ENTREPRENEURSHIP AS A TOOL FOR ACHIVEVING SUSTAINABLE POVERTY REDUCTION IN NIGERIA.

BY

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DECLARATION

I declare that the work in the project report/thesis/dissertation entitled "Entrepreneurship as a tool for achieving sustainable poverty reduction in Nigeria" has been performed by me in the Department of Business Administration. The information derived from the literature has been duly acknowledged in the text and a list of references provided. No part of this project report/thesis/dissertation was previously presented for another degree or diploma at any university.

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Signature Date

CERTIFICATION

This is to certify that this project title "Entrepreneurship as a tool for achieving sustainable poverty reduction in Nigeria (2005 – 2006)". Written by YAQOUB, Khadijat Jummai meets the regulations governing the award of the degree of Master of Business Administration (MBA) of Ahmadu Bello University, Zaria and it is therefore approved for its contributions to knowledge, and literary presentation.

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DEDICATION

This work is dedicated to:

The memory of my loving, courageous and amazing parents, Late Mallam Yaqoub Opene and Mallama Aisha Yaqoub Opene who taught me how to dream, believed in me and gave the most support.

Thank you dad and mum. Evergreen in my thoughts.

Dau'd and Haruna

For your unending love, care and thoughtfulness.

Brothers and sisters

For your immense love, support, prayers, and for being a BIG PILLAR behind me.

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ABSTRACT

Poverty reduction is one of the most critical challenges facing Nigeria and her citizens. This has greatly hindered the pursuit of sustainable socio-economic growth. Attempts by various governments-past and present, to put the menace under control have failed to yield the much expected result. There still exist wide gap in the economies of the poor compared to the rich.

There seems to be no effective schemes to address the issue of poverty reduction on a sustainable bases. It is in view of this missing programme the study seeks to explore the use of entrepreneurship in providing support to achieve a sustainable poverty report. The study used Adavi Local Government Area of Kogi state and adopted a survey research design. It used questionnaire and interview as instruments for data collection. The data obtained were analyzed using frequency tables, and hypothesis were tested using the Chi-Square Statistical Package for Social Science.

Major findings of the research were that entrepreneurship cuts across all strata of the society and when practiced successfully can boost per capital income and enhance earning power resulting into monumental change in the life of the people. The, study concludes that no single approach to poverty reduction can lead to the desired or significant reduction to poverty but only through an

eclectic approach. The study recommends that government gives top priority to education with entrepreneurial and technical skill acquisition made more accessible by inclusion into the syllabi of all school level. We also recommend that local governments make judicious use of funds allocated to them and be supervised strictly by state governments. Governments should create conducive interactive environment for harmonization of relationship between the poor, private sector and government and other poverty reduction agencies to enhance adequate resource allocation by concentrating them where they can have most impact in achieving the aims. This will result in a better world, a world where every Nigeria will be able to take charge of his/her life challenges.

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CHAPTER ONE

1.0 INTRODUCTION

Inequalities in the standard of living between geographical areas and the incidence of poverty are common global phenomena prevalent in both rich and poor countries, states and local government areas, and to the very foundation of the society – the home.

Economists have diagnosed the current poverty level as both "mismanagement oriented", a situation in which scare resources are misappropriated, allocated for uneconomical use and as "dearth of potential capacity building" whereby citizens depend largely on white collar job for sustainability.

Other reasons for such marked inequalities are the unequal distribution of natural resources, differences in agro-climatic conditions, geographical differences in distances to centers of commerce and geographical bias infrastructure distribution policy decision as shown in the poor quality of local infrastructure such as access roads, availability of public services and utilities in all the selected localities for the study.

Poverty in any community is a serious setback to the economic, political, social and general development of the society. More so, in a society like ours characterized by low education, unskilled labour, wasteful lifestyle, non delivery of total quality policy package based on needs, policy leakages to non target population and traditional values and norms have all affected the performance of poverty alleviation initiatives.

The general consensus is that all of the forces fuelling poverty work at tandem, reinforcing each other in an ever upward spiral of reduced economic power. Underlying these poverty induced economic pressures are erratic new features of the Nigerian economy, such as the incessant inter communal conflicts resulting into wanton destruction of life and properties, increased crime rate resulting from lack of employment powered by recent massive job cuts by government and heightened political biases, continuous moral decadence leading to juvenile delinquency among youths and the general depletion and degradation of essential finite non-renewable scarce resources.

This phenomenon is long ranged, and needs creation of a vibrant, entrepreneurial society to the rescue. And if left unchecked could

threaten the very foundation of our society, take away our freedom and bring down our nascent democracy.

1.1 STATEMENT OF THE PROBLEM

A good life is part of every mans' dream. Poverty is sometimes super imposed on man by nature and the predicament man find himself in. A critical examination of this state of man and a well organize plan for life can gradually pushed away the problems. This explain why multilateral organization like World Bank, United Nations Development Project have in the Millennium Development Goals made poverty reduction one of its core objectives. There have not been practically self-administered programme package put in place to curtail the growth of poverty and its attendant consequences.

Poverty has hindered the optimization of human capital development resulting in a low capacity utilization of human and scarce material resources of the nation – a very important factor to economic development of any nation. Changes in government in Nigeria over the years have led to the emergence of different poverty alleviation programmes as well as complementary policies.

The pervasiveness of poverty in Nigeria is disturbing, but what is more frightening is the obvious dearth of effective schemes to address the issue of poverty reduction on a sustainable basis. It is in view of this the research study is undertaken to find out how enabling entrepreneurial society can provide support to sustaining poverty reduction.

From the foregoing, the following research questions are examined in the course of the study.

(i) To what extent has previous approaches targeted at poverty reduction yielded the expected results?

(ii) How have the poor responded in accepting these programmes?

(iii) What has been the level of development in the communities after the implementation of the programmes?

(iv) To what extent has entrepreneurship contributed to the peaceful running of homes?

Also the following hypothesis will be tested.

Ho: Entrepreneurship does not reduce poverty.

Hi: Entrepreneurship has effect on poverty reduction.

1.2 OBJECTIVES OF THE STUDY

The need to adopt entrepreneurial stance in alleviating poverty is informed by multi dimensional considerations. The first is that it is becoming increasingly and universally acceptable, the need for team work as it produces synergical effect. Secondly, the opportunity for enterprise is present in virtually all industries, making it easy to practice. Furthermore, quite a good number of people living in the rural areas can start a business of their own with minimal capital, less academic requirement and yet succeed in managing small business and live life on their own term happily.

It is the fundamental objectives of the study:

(i) To identify those segments of the community worst hurt by poverty and those that has managed to escape these hurts.

(ii) To understand generally the concept of entrepreneurship and its applicability to rural development.

(iii) To gain an understanding of the extent to which Poverty Alleviation programmes have collectively achieved their goals.

(iv) To analyze how the integration of entrepreneurial skills into poverty reduction programmes in Nigeria can produce positive results.

(v) To document in a systematic way how communities that have experienced varying degrees of "poverty hurt" have adjusted to change in lifestyles, the coping strategies they have developed, and the impact that poverty has had on family structure, marriage, mental health and basic value orientation.

1.3 SIGNIFICANCE OF THE STUDY

Entrepreneurs are drivers of change and progress. They move the society from a crude one to a highly sophisticated level. It is deserving to empower the poor by organizing their thoughts and resources for delivering values and choices to the society. It is also important to harness their potentials for producing a fitness for entrepreneurial life and also preserve the lifestyle of an entire cultures.

The research makes a significant contribution to knowledge which is directly relevant to policy makers, families, employers, mentoring managers, unemployed youths and development agencies.

The study is intended to provide insights into changes in family lifestyles as a result of effectiveness of entrepreneurship on modern society. This knowledge would be of great value to these classes of people who will design programmes that will help people cope with problems.

