value to consumers.

Funding: This study received no specific financial support.

Competing Interests: The author declares that there are no conflicts of interests regarding the publication of this paper.

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