

## **Government Effort in Tackling Poverty and Unemployment through the Practice of Entrepreneurship in Nigeria: An Issue for Sustainable Development**

<sup>1</sup>Iliya Bawa, <sup>2</sup>Paul Vincent and <sup>3</sup>Nyikyaa Miriam Nguavese

<sup>1</sup> Faculty of Administration

*International University Bamenda (IUB), Cameroon*

<sup>2</sup> Department of Entrepreneurship Studies

*Faculty of Administration Nasarawa State University Keffi, Nigeria*

<sup>3</sup> Department of Accountancy

*Federal polytechnic Nasarawa Nigeria*

**Abstract:** Poverty in Nigeria is wide spread and deep. Causal evidence of the growing intensity of poverty in the country can be glimpse from using incidence of mass unemployment, urban vagrancies and homelessness. The country generates new entrants into the labour market each year thereby leading to increase in unemployment and no country would allow this episode to uninterruptedly proceed without mitigation. The objective of the study is to examine government effort in tackling the problem of poverty and unemployment and to provide ways of tackling these problems through entrepreneurship practice. The methodology used was secondary data and the information gleaned from these sources were weighed using both deductive and inductive reasoning. It was recommended that there should be sustainability and synergy of all programmes and policies aimed at addressing the problem of poverty and unemployment, so as not to be disrupted for political reasons.

**Keywords:** poverty, entrepreneurship, unemployment sustainable, job, development.

### **Introduction**

Concerns about poverty in Nigeria are great. Poverty in Nigeria is wide spread and deep. The country progressively slipped from being one of the middle-income oil producing countries in the 1970s and early 1980s. The 2004 edition of the UNDP's Human Development Report placed Nigeria in the position, based on the Human Development Index. Causal evidence of the growing intensity of poverty in the country can be glimpse from using incidence of mass unemployment, urban vagrancies and homelessness among the poorest groups, diminished access to quality foods and nutrition, health care and educational facilities, and the rising incidence of street begging among others (Nzekwu, 2006).

Abubakar (2005) noted that daily, people die of poverty rather than tackle poverty. Human being are expendable instead of poverty. Poverty has made life so cheap. The worse aspect is that poverty is seen as a discourse in which the victims have no say, the say has to come from others, the non-poor, the donor, the humanitarian agencies. The poor are seen as object and subject of poverty as both victims are perpetrators.

Entrepreneurship can play an important role not only in the industrial sector of the country but in the farm and service sector also. Nigeria is being faced by baffling problems of unemployment, underemployment, poverty and the like. Entrepreneurship is consistently equated with the establishment and management of small business enterprises an setting up of these units is the solution to these baffling problems.

### **Statement of the Problem**

A recent statistics posted by the National Bureau of Statistics in Nigeria shows that the general unemployment rate as at march, 2016 was put at 12.1% which was 10.4% in 2015 (NBS, 2016). It should be recalled that interestingly, the country generates new entrants into the labour market each year to the tune of 4.5million (NBS, 2005; Vision 20:2020). This shows the inability of government to tackle the problem of unemployment and poverty, and no country would allow this episode to uninterruptedly proceed without mitigation.

### **Objectives of the Study**

The objectives of the study are:

- i. To examine government effort in tackling the problem of poverty and unemployment.
- ii. Provide ways of tackling the issue of poverty and unemployment through entrepreneurship

### **Research Methodology**

The study uses secondary sources of data which were from a vast array of relevant literature from text books, published and electronic materials that deals with the subject matter. The pieces of information gleaned from the foregoing sources are weighed using both deductive and inductive reasoning from which conclusion and recommendations were made.

### **Literature Review**

#### **Poverty and Unemployment**

UNCTAD (2002) defined poverty as a situation in which a major part of the population lives below income levels sufficient to meet their basic needs. While the World Bank World Development Report (1990) defined poverty as inability of certain persons to attain a minimum standard of living. It is nothing but lack of command of ever basic consumption needs such as poor clothing, and or shelter. Such lack of resources to meet the basic needs incapacitates the individual in protecting himself against social economic and political development. This means that poverty has to do with the poor ones' inability to meet basic necessities of life to uplift or boost their living standard. Poverty can be conceptualized as a condition in which an individual or household is unable to meet the basic needs of life considered as minimum requirements to sustain livelihood in the given society (Curtain, 2002; Sentrelli, 2002).

Poverty and unemployment are two basic problems plaguing many developing nations of the world (Ilo, 2007). The challenge of poverty is more severe in developing countries such as Nigeria. According to the National Bureau of Statistics (2004), the National Poverty rate of Nigeria increased from 28.1% in 1980 to 54.4 in 2004.