1.4 SCOPE OF THE STUDY

The research work is centered on studying business, its foundation, and application to poverty reduction. Considering the intricacies of the subject matter (bearing on family, individual and community issues), the scope would be limited to studying a local government area of Kogi State hoping that it will provide adequate data sufficient enough to contribute to poverty reduction in Nigeria.

1.5 LIMITATION TO THE STUDY

Militating factors as high cost of transportation and coverage of large area network were major problems encountered.

There were also difficulties in conducting interviews as respondents were reluctant in sharing information considered to be “trade secrets”.

Studying a large sample size of this nature can be stressful and so can result into a burnout situation. However, the research work was completed with the believe that the output would contribute immensely to human capital development.

1.6 OPERATIONAL DEFINITION OF TERMS

To capture the understanding of any reader of this research work, unfamiliar terms frequently use in writing this work are hereby defined.

Shareholders: The owner of one or more shares in a company. Shares are portion of something owned or contributed by a person or group.

Enterprise: A project or undertaking, especially one that requires boldness or effort. Readiness to embark on new ventures initiative in business.

Niche: Relating to or aimed at a small specialized group or market.

Household: The people living together in one house.

SWOT: An acronym for strengths, weakness, opportunities, and threats used in analysis of a product made before it is marketed.

CHAPTER TWO

2.0 THEORETICAL FRAMEWORK AND LITERATURE REVIEW

2.1 POVERTY IN PERSPECTIVE

Poverty is a global phenomena with a devastating consequences in Sub-Sahara (Nigeria inclusive). This has resulted in deterioration in human conditions, decline in real disposable income, increase in malnutrition rates, inadequate food supply in conjunction with rapid population growth and poor quality and quantity of health and education.

Traditional regulations and cultural barriers keep women in a disadvantaged condition relative to men in terms of access to health, education, finance and agricultural services causing a disparity in human capital development. Olu and Olomola (2003) viewed gender differential as making women powerless in decision making and with limited control over asset acquisition. These have resulted in increased cases of school drop out, violence against women and abuses among spouses, all of which are culturally tolerated, but have adverse effect of inhibiting the growth of economic activities and independence in households.

To bring restitution to the degrading socio economic condition of the poor requires the formulation of good government policies and planned

progrmmes (easy for execution) aimed at reducing poverty. Administering the programme will call for a proper understanding of the poor in terms of where they live, their occupation, lifestyle and how they are surviving. These and many more are key issues the study aims to address.

2.1.1 Concepts of Poverty

The Oxford Advance Learner Dictionary defines poverty as 'the state of being poor, a lack of something, poor quality'.

It also defines poor as 'not having enough money for basic needs, unfortunate, not good; of a quality that is low or lower than expected and having little of something'.

Ekenimoh (2006:11) defines poverty as a 'condition in which a person, household, community or nation is faced with social, economic, political and environmental deprivation'. It is the lack of basic human capabilities. Indices of poverty include illiteracy, malnutrition, shortened life span, poor maternal health, illness from preventable diseases etc.

Poverty has been categorized into two main types – absolute poverty and relative poverty.

Absolute Poverty: Absolute poverty means lack of resources to buy minimum necessities (food shelter, clothing etc) to maintain a decent living. Obadan (2003:56) arguably presents that an "objective minimum standard is a function of individual taste and prevailing socio-economic condition within a given society"

Relative Poverty: Relative poverty is the comparison of welfare of those with the lowest amount of resources with others in the society. It is concerned with changes in standard of living. This has been criticized as not being a good measure to assess the effectiveness of transfer programmes.

Other classes of poverty are chronic poverty – a long term persistent poverty arising from economic and non- economic factors.

Transitory poverty – transitory in the sense that it is temporary and short term, arising from natural or man – made disasters, loss of income and employment, market distortion or imperfection and lack of access to productive resources (Olayemi, 2003).

2.1.2 levels of poverty

Poverty as studied by World Bank is classified into five strata ranging from Individual, Household, Community, and National to Global.

Ekenimoh (2006:12) documents individual and household poverty to constitute:

i. Inability to gain access to basic necessities of life (food, clothing, shelter etc).

ii. Inability to fulfill basic economic and social obligations and general lack of self-esteem.

iii. Inadequate income to meet basic needs.

iv. Lack of skills or opportunities for gainful employment.

v. Lack of access to productive assets.

vi. Social constraint to self-improvement.

At the community and National level, poverty represents a state of general socio – economic underdevelopment arising from;

1. Poor natural resource endowment.

2. Poor human resource endowment.

3. Low productivity

4. Low and stagnating income

5 Inadequate social or infrastructural facilities and services

6. A general inability to provide a decent level of living for the ordinary citizens.

2.1.3 Causes of poverty

Poverty has been caused by multi- dimensional factors such as;

a. Drought

b. Flood

c. War

d. Famine

e. Norms and cultural values

f. Mismanagement of public resources

g. Inadequate access to employment opportunities

h. Inadequate access to market for disposal and purchase of goods and services

i. Inadequate productive physical asset (Land and capital) and minimal access to credit facilities

j. Low human capital endowment

k. Destruction of finite non renewable natural resources leading to degradation and reduced productivity.

l. Lack of participation of the poor in the design of development programmes.

m. Lack of basic social infrastructures (health, good water supply, school etc)

n. Inadequate access to the means of supporting rural development in poor region etc.

2.1.4 Categories of poor

Categories of the poor, include:

i. Poor women and men (in both rural and urban area).

ii. Tenant farmers or other resources poor producers.

iii. Poorly paid, unskilled or semi skilled labourers.

iv. Ethnic minorities in communities dominated politically and economically by other ethnic groups.

vi. Pastoralists or semi – nomadic.

These classes of the poor exhibit common characteristics as follow:

Low level of household food and economic security, dependence upon own and family labour for production activities, as well as hiring themselves out to others as hired labourers. Inability to take advantage of opportunity as individuals and only have control over resources as group. Others include, small scale production or trade, inadequate coping mechanism, combining several small-scale income generating activities to ensure household security, subsistence farming by a larger percentage of the population.

It is in view of these exhibited suffering by the poor this study is been carried out with the aim of exploring entrepreneurship as a tool for achieving sustainable poverty reduction in Nigeria.

2.2 APPROCHES TO POVERTY REDUCTION

Four approaches to reduce poverty have been repeatedly used. These are Economic Growth approach, Basic Needs Approach, Rural Development Approach and Targeting Approach. Ordinary, entrepreneurship is one aspect of the economic growth approach but it is being merely mentioned in most literature reviewed on this subject matter. Attention is not given to how it can be used to alleviate the suffering of the poor like it is done in the case of institutionalization of Agricultural Development Project (ADPs) and River Basin Development Authorities (RBDAs) for the farmers. Importantly, because enterprise cuts across industry it serves as one most viable approach to reducing poverty among others.

2.2.1. The Economic Growth Approach to Poverty Reduction

This is an approach based on the assumption that economic deprivation is the root cause of poverty and that all other non-economic causes of poverty are secondary emanating from the economic cause (Olayemi and Molem, 2003). The economic growth approach to poverty reduction

focuses on macro economic policies and programmes that will bring about rapid growth in the economy as measured by growth in real per capital income, Gross Domestic Product, growth in sectoral indices of production, growth in employment and consumer price stability.

Key macro economic polices designed for this purpose are fiscal (budgetary and tax), monetary (money supply and credit) and wage and income policies. Sectoral policies designed for this purpose include input subsidy, incentive pricing, technological development and transfer, credit supply, efficient commodity marketing and distribution, industrialization, employment generation, etc.

This approach has been criticized as to whether or not, though necessary, is a sufficient condition for poverty reduction. Advocates of this approach believe that there will be a spread over effect of the economic growth approach over time.

With recent massive job cuts across the nation due to privatization and commercialization, it will be difficult for such a feat to be celebrated. Moreso that the benefit of the approach may take too long a time to be felt. What the poor need is a short and medium term strategies.