Nevertheless, in 2009, UNDP report estimated the Human Poverty Index (HPI) value for Nigeria as 36.2% ranking 114 out of 135 countries measured. Poverty is wide spread both in the urban and rural areas of Nigeria and other developing nations of the world (Amaghionyeodiwe, 2009).

Unemployment occurs in the economy if there are people who are capable of working and who are qualified by age, law, custom and other factors to work but who cannot find job. Hence, the degree of unemployment varies from country to country. The higher the unemployment rate in an economy, the higher the poverty level and associated welfare challenges. This is in agreement with Central Bank of Nigeria (1991) which view poverty as a state where an individual is not able to cater adequately for his or her basic needs of food, clothing and shelter, is unable to meet social and economic obligations, lacks gainful employment, skills, assets and self-esteem, and has limited access to social and economic infrastructure such as education, health, portable water and sanitation; and consequently has limited chance of advancing his or her welfare to the limit of his or capabilities.

#### **Government Effort to Reduce Poverty and Unemployment in Nigeria**

In attempt to reduce the scourge of poverty in Nigeria, successive government have initiated poverty reduction programmes at one time or the other. Some of these efforts include:

- Industrial Training Fund (ITF) (1971).
- Operation feed the Nation (OFN) (1979).
- Green Revolution (1980).
- National Directorate of Employment (NDE) (1986)
- The Directorate for Food, Roads and Rural Infrastructure (DFRRI) (1987).
- Better life/Family Support Programme, peoples' bank (1990)
- Community Bank, Federal Mass Transit Programme
- Women Employment Programme (WEP) (1991)
- National Poverty Eradication Programme (NAPEP)

This programme commenced in 2002. It had four major intervention schemes one of which was targeted at youth. The Youth Employment Scheme (YES) under the YES there were three programmes. They are:

- Capacity Acquisition Programme (CAP)
- Mandatory Attachment Programme (MAP)
- Credit Delivery Programme (CDP)
- National Economic Empowerment and development Strategy (NEEDS) (2003)  
When the government at federal level established the programme it also directed states and local governments to do the same (SEEDs and LEEDs). The goals of NEEDS were stated as:
  - Wealth creation
  - Employment generation
  - Poverty reduction
  - Value orientation
- It was a medium term strategy (2003-2007) that was expected to create 7million jobs within the period (NIYEAP, 2008).
- NEEDs – 2/seven point agenda (2007)  
The twin policies where aimed at employment creation and poverty reduction.
- NEEDs – 2 was to continue with the vision Mission and Strategies of NEEDs – 1 and set new targets to be achieved between 2008-2011.

Poverty was to be reduced by 30% and it proposed to create 10 million jobs by 2011.

Seven point agenda was set up to reduce poverty through wealth creation. The focus was not to be on large scale enterprises but on manufacturing real sector and the attention was to create more jobs in SME sector (NIYEAP, 2008).

#### **Other includes**

- National Youth Employment Action Plan (2009-2011),
- The Agricultural Transformation Agenda (2011) as part of the National Transformation Agenda. It sets out to create over 3.5million jobs in the agricultural sector, from rice, cassava, sorghum, cocoa and cotton value chains, with many more jobs to come from other value chains under implementation. The agenda aims to provide over 300 million naira (US \$2 billion) of additional income in the hands of Nigerian farmers.

A review of these policies reveals more of failure than success. There have been so many questions as to why in spite of the many programmes, the amount of money sunk into them and the long period of their existence the rate of employment continues to rise unabated. Among the identified reasons for the failure of the policies are implementation problems, poor government funding, policy instability, corruption and poor management.

The present regime under the leadership of President Muhammadu Buhari launched another policy tagged “The Green Alternative” with the hope to position agriculture as the arrowhead of the economic recovery effort. “The Green Alternative” agricultural promotion policy 2016-2020 identifies two key challenges:

- \* The first is the inability to meet domestic food requirements: this is a productivity challenge driven by an input system and farming model that is likely inefficient, the lack of good seeds, fertilizers irrigation, crop protection and others.
- \* The second is the inability to export the level required for marketing, which is typified by an inefficient system for setting and enforcing food quality, poor knowledge of target markets, a weak inspectorate system and poor coordination among relevant agencies.

The problem has never been lack of policy as earlier noted, it has always been the focus and capacity to satisfy to the plan, to modify when necessary and ensure also that the plan aligns with all aspects of the economic plan of the government.

#### **The Concept of Sustainable Development (SD)**

Thomas (2010) observed that sustainable development emphasizes the improvement in the quality of life of the people through increase in per capital; sustainable education and health policy and improvement in the quality of natural environment resources. Alanana (2006) and Thomas (2010) noted that sustainable

development has to do with development that is continuous and uninterrupted. This means that development should “keep going”. Apparently vague, this concept of sustainable development aims at maintaining economic advancement and progress while protecting the long-term value of the environment; “it provides a framework for the integration of environment policies and development strategies” (United Nation General Assembly, 1987).