2.2.2 Basic Needs Approach to Poverty Reduction

The basic needs approach to poverty reduction is designed to tackle the wider causes of poverty through identification of the poor and their fundamental basic necessities cum levels of poverty. These basic necessities include food and nutrition, health care service delivery, education, shelter, clothing, transport and employment. From the varied nature of basic needs, different policies and programmes for poverty reduction would be necessitated with some being general while others being specifically packaged for the targeted poor. The rationale of the approach is that the direct provision of such goods and services is likely to relieve absolute poverty more immediately than alternative strategies which rely on growing income and productivity.

"The argument against the basic needs approach is that it may take the poor a long time to increase their income to be able to afford the basic needs" (Omale and Molem, 2003: 114). This is so because the society is not much a productive one. Therefore, the inclusion of entrepreneurial practice as mandatory in poverty reduction programme will to a great extent bring about increased savings that will result in increased capital formation leading to investment, employment and increased income to the benefit of all.

2.2.3 Rural Development Approach to Poverty Reduction

The rural sector being the worst hurt by poverty is treated as a distinct entity in terms of strategies for poverty reduction. This sector is characterized by a high percentage of the poor engaged in food production as essentially the mainstay, with the peculiar type and mix of resource available to them different from the urban areas, and predominately the weaker sector of the economy. This sector requires more intensive effort than the urban sector for poverty reduction. The programme contained under this approach is designed to positively tinker with the factors responsible for rural poverty. In (Olayemi, 2003 P.103 – 104)

> *"The use of Integrated Rural Development Strategy (IRDS) has been useful in simultaneously manipulating all useful variables to reduce poverty. Like the basic need approach, efforts are made to provide the rural poor with basic necessities of life such as food, income generating opportunities, information, shelter, health service and other social services."*

Laudable among the activities under the rural development approach are: Directorate for Food, Road and Rural Infrastructure (DFRRI) started in 1986 with a mandate to promote increased food production by providing necessary infrastructural facilities needed. DFRRI achieved some of its

objectives, among which is building road network to villages. National Directorate of Employment (NDE) started in 1987 was set up to tackle the problem of unemployment among school leavers which has today engulfed graduates of tertiary institutions, and also to stop rural – urban migration. It was among other things set up to create self-employment in agriculture, to foster the growth of small-scale industries and to give youths vocational skills. Some of these objectives have been achieved with the growth of youth entrepreneurs. Better Life Programme (BLP) started in 1987 was targeted at rural women, with a mandate to better the lot of rural women in agriculture, politics and in the public service, education, family planning and family care. The BLP marked a turning point in the life of most rural women advancement as we have it today.

The People's Bank and Community Bank were established to afford the rural poor the facilities of banks through People's Emergency Deposit Scheme (PEDS) similar to the traditional Esusu or Adashi and the People's Bus Loan Scheme, (Omale and Molem, 2003).

The National Poverty Eradication Programme (NAPEP) started in 2001 is the most current among the programmes instituted by the present government through the National Poverty Eradication Council (NAPEC)

to coordinate all poverty reduction related activities of relevant ministries; parastatals and agencies. It has the mandate of ensuring that the wide range of activities are centrally planned and coordinated, complementing one another for continuity and sustainability. Among its numerous activities are: Youth Empowerment Scheme (YES) for capacity acquisition, mandatory attachment, credit delivery etc;

Rural Infrastructure Development Scheme (RIDS) for the provision of portable and irrigation water among others;

Social Welfare Scheme (SOWESS) for special education, primary health care services, youth and student hostel development etc.

National Resource Development and Conservative Scheme (NRDCS) for the harnessing of agriculture, solid mineral resources, conservation of land and space etc. for the convenience and effective use of small scale operators.

Some of these activities or packages seem too bogus to be carried out with immediate result generation. With events of modern world, trends are fast changing. What is desirable for poverty reduction in Nigeria is

the making of every Nigerian an entrepreneur to be able to take charge of his or her own life.

2.3 ENTREPRENEURSHIP: A PARTICIPATORY APPROACH TO POVERTY REDUCTION

Virtually everyone posses a deposit of special gift of nature that when uncovered can be turned into a goldmine of multi-billion naira enterprise. Entrepreneurs are people with unusual business fit; seeing where others do not see, turning problem situation into money spinning venture, being enthusiastic about risk and having the patient to start small. It requires a good personal background, motivation and a persuasive attitude to start a business.

This is an innovative approach to poverty reduction with entrepreneurial variables chosen and assessed in terms of their contribution to poverty reduction. The approach craves for the participation of individuals, groups and communities in owning and running their own business for a livelihood. This will bring about increased savings that will transcend into increased capital formation leading to investment, employment, increased income per person and ultimately improved standard of living. Successful enterprise is a combination of personal qualities and quality

planning. It requires not much qualification but incremental innovations and problem solving skills. It is the ability to execute a solid business plan, with a high degree of motivation for success as an important personal goal.

Today, it is small business that is driving the economy. Therefore the need to organize the thoughts of the rural poor and develop their ability to generate business ideas is crucial to achieving a sustainable poverty reduction in Nigeria.

2.3.1 Generating Business Ideas

Generating business ideas begins with the creative process of creating a plan from ideas, set goals and visualizes having achieved them. These are the foundation for successful life endeavours. Creating a link to the day to day demand of life sometimes results into business ideas, practicing writing down specific goals in life points to the direction of life time ambition, and a clear vision of what success means to you will direct your thoughts to find opportunities to actualized your dreams (Cheryl, 2005) For example, at the time of conceiving this research work, I dreamt that one day I would become a leading entrepreneur of choice and mentoring younger generations. Not only that, I also dreamt

that my community shall become a haven of flourishing enterprises with a pleasant life for her people.

2.3.2 Identifying an opportunity

With a continuous idea generation for potential business, it becomes easy to sift through these ideas and recognize which represent true business opportunities. In Harvard Business Essential (2005) opportunity has been described as a product or service that:

(i) Gives value to customer by solving a significant problem for which they are willing to pay a premium. Customers will pay for product or service if they perceive a benefit whose value exceeds its cost.

(ii) Gives good profit potential to the entrepreneur to take care of his risk and reward expectation. A lifestyle business will look for something capable of providing a comfortable livelihood and an ambitious entrepreneur will seek more.

(iii) Represent a good match of capabilities, experience, and skills of the entrepreneurs and workers with the personal commitment needed to start a business.

(iv) Have durable opportunity for continued profit over a reasonable length of time, long lasting and destined to grow over time.

(v) The opportunity is amenable to financing due to investor confidence and good business plan.

2.3.3 Where to look for opportunities

In a mixed market economy like ours, recent massive job cuts and trends in food, fashion, information technology etc all provide enormous opportunities for business. Opportunities abound where things are changing and by niching under big companies. Opportunities to exploit can be found in:

(i) New knowledge and technological change with opportunities for business in information technology, manufacturing, preservation of foods and animals, publishing, mini mills etc.

(ii) Regulatory change in downstream energy market, monetary market, transportation, carrier service etc.

(iii) Conflict and civil failure, which have diverted people's attention to where they can get help. Rising crime rate and falling standard of public schools have opened a window of opportunities for production of car alarm, home security system, bullet proof vests, private schools, tutoring system, child day care to mention but a few.

(iv) Changing taste in food and fashion have given rise to fast food, food on wheels, small scale poultry and fishery, traditional cloth making (weaving), hair braiding, interior decoration etc.

(v) The quest for convenient solution have open up opportunities for car wash, house cleaning, nanny service, helicopter service, catering, event planners, grocery delivery service and so forth.

Carving a niche

It is evidently true that big corporations do not dealt in small business opportunities because their resources are meant to address large markets. These opportunities however, may be goldmine for small enterprise. For example, the digging of bore hole as alternative to pipe borne water in homes and community.