### **Sustainable Development Goals (SDG)**

At the United Nations Sustainable Development Summit on 25 September 2015, more than 150 world leaders adopted the new 2030 agenda for sustainable development, including the Sustainable Development Goals (SDGs). The seventeen (17) new Sustainable Development Goals, also known as the global Goals, aim to end poverty, hunger and inequality, take action on climate change and the environment, improve access to health and education, build strong institutions and partnerships. The Sustainable Development Goals are:

- Goal 1: End poverty in all its forms everywhere
- Goal 2: End hunger., achieve food security and improved nutrition and promote sustainable agriculture.
- Goal 3: Ensure health, lives and promote well-being for all at all ages.
- Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
- Goal 5: Achieve gender equality and empower all women and girls.
- Goal 6: Ensure availability an sustainable management of water and sanitation for all.
- Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all.
- Goal 8: Promote sustainable, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
- Goal 10: Reduce inequality within and among countries.
- Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable.
- Goal 12: Ensure sustainable consumption and production patterns.
- Goal 13: Take urgent action to combat climate change and its impacts
- Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
- Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss.
- Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
- Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

In practice, sustainable development requires the integration of economic, environmental and social objectives across sectors, territories, and generations. Therefore, sustainable development requires the elimination of fragmentation; that is, environmental, social and economic concerns must be integrated throughout decision-making process in order to make towards development that is truly sustainable.

### **The Concept of Sustainable Business Development (SBD)**

Today’s business environment demand a strong focus on the external and internal business environment to find and work on entrepreneur opportunities and risks to build new competitive advantages as well as to adapt the firm to a changing and turbulent world (Elza, Rodrigo, Joel, André and Leonardo 2014). Organization are forced with constraints on available resources, both human and capital, as the need for innovation, quality and competences is amplified in endeavours for competitive advantage and compliance with customer requirements.

The concept of sustainable business development has received growing recognition, but it is a new idea for many business executives. According to Australian Graduate School of Entrepreneurship (AGSE, 2013), cited in Ighiebemne, Awua-Ikhia and Oyebanji (2016) sustainable business development is the art of the social marketing philosophy which aims to create value for consumers in the long term by providing superior value to

consumers and its stakeholders by the adoption of six sigma and the bottom line (environmental, social and economic) approach. This pertains to create value superior than its competitors by focusing its resources on sustaining business strategies and activities. This means that SBD is a pervasive philosophy to which every participant in the global economy (including consumers and government) must subscribe, if we are to meet today's needs without compromising the ability of future generations to meet their own.

### **Entrepreneurship Practice as Means of Tackling Poverty and Unemployment**

Entrepreneurship is a dynamic process created and managed by an individual (known as an entrepreneur), who strives to exploit economic innovation to create and add new value in the market, towards achieving a particular need. It is the willingness and ability to seek out investment opportunities, establish and run an enterprise successfully. Entrepreneurship involves creating incremental wealth by translating dreams, vision an ideas into economically viable entities (Onyenakenwa, 2007).

Ohih, (2011) noted that entrepreneurship is the involvement of an individual or a group of individuals in innovation, risk bearing and organization, for the purpose of establishing a venture managing it to fruition and reaping the resultant benefits. While Agbim and Oriarewo, (2011) defined an entrepreneur as an individual or group of individuals who combines resources based on new ideas so as to add value to a new/existing product and/or add innovation in services rendered. And entrepreneuring is the entrepreneurial process in entrepreneurship development, while the enterprise is the outfit through which the products/services are delivered to the society.

The role of entrepreneurship in economic development and poverty reduction especially in developing countries nations has been asserted in the literature. Galbraith (2008) argued that the economy of developing nations can be improved through entrepreneurship development. He however added that economic development is multidimensional; not only dependent on the traditional economic model of factor inputs but issues such as culture, gender, type of enterprises and others need to be considered.

Entrepreneurs need to buy products in order to produce finished goods. They need raw materials. Sometimes these raw materials are finished goods themselves. Buying raw materials for their business will create other business which in turn create more jobs and reduce poverty. Onmonya (2011) assert that "entrepreneurship leads to creation of new values, fashion, taste and preference. Every year, a new design emerges; new or existing products and services are being developed or modified with greater value; customers are satisfied, boredom or familiarity is minimized. A new fashion, a new drug, new electronic device or automobile with many features, a new communication system, new bran of soft drink, new form of entertainment, new home video, new dancing style and so on". Borrowing from this view, a company with an innovative idea has the power to stimulate the economy and create opportunities for Nigeria labour force.