2.3.4 Evaluating business opportunities

Promising opportunities must be systematically evaluated on the premise of market, the current and anticipated level of competition, the underlying economics and the resources required for success.

a. **The Market:** A product or service should be such that will benefit customers, have a reasonable size of the market for absorption and growth rate. It should also be such that over the years will attract a

good percentage of the total market with less substitute products or services and the utility of the products or services to relative substitutes.

b. **The Competitive Situation:** Green's (2005) opinion is that right from the start, it pays to find out as much as you can about the people with whom you will be jousting for orders. It is an intelligence gathering of information from industry, journals, asking customers about competitors, looking for variation in their range of products/services and dig deeply into their operations for areas of strength, weakness, and opportunities and threats. These information form the basis for deciding your price and distribution channels and establishing your market share.

c. **The Underlying Economic And Resources For Success:** The economic structure on which a business rests influences its ability to compete and succeed. This helps you to think about the cost structure of the business and it is used as a basis to determine the profit structure of the business opportunity. Harvard Business Essential (2005) summed the following questions as a guiding clue to evaluating the economics of the opportunity by asking to provide a complete answer to each.

1. Will the business be a price setter or a price taker? What are the constraints on pricing what the business sells?
2. What is the supply/ demand situation relative to your product/service.
3 Would price increase reduce buyer demand (elastic) or would demand be slightly affected (inelastic) in the short run?
4. What substitute are available for your product/service?
5. Will the business be dominated by fixed or variable cost?
6. To what extent can suppliers and employees enforce cost increase on the proposed business?

2.4 DEVELOPING BUSINESS MODEL AND PLAN

A good plan communicates ideas, and tasks, goals and strategies, direction of activities and defining objectives-short, medium and long-term objectives.

A business plan is a blue print that maps out:

How to get from where you are now to where you want to be;

How the business will operate;

What you need to do and what finance your are likely to require;

Where to go from where you are;

With passion, it is easier to see the future and design a map of getting there by approaching it in a manageable little by little order with a reinforcing self belief.

Business plan is essential in order to: set your objectives and goals, how to achieve them and when.

Craft the business and make good use of time and resources by prioritizing and discarding less crucial task.

Measuring the performance of the business.

Source for investors to invest and or financiers to finance the business.

Enter business award to gain recognition and prize money.

In Green, Harvard Business Essential and Rickman (2005) have the following business format for business model. A good business plan should be clear, short and concise. It should contain:

1. Name, address and contact detail of the business and the business status (i.e. whether sole trader, partnership, limited company or franchise).
2. Content and Executive summary. Content section (or table of content) makes it easy to readers to see at a glance what the plan has to offer and where it can be located. This is followed by the

executive summary. Although it is often the last part of the plan but comes on to the first page ready for people unfamiliar with the business to read. It defines everything about the business, detailing major points, objectives and purpose of the business plan. It provides when to start up and any track record within the industry. This section is very important to investors and financiers.

3. Business and product. This briefly talks about the perceived difference the product/service will make (unique selling propositions and unique value proposition), the benefits it will offer to customers, perceived disadvantage or problems and plans to develop and growth of the business.

4. The market and competition. Always the market will be divided into segments and groups, this explains which market you will sell in and to what group, size of each market segment and your intended share of it, any noticeable trend, change in taste or growing market areas. How these affect the business and what drives the market. Are there any growth forecast for the chosen market segment? And the contribution to profit you think each aspect of the business will make to the overall business.

5. Marketing and sales. Outlines how to reach target market, details of price, product and position of product/service in the market place (e.g. as high quality item with a low price), important unique selling points, who are the product/service end users and how to reach them and promote the business. What selling method to use (door to door, local and national TV or radio coverage), or would it be best at exhibition and events.
6. Management and personnel. This explains the composition of management team structure and members expertise, perceived personal SWOT, employment procedure and staff training. Skill set needed and those to work for the business from the outset and what they stand to contribute to the business.
7. Operations. Describe assets and premises intended for the business, machinery, equipment or location, IT, type of communication, customer service and operation procedures and processes to be used.
8. Financial performance details financial forecast from projection of likely source and uses of fund for the initial year. This include direct cost, cash flow, how much finance needed and for what. It will also contain estimates of the annual cost of employing staff

and possible outsourcing, payments to be paid either in grants, loans, own money and or creditors. Where to obtain credit facilities (micro-credit scheme, banks etc), how much to borrow to fund the business, how repayments will be done and security to offer as collateral.

9. SWOT analysis - from market research, analyze strengths, weakness, opportunities and threats for the business by outlining how to maximize strength and opportunities and minimize weaknesses and threats. A great name, idea or product may result in strength, few customers, low profit generation forecast, problem getting good staff may constitute weakness. Competitors not giving the customer all that is needed add up to your opportunities while economic pressure, close substitute could threaten your business start up.

10. Visualize the future for your business and what you want to achieve based on your objectives, tasks and actions. How you intend to grow the business and achieve target market, where you want the business to be in one, three and five years, what you want to achieve and when.

11. Appendix- will carry a detailed information about market research, company or product literature, financial forecast, targeted customers, Curriculum Vitae (C.V.) of key team members where applicable and anything else that will add credibility to the plan.
12. The case for public sector assistance outlines a detailed case of employing local labour, training unemployed people, whether business is manufacturing base, interest in local authority unit, and whether or not you will be trading out with the local economy.

The business plan should be relevant and useful that it become an essential part of your business management to be reviewed and updated from time to time as the economy dictates. It should simply be flexible to accommodate such economic changes.

Analyzing personal strengths and weakness, opportunities and threat (SWOT) and knowing the role you intend to play helps you to identify your personal strengths and weakness and become aware of the opportunities and threat that may affect your proposed business ideas. In analyzing personal SWOT, you write down:

What you are good at.

What skills you have.

What experience you have.

What qualification you have etc.

What you like to talk about, interest and hobbies etc.

For weakness, write down:

What you are not good at.

What experience is lacking.

Low level of personal confidence.

It is imperative to work on your self-esteem by showing willingness to learn and participate with your fellow entrepreneurs. Quite a lot of intelligence is lost to the 'I can't' self-belief of promising entrepreneurs especially in the rural areas. Reassuring them of their capability to do a lot of what they thought is specially the preserve of educated urban can reinvigorate their self esteem.

2.5 FINANCING POSSIBILITIES FOR BUSINESS

One of the biggest obstacles to any business is capital. Money is needed to kick start, and run the business, maintain it within a tight schedule of self and family demands. Depending on the types of business, some may

start on some little money, while others may require huge investment. Whatever it is, you will need to be able to control both cash flow and working capital of the business while it operates. Lack of cash flowing through business and extra capital in times of need is one of the reasons why most small business fails. It is important to understand the money side of business as a crucial success factor; it is a determinant of life and death for the business. Providing answers to the following questions will determine the type of financing for the business.

1. How much money is needed to start up, issues of overhead and expenditure?
2. Will you need to raise finance and borrow money?
3. When will you need the capital, how will you afford to pay it back?
4. What sources of finance are currently available to you?
5. How many sales/customers will you need to break even, to start to turn a profit?

In Nigeria, micro credit schemes have been the most used for funding poverty reduction empowerment projects. A micro credit is a central instrument for lending to the poor, a specialized programme giving credit to medium scale enterprises. Under the scheme, credit is given at little or

no interest and without condition for asset collateral except where the credit is given to recognized groups like cooperatives etc. for good guarantees. To make efficient use of micro credit funding of enterprise, there has to be a constant review of success indicators, through continuous teaching of book keeping and accounting practices to beneficiaries for proper records keeping and schedules of meetings at specific dates for shareholders (lenders, beneficiaries and officials).

a. To discuss progress report of micro projects.
b. Use of the credit.
c. Constraints of the credit.
d. Poor business environment.
e. Family/personal constraint.
f. How to resolve these problems.

Other forms of financing include:

Outside financing – this includes grants by some NGOs, or industry body on the basis of job creation. Loan that you will pay back with time. Venture capitalist loan that you pay back with interest and equity financing by seeking equity partners to contribute in cash, skill and become a shareholder in the business.

Friends and relatives – for some, this can be an uneasy idea, whereas for others it is an easy way to get finance to get started. Many small businesses start this way. Advise is that the term of the financing be clearly defined whether it is an investment or a loan (Green 2003 and Rickman 2005).

In developed economies, there are various financing options for small business to shop ranging from private sector financing to public sector financing. Nigeria with over 120 million people needs more financing provision options for business especially small-scale business.

2.5.1 Advancing Other Business Ideas – Equity Investment

Equity investment means buying a portion of a company. Suppose a newly incorporated company called EASY MONEY issues 1,000 shares of stock. Your company has ₦10,000 in a company account put there by you, without other tangible asset or money from anyone. Suppose further that you approach me to ask if I might be willing to invest in your private company (not public). Having gone through your business plans, and was impressed. I offer to invest ₦5,000.00 for a 30 percent interest in the company. If you agree to this, I write a check for ₦5,000.00 to EASY MONEY and the company gives me 300 of the 1,000 shares. I

now own 30 percent of EASY MONEY. If the company goes bankrupt, I lose my investment with no recourse. If the company becomes the next Microsoft, and I retain my shares, I own 30 percent of a multi-billionaire company.

The rural poor have to be educated on the beauty of equity financing. What is popular among the people in the rural area is the cooperative and daily contributions, which do not have much growth opportunities like equity investment. It is good idea to consolidate opportunities for growth in formulating poverty reduction policies and planning.

2.6 LEGAL FORMS OF ENTERPRISE

Every entrepreneur must decide at the onset of his new venture the legal form the enterprise will adopt. Should it be a sole proprietorship, a partnership, a corporation, a limited liability company? Deciding on which to adopt is driven by the objectives of the entrepreneurs, the firm investors, taxation and legal liabilities of each form.

Sole Proprietorship

The sole proprietorship is the oldest, simplest, and most common form of business entity owned by a single individual. The proprietor is not taxed as a separate entity, instead reports all income and deductible

expenses for the business on a form called scheduled C of the personal income tax return. The legal standing of the business and the owner is the same. Thus in terms of claim, the personal property of the person can be pursued as well as the assets of the business.

Advantages of Sole Proprietorship

It's greatest advantage is its simplicity and low cost. No file is required with local government nor charter except in cases of restaurant, child day centres etc. that must be licensed by local health regulatory authorities.

The owner has complete control of business decisions regarding income generation, reinvested or used up capital by the proprietor. Profit from the business will not be taxed at the business level and the business can be dissolved as easily and informally as it was started. For these reasons, it is the most widely form of business.

Partnership

A partnership means two or more people owing a business together with each having a right to fully represent the business and can be held liable for the action of the partnership. A partnership does not pay taxes on its profit, instead the owners pay tax based on their tax situation. Income

will flow to the partners based on their investment contribution percentage to the business. A good partnership will require the service of a lawyer for setting up. In partnership, a claimer can pursue a single partner or any number of partner and the claim may not be proportionate with the capital of the partner or the distribution of earnings.

Advantages of Partnership

Except for the time and legal cost of drafting a partnership agreement, it is easy to establish, the entity has more pool of capital to finance its business and operation because of multiple number of partners, profits are not subject to second level of taxation and the partners will have complementary skills.

Disadvantages of a Partnership

As mentioned earlier, partners are jointly and severally held responsible liable for the actions of the other party, profit are shared among parties, decision taking may be slower and dispute can mess up the whole business and the partnership may have a limited life span (may be upon withdrawal or death of any partner) depending on the partnership agreement.

Limited liability Companies (LLCs)

The limited liability corporation has both limited and general partners. The general partner may be more than one assume management responsibility and unlimited liability for the business and must have at least a one percent interest in profit and losses. The limited partners have no voice in management and are legally liable only to the amount of their capital contribution and any other debt obligation specifically accepted. This form of enterprise is being used by small business to explore technical or management expertise from partners and those who wish to participate in opportunity for financial gain. Under LLC, profit and loss can be allocated differently among the partners.

Advantages of LLC

Limited liability companies enjoy the same protection from liability that corporations offer except in extraordinary circumstances. Members are not personally responsible for debts or potential law suits of the LLC. The profit of LLC flow through to partners before taxing and like earlier indicated that the percentage need not be in direct proportion to ownership.

Disadvantages of LLC

Selling an LLC or taking in a new partner can be a bit more difficult than it would be with a corporation. Ownership share interest in an LLC cannot be readily transferred (Harvard Business Essential, 2005).

Corporation

The corporation applies to when a business incorporates, it becomes a corporation. A corporation – is an entity chartered by the state and treated as a person under the law. It can sue and be sued, can be fined and taxed by the state and it can enter into contracts. It can have an infinite number of owners evidenced by shares of company stock and is managed on behalf of shareholders (indirectly by a board of directors).

Advantages of Corporation

Unlike the sole proprietorship, the corporation's owners are personally protected from liability. An individual owner's liability is limited to the extent of his or her investment in the firm. Another appealing feature of corporation is the ability to raise capital quick through individuals, as well as institutions and also through the sale of stocks. The enterprise can deduct the cost of certain benefits provided to employees and has an unlimited life span. Through compensation with company shares to

employees, can attract and retain talent, and ownership shares are transferable or can be sold at will.

Disadvantages of Corporation

The greatest disadvantage of a corporation according to Schine (2003) and Sutton (2001) is the problem of double taxation (taxed on profit at corporate level and on shareholders dividend income at shareholders level). The process of incorporation is often costly and corporations are under the prying eyes of federal, state and some local agencies. Public corporations must publish their results quarterly.

This is the most advanced form of enterprise to enter into because it gives the business a life of its own with continuity even after the death of founding member and so its benefits would continued to be reaped generation after generation.

It was observed that most people in the rural areas are novice of advanced business ideas, their classes and its merits. Even though the rural dwellers are categorized as poor, it is no surprise to find few ones among them big time farmers, commodity traders, nomadic traders with chunk of investible fund lying idle when it can be invested into business concerns.

Quoted firms on the Nigerian Stock Exchange can explore the opportunity by creating mini offices in farm centers and villages to talk people into buying of shares, make their money work for them instead of keeping it idle. This will increase the worth of the firms, boost the self-esteem of the poor for being members of shareholders of big companies in say Lagos, Kaduna, Abuja etc.

2.7 MARKETING

A good way to start a business is by conducting marketing research to build a pool of information necessary for defining the who, what, where, how and when. Rickman (2005:45) provides a platform on which to research the market.

i. Define your product/service and understand its core benefits over other products/services in the market. Is it quicker, cheaper, better quality.

ii. Uncover customer characteristics and the level of demand for what you are offering so that you can workout the potential size of the market and your potential share of it.

iii. Determine what customer preferences are and uncover their spending and buying behaviour.

iv. Source and identify prospective customer and learn what problems your business can solve for them and level of service, quality and price expectation.

v. Work out how much those customers are likely to pay and buy and why.

vi. Figure out the length of time it will take you to market and sell your product, how many you are likely to sell and when. This will change over time.

vii. Understand how you will communicate to customer and through what means.

viii. Discover opportunities and trends. Is the market growing, declining or static?

ix. Choose the right location for your business.

x. Find out price, whether men, women, adults or children need your product and what you might need to include with your product when distributing (instruction).

xi. Figure out what expenditure you are likely to need and whether you will require outside funding.

These are crucial information that you can make informed business decisions. Information about competition, how successful they are, what

they do and don't offer, how to fill the gap in their offering to gain competitive advantage will all be sought through market research. Furthermore, based on your information, you will be able to forecast approximate sale and expenditure more accurately, discover customers core wants and needs, reasons they buy, so as to continue to satisfy those needs even as they change.

2.7.1 Building Your Image

Building a brand name says everything about you and your product/service. In doing this, you have to be daring, persuasive, brilliant, subtle and above all very honest. What you stand for, the value of the organization, personality, marketing literature, letterheads, colour must all work together to give your identity. Putting your name in the heart of customer requires that you be known for who you are, your core values, your passion and, what you teach your children and preach about to your friends.

A good brand must maintain a good name, slogan, logo, style, character, packaging, advertising, promotions, promotional materials and publicity. Product/service name must be appealing, easy to read and unique. Slogan and logo must be communicative for easy identification. Also the style

and character must constitute what you stand for. Packaging should be simply attractive, adverts and promotions be honest of product/service performance. Promotional materials be of good quality and maintaining constant contact with customer and the public is a must. All these weave together to give a good brand image.

2.7.2 Marketing your products and services

Customers are the reason for being in business, they are king. Therefore, every aspect of a business revolve around the customer. Customers are obtained through marketing. That is what marketing is – "offering products/services that people want or need, finding those who want or need it, and convincing them to purchase it". Schine (2005: 89). Marketing is at the very heart of every business.

Kotler (2006: 06) The American Marketing Association offers the following formal definition of marketing "Marketing is an organizational function and a set of process for creating, communicating, and delivering value to customer and for managing customer relationship in ways that benefit the organization and its stake holders".

Marketing is much more than advertising. It is everything about objective – creating awareness for your brand new product/service through

promotional activities, make people trust you and the efficiency of your product, generate leads and continue innovation for sustainability. Using the four Ps – product, price, place and promotion you can create a lasting landmark in the heart of customers with your product/service.

Product - should be designed and offered to respond to the needs and wants of a defined target market and modified as necessary as possible to fit those needs.

Price - depending on the cost of production (whether high or enjoys economics of scale), the quality you are offering and the preparedness of your potential customers to pay. You can offer product at lower price and better service and not jump into war price with competitors.

Promotion - is getting the attention of the world to your product/service through television, newspapers, websites, slipping flyers under doors, words of mouth etc. for a start up, the use of the word of mouth and letter is better and less expensive. This can create response by a friend telling a friend and telling another friend.

Place - distributing your product/service to your customer requires creativity by selling them close to where they live, where they frequently visit, door-to-door etc. depending on the nature of product.

Customer base is the best asset to your business. Therefore attend to their needs promptly. Encourage complaints by making it easy for them to do so, but strive to make your customer service be without much compliant, under promise so that you can over deliver, do a common thing uncommonly well. Value customers very well, treat them as you would like to be treated, put them first. Make a habit of making every one want to buy from you by providing an enjoyable and rewarding experience. Rickman (2005) suggests a customer policy that:

1. Offers customer the privilege to score your service and other elements of your business out of ten, enjoy getting feedback information, try to retain customer.
2. Make sure your customers always have an interesting and enjoyable experience and striving for high satisfaction levels.
3. Be transparent and communicate with customers frequently and honestly to build trust and loyalty.

4. Commit yourself to strong, clear customer service programme that is practicable by all staff, with a focus on consistency and high quality standard.
5. Go the extra mile by exceeding expectations as often as you can.
6. Spend a day in the life of your customer by walking in their shoes for a day, extend same to staff to discover problem areas to be smoothed.
7. Develop a promise and keep it.
8. Invest in customer service skill training, and listen to customer and staff.
9. Invite customer to participate in product/service development and brain storming.
10. Cultivate a friendly attitude and warmth for a lasting impression and
11. Create a good impression by maintaining a clean and neat environment.

Avoiding mistakes in small business can add to its strength and growth. The effectiveness of small business dependents on marketing efforts and the ease with which it produces result. According to Green (2005) avoiding these common mistakes can help produce better result.

a. Not having a clearly defined USP – a defined unique selling proposition differentiates you from other businesses e.g. offering service 24 hours, 7 days a week, offering lowest price etc. a strong USP helps you to stand out from the crowd.

b. Selling features rather than benefits – tell customers clearly the benefit of your product/service and how it will help them make life easier.

c. Not using headlines in print advert – using an attention grabbling headline gets readers hooked on to read the rest of the advert.

d. Not testing headlines, price points, packages, pitches, every thing – test everything for validity rather than running on newspaper advertisement for weeks. Split all advertisement between different means and measure the results for efficiency, that is evaluating which sells more.

e. Making it difficult to do business with you – organize yourself and your business by making things easy for yourself and your customers.

f. Not finding out what customers needs are – discover what is most important to your customer, avoid making guess. You may think price is most important when what they really want is fast service.

g. Not maintaining an up to date customer data base – your customer list is pure gold rather than working to always bring a new one in the door. Take advantage of goodwill already built with existing clientele. Send a birth day card.

h. Not eliminating the risk – eliminating risk by giving customers the chance to try your product/service at no cost (free sample), offer than a money back, free consultation etc.

i. Not educating your customer – don't just claim that your product/service is better, always follow claim with explanation and evidence for justification why they should do business with you.

j. Not knowing what works, and sticking with it – when you find something that works, don't change it until you find one that works better.

2.7.3 Selling your products and services

Selling habit runs in everyone and it is exhibited daily by way of negotiation, asking or talking your way out of trouble. In the view of Green (2005) to successfully develop a selling habit means prospecting for customers, making appointments and clinching a deal face to face.

Prospecting for customers – by buying advertisement space in the range of local authority publication to gain potential customers.

Making your appointments – the telephone can be use to sell the appointments. Pick out few good companies from the local authority publication as your prospective potential customer, give a call, they may fit in. This boosts your confidence.

Clinching a deal face-to-face follows securing an appointment, it is time to impress the prospect with your knowledge, thank him for agreeing to meet you and a brief introduction of self and the company, produce a sample of the product or a fact sheet for service; diplomatically answer any objection, ask for the sale, complete the order, get it signed and leave.

For a good selling:

Never fail to turn up for an appointment, if its impossible, telephone in advance why you cannot make it.

Don't promise anything you can't deliver, else you lose your integrity;

Don't mention the competition, let the prospect do that;

Never argue with a prospect, you would lose out if you do;

Never leave a lost sale, always revisit some other time;

Always stick to the purpose of the meeting, you are there for a business;

Never take rejection to heart, loosing make you appreciate your wins;

Always keep sales record up to date, it helps in planning.

To convert prospects into buyers:

Eliminate fear by eliminating doubt will build their confidence to buy.

Be gracious and caring never give impression you need customers to survive.

Focus on product/service benefits they will enjoy when they make purchase.

Ask meaningful questions that will unwrap their preference. Avoid being bashful.

Become a walking example by your power of gentle persuasion.

Enlighten the impulsive buyer with product information and the need to make a firm decision to buy.

Stress product benefit, also be truthful about its limitations.

Ensure that the prospect knows you believe in your product

Get referrals from others.

2.7.4 Corporate social responsibility

Another aspect of selling a business is through participation in developing the society. The present economy is fractured, business, large and small must win the support of the public through honest participation without manipulation. It must design a corporate social policy through which it will give back to the society. Such social policy must be such that shapes business to be kinder, supporting, campaigning on issues and promoting community trade and self – esteem, promoting peace and being customer led. It must create a business ethic that is ethical, purposeful, protecting the environment by minimizing waste and donation to society in whatever form. This gives business concise and a win for more customers.

2.8 GROWTH

Breaking out of the small business phase and experiencing growth will expose you to challenges experienced by large businesses. Expanded sales trigger growth in sales support activities; material purchasing, inventory management, manufacturing, logistics, transaction accounting and after sales service. Growing sales compel management to study new channels of distribution, feasibility of extending product lines and possible entry into new markets. These must be supported by personnel

on the product line, distribution, sales and in sales support. A growth in employee number needs a human resource personnel to handle recruiting, relationship with labour that will benefit administration. Finance needs a knowledgeable Chief Finance Officer and accounting staff to keep payment, collection, and fund disbursement justifiable.

Given these many challenges, entrepreneurs should pay attention to what they do and how they do it. Attention be paid to prioritizing and managing time, effective and sound management, corporate leadership and governance and coping with stress.

Prioritizing and managing time – deals with managing your limited and most important asset of the business as it impacts on the success of the business. For example, goals must be prioritized and translated into steps and actions. Decide what steps are of primary and secondary importance, followed by those of lesser importance in the order (essential to do), important but less essential to do, and worth doing if there is time. Once priorities are in order they can be used to evaluate and guard against crisis situations that may come up, and can be used to decide whether they merit your attention and time.

Effective management - a leadership management should carry both staff and customers along. A flat, inexpensive, flexible, communicative and praising management is desirable. If staff are proud and thrilled with the company, it trickles down to the customers, a reason to closely guard the corporate existence of the company.

Corporate governance – 'governance generally describes the exercise of political, economic and administrative power in the management of public affairs' (Kankwenda et al, 2000:191). Good governance implies managing the affairs of corporation in a transparent, accountable, participatory and equitable manner, showing due regards for human rights and the rule of law. It is a concept that imbibes the equitable distribution and management of resources for sustainable development.

Coping with stress – Running and managing a successful business can be a difficult struggle. Trying to maintain a balance between everything from planning to managing and keep the family in good shape can really be energy draining. So it is advisable to give yourself a break away from possible stressors. Get refreshed by giving yourself a proper lunch break, taking a leave off the job, have some quiet time, play, exercise, go

swimming, read an invigorating novel. Schedule this into your week activities to avoid burn out and stay refreshed.

Stay motivated by rewarding yourself- Give yourself something to look forward to for keeping up with your work, it create a positive outlook.

Share and delegate responsibility to others. Don't do everything, don't control everything. Give everything away that you can and just stay with what you want to do. This you can achieve by surrounding yourself with good, intelligent people.

2.8.1 Sustaining Growth

To sustain growth three, things must be put in place. Keep innovating through strategizing. Know where the market wave is heading, and then get on the leading edge. Sustain your strategy and implore new ones depending on circumstance. Strategy is what differentiates a business from another by conferring competitive advantage. Strategy may be based on new, superior or product technology, ability to deliver good product at a lower price or in an extremely convenient manner for customers. Changes in event can undermine the competitive advantages, such as new regulation, introduction of new and superior technology,

deregulation etc. Where there were few barriers to entry competitors quickly entered the field. This will bring about utilizing satisfaction, intense competition and price war. Therefore you find ways to place barrier to entry to maintain market position by continual improvement in product design and manufacturing efficiency for economies of scale, and to continually refresh your offer to customers by adding more appeal to colour, price, convince and providing amazing customer service.

Expanding into other markets

A successful business can stretch its growth by entering into other geographical region. Where customers in such a region are unserved and similar to those currently being served, geographical expansion is the answer either through own sales and marketing efforts or through distribution or sales representatives. Business expansion can be reinforced by creating new uses for some product by customizing the product to the needs of other niches. These are better and inexpensive compared to new product development.

scaling up

Generally, growth challenges entrepreneur to keep building up. A great increase in sales volume will result in hiring more skillful and

experienced staff capable of providing superb services, and some training may be required. An entrepreneur must scale up to meet the demands of growth by committing large capital in advance of sale with a conviction that customers demand will jerk up in the future. To void the risk of unforeseen contingencies, outsourcing can prove useful i.e. using another's asset to produce while maintaining control of the features that made your product distinctive. In doing this, it frees up managerial time and some cost.

The don'ts of outsourcing are that you don't outsource activities that connect you directly with customers e.g. sales, customer service, market research and avoid too much dependency on any single outsource partner. Diversify your outsource relationship (Harvard Business Essentials, 2005).

2.9 WOMEN EXPANDING THE FRONTIERS OF SMALL BUSINESS

From most literature reviewed, women were particularly worst hurt by poverty with the result that many women dared and went into small businesses that had grown into relatively large enterprises and had brought succor to many households.

Although some women are interested in a large, profitable organization, many want it small, friendly and easy to manage to avoid dealing with an operation that would require much attention for management and an unsupportive or rigid culture, unfriendly or limiting.

Women start business for different reasons: independence, flexibility, freedom from corporate limitations, and the freedom to take risk are usually major motivational factors. In addition, many women seek personal satisfaction, a balance, broader horizons, the prestige in the industry, the excitement of growth and the opportunity to learn new things. Creating a secured future and enjoying choice of life style, providing good jobs, delivering services and making a difference in the lives of many people often top the list. Among the reasons advanced by Green (2005) for recorded small number of women in business are as follows:

Women don't relate to the traditional business support group e.g. chamber of commerce and industry and business link. Women feel intimidated networking where major participants are male. They face the difficulty of being taken seriously when requesting funding. Overwhelmed by domestic and caring responsibilities. Lack of confidence and lack of role models.

Therefore government needs to increase the level of women participation in governance and entrepreneurship by encouraging and supporting more women into policy formulation, leading in management and business.

Most women businesses are home based, described in family terms and see their business relationship as a network. This personal touch is often what drives employee motivation and productivity. Women entrepreneurs find satisfaction and success from building relationship with customers and staff and from achieving a feat.

In this part of the world most home based businesses are not technologically advanced, have little or no room for growth, are predominantly sole proprietorship and use private resources to finance their business. Children both minor and adults are used as sales persons to the detriment of career building and are exposed to the risk of road accident and loss of moral values. It is government's responsibility to re-orient women to redesign their business ethics and also provide support to lay a foundation on which such orientation can be effected and monitored.

2.9.1 Other Employment Initiatives

Ever since poverty reduction became a global concern, much has been done to alleviate the suffering of the poor. Although no much result is seen going by the amount of resources committed into the course until the recent technological advancement. Ekenimoh (2005) x-rayed the contribution of technological advancement to poverty reduction.

Information technology has made it possible for young school leavers to imbibe self-employment by setting very small businesses but with impressive yield. This has boosted the image of the rural youths and self-confidence, keeping them away from idleness and rancor. Some Non Governmental Organizations have joined in this crusade e.g. National Council for Women Societies, which focuses on women empowerment and girl child education. With the licensing of the Global Satellite Communication (GSM), many young men and women have been gainfully employed. Apart from setting shop all over the country, the big time private operations MTN, CELTEL, Globacom and Mtel have all offered employment to millions of Nigerian. Among employment opportunities provided by these group include:

a. Selling recharge cards.

b. Making calls

c. Selling telephone handsets

d. Selling telephone accessories

e. Repairing faulty handsets.

f. Marketing sim pack technology

In addition, the present government is encouraging the masses to seek self-employment. In view of this, many young men and women have been trained through the NDE and a business set up for them by the government in the areas of:

Fish production

Animal husbandry

Poultry

Crop farming

Snail farming and bee keeping

Weaving, spinning and dying of cloths

Sewing and shoe cobbling to mention but few.

Undoubtedly, with the achievement made so far, if government dedicate her resources and redefine her policies with the view of applying entrepreneurship for achieving poverty reduction, there is no doubt that the attendant result will dramatically exceed expectations. Therefore

government and multinational agencies be more committed to the skill acquisition, capacity building projects and similar other projects already started by UNDP, NDE, World Bank and others to ensure consolidation and result oriented while adding more projects development depending on needs and the availability of resources to meet growing demands of target beneficiaries – the poor.

CHAPTER THREE

3.0 MATERIALS AND METHODS/METHODOLOGY

3.1 INTRODUCTION

No research work is complete without the adoption of a specific method to arrive at a conclusion. This chapter details the systematic method employed in generating data and analysis of the data to reach a sound conclusion and recommendation of the study.

Research means searching to acquire fact. Osuala, E.C (2005:01) defined research as "simply the process of arriving at dependable solution to problems through the planned and systematic collection analysis and interpretation of data". In a different opinion, a social science researcher Cauvery, et al, (2005: 01) culled from M.H Gopal as the scientific analysis of the nature of and trends of social phenomenon or groups or in general of human behaviour so as to formulate broad principles and Scientifics concepts.

From the afore mentioned, the fastest most reliable way to move the society from crude to sophistication is through continuous researching into what is obtainable and creatively innovating into the future.

3.2 DESIGN

There are varied research methods available to a researcher to choose from. For this study, the survey method is adopted because it suits the purpose of the social researcher in describing current practice and events. It is helpful in establishing relationship between enterprise variable and the poor population under study. Considering the size of population under study, the survey method is cheaper, quicker, broader in coverage and easy in coding. Analysis and statistical interpretation are relatively made simple and provide information on many issues faced by the researcher. Given the importance of the subject under study to the economic development of Nigeria, the use of the survey method can make it easy to generalize the findings of the study to a large population once the representativeness of the sample is assured.

This method is not without its shortcomings. It may not allow structuring the wordings of questionnaire properly well or easy, there may be distortion of information by respondents and lack of control of an in depth study of experiment may have impact on the result generation.

It is hoped that the result produce by the study will show a true picture of the interplay between enterprise, the poor and the society.

3.3 SOURCE OF DATA

Data is the collection of facts and figures relating to the population of the study. The data used for the study were chiefly from both primary and secondary sources. The secondary data were extracted mainly from most current publication of textbooks, journals, annual reports and scholarly publication like seminar papers and unpublished works.

Primary Data source. A study of this importance requires both quantitative and qualitative data for analysis, interpretation and recommendation, thus, the extensive use of questionnaire serve a purpose and also the use of personal interview together first hand information from respondent.

3.4 POPULATION OF THE STUDY

Defining the population means identifying members of the universe that have a common characteristics and which will identify each unit as being a member of particular group. The population to study is enterprise with the poor as variable. However, resources and circumstance make it humanly impossible to study all of them. Thus, the choice of Adavi Local Government Area of Kogi State.

3.5 SAMPLING TECHNIQUE AND SAMPLE SIZE

The choice of respondents is an important aspect of social research because of its impact on the reliability and validity of data that are ultimately collected.

Sampling is taking any portion of a population or universe as representative of that population or universe, Osuala (2005: 14). In other words, it is the deliberate choice of a number of people, the sample, who are to provide the data necessary to draw conclusion about a larger group, the population whom these people represent.

It has been mentioned earlier that it is impossible to cover the whole population of the enterprise hence the selection of Adavi LGA as sample unit. A non-probability purposive sampling technique is employed to select respondents for the use of the study. This is informed by the fact that the respondent selected meet the proposed needs of the study and can be used to provide answer to the research questions.

For the sample size, a judgmental sampling is used because it provides the basis for selecting the units to be observed on the judgment that it provides the variables that will be most useful representative of the

population. A sample size will be drawn from Ogaminana metropolis, Adavi- Eba and Ozuri. A 10 percent of registered business premises from the cumulative total of 1255 for the year 2003 through to 2005 were chosen systematically. In addition a sample size of 60 households were also selected for the study.

3.6 DATA COLLECTION INSTRUMENTS

To make informed decision, qualitative data are essentially important. Data can be defined as recorded observation or information needed to help us make more informed decision in a particular situation.

Instruments for collecting data vary depending on the type of data and method of the research. The study uses a combination of face-to-face interviews to seek firsthand information and opinion of respondent in a quicker, more relaxed (flexible) atmosphere. This is suitable for the illiterate poor with reading deficiencies. Although the instrument is costly, with an attendant change in the attitudes of respondents, possible wrong recording of information and sometimes time consuming. It remain one good instrument for a survey research.

The questionnaire is used in conjunction with the interview for obtaining answers to relevant research questions from the sample of respondents

with all of them replying to the same questions and thus helps to get same type of information from a larger number of respondents. A standard questionnaire contains both open ended questions and close ended questions and a provision for self expressed opinion. This is administered to the literate, skilled and semi skilled respondents.

3.7 TESTS FOR VALIDITY AND RELIABILITY OF DATA COLLECTION INSTRUMENTS

In Hart (2005) validity is the extent to which the data collected are relevant to the problem of the research. It is usually define by such questions as; dose the test measures what it is suppose to measure? In this study, a questionnaire and face to face interview were design to collect data on the number of entrepreneurs as indicated by the number of registered business between the period of 2003-2005, and the consequential changes in the poverty level of these people. The two instruments were designed on construct validity to measure the rate of growth of enterprise and at the same time its effect on poverty reduction.

Reliability on the other hand stands for the consistency of measure of responses from the use of data collection instruments. Considering the heterogeneous group of variables involved, a pilot study was conducted

on a pre-determined group of entrepreneurs using the same questionnaire and interview to test for their responses. These instruments were subjected to a test – retest during actual field work and responses gotten were compared to those obtained during pilot study and are found to be consistence. Therefore, both instruments can be said to be valid and reliable for use in the study.

3.8 METHOD OF DATA ANALYSIS

The method used for the analysis of the data included the use of frequency tables and chi-square for testing the dependability of occurrence of the two variables. The Chi-Square is preferred for use by the study because it determines the significant difference between observed frequency and expected where such discrepancy exist.

Another reason it is used for analyzing the data collected for the study is based on its efficacy in testing for goodness of fit of entrepreneurship to poverty reduction.

CHAPTER FOUR

4.0 DATA PRESENTATION, ANALYSIS, AND INTERPRETATIONS

4.1 INTRODUCTION

The chapter provides a detailed profile of the selected local Government Area. Presentation and analysis of data collected from fieldwork and research findings. Data is analyzed and are presented in frequency tables using simple percentages, and chi – square.

4.1.1 Profile of The Case Study

Adavi Local Government Area was created on 27th August 1991 from Okehi Local Government Area along side creation of Kogi State.

The Local Government Area was formerly a district, made up of two constituencies and eleven wards with Ogaminana as its Headquarter. The constituencies are Adavi East and Adavi West. Adavi East comprises of wards like Osisi/Ipaku/Inoziomi, Ikaraworo/Iresuhua/Ebogogo. Kuroko I, Kuroko II and Nagazi/Farm centre. Adavi West constituency is composed of wards like Adavi–Eba, Egge/Iruvochinomi, Okunchi/Ozuri/Oniyeka, Idanuhua, Ogaminana Central (Inorere) and Uhucheba.

Adavi Local Government Area is located in a valley with undulating and plain scenes. The headquarter Ogaminana, is a strategic location connecting the state capital Lokoja and other parts of the state through a trunk A road.

Geographically, Adavi Local Government Area is located between latitude 7^0 15^1 to 8^0 51^1N and longitude 6^0 to 6^0 5^1E. The Local Government Area is bounded in the North by Okehi LGA, in the West by Okene LGA, in the East by Lokoja and in the South by Ajaokuta LGA.

Major hills in the area include Okunchi Hill, Oberenyi Hill, Uhuami Hill, Anyoke, Atami and Uro Hill serving as sources of rivers like Ovakere, Okuhago, Abogiri, Onyihi and Oroo. Other rivers found in the area are Idandache, Okuha-Avi, Ahauvo, Osara, Orovo and Mini.

People and culture: Adavi Local Government Area is inhabited mainly by Ebira speaking people with a population of about 195,000 (1991 census) and other tribes from various parts of Nigeria.

The people are predominantly muslims, large christian population and traditional worshippers with traditional clan heads or assigned elders as custodians of local culture and customs in each clan.

Agriculture: The mainstay