Established entrepreneurs are required to pay necessary local, state or the federal government taxes. The tax from the businesses will be used by the government to provide people with basic services such as healthcare, transportation, education, construction and any others.

Entrepreneur employs a number of people to work for them. They provide their employees a steady job and income. The workers; income puts food on the table and feed their family members.

### **Conclusion and Recommendations**

In conclusion, entrepreneurship practice caught strong waves during the last three decades and became a worldwide movement spreading across countries, regardless of their level of development. Even in Europe and United States, revival of small business has been seen for more than a decade. Constant change and innovations are simply a necessity of entrepreneurship practice and is becoming essential to survival of global economy. In this regard, this study proffer the following recommendations:-

- i. Government should improve the deplorable status of infrastructural facilities especially electricity supplies.
- ii. There should be sustainability and synergy of all programmes and policies aimed at addressing the problem of poverty and unemployment, so as not to be disrupted for political reasons.
- iii. There is need to cultivate a better entrepreneurial culture among the Nigerian populace and also encourage a positive perception of made in Nigeria goods.
- iv. Relevant strategies should be worked out to match identified poverty areas.
- v. Policy makers should not be part of implementation team to ensure that the benefit trickle-down.

- vi. Commercial banks in the country should come up with good policies to encourage the practice of entrepreneurship through liberal lending policies.
- vii. The government should ensure that there is sufficient and adequate security in the country. So that potential entrepreneurs would not be afraid of their lives and properties when they want to actualize their business ideas. They will be discouraged if there is little confidence in the safety of their life and investment.

### **References**

- [1]. Abubakar, M. (2005). Democracy or Good Governance? Making sense of disempowerment in Nigeria. *The Guardian*, pp. 16.
- [2]. Alanana, O.O. (2006). *Sociology of Development: An introduction*. Kaduna: Joyce Graphic Printers and Publishers.
- [3]. Amaghinyeodiwe, L. (2009). Economic Growth and Poverty Alleviation in Nigeria, the *Lcfai University Journal of Public Finance*, 7(2), 45-68.
- [4]. Central Bank of Nigeria (1991) (Various Issues), Annual Report and Statement of Account, Lagos and Abuja.
- [5]. Curtain, R. (2002). Youth in Extreme Poverty; Dimensions and Country Responses Retrieved (February 22, 2017).
- [6]. Galbraith, C.S. (2008). Editorial: Economic development and Entrepreneurship Research: *International Journal of entrepreneurship and Small Business*, 6(4), 517-519.
- [7]. Igbuzor, O. (2006). The Millennium Development Goals; can Nigeria meet the goals in 2015? A paper presented at a symposium millennium development goals and Nigeria issues, challenges and prospects organized by the Institute of Chartered Accountant of Nigeria (ICAN), at Sheraton Hotel and Towers Abuja on 27<sup>th</sup> July 2006.
- [8]. Ighiebemhe, O.A.; Anwa-Ikhia, Pard Oyebanji, A.S. (2016). Strategic Entrepreneurship Practice and Sustainable Business Development in Nigeria Banking Sector. *International Journal of Innovation Research in Social Sciences and Strategic Management Technology*, 3(2), 122-129.
- [9]. National Bureau of Statistics (2004).
- [10]. National Bureau of Statistics (2005).
- [11]. National Bureau of Statistics (2015).
- [12]. National Bureau of Statistics (2016).
- [13]. NIYEAP (2008). Nigerian Youth Empowerment Action Plan 2000-2011. Abuja: Federal Ministry of Youth Development.
- [14]. Nzekwu, G. (2006). Exchange Rate Stability and Poverty Reduction in Nigeria; *CBN Bullion*, Vol. 30, No. 3.
- [15]. Onyenenwa, C.E. (2007). *Entrepreneurship in Food Chemical Industries*. Enugu: Institute of Development Studies, University of Nigeria, Enugu Campus.
- [16]. Sentrilli, E. (2002). Does Globalization Reduce Poverty? Some empirical evidence for the developing countries retrieved February 24, 2017 from <http://www.Gunwes.Net/demo/htm/environment/impact>.
- [17]. Thomas, A.N. (2010). *The Praxis of Development and Underdevelopment*, Benin: Ethiope Publishing Corporation.
- [18]. UNCTAD (2002). *Trade and Development Report*, Geneva.
- [19]. United Nations General Assembly (1987). *Report of the World Commission on Environment and Development: Our common future*. Oslo, Norway; United Nations General Assembly, Development and International Co-operation: Environment.
- [20]. World Bank (1987) "The World Development Report", Washington, D.C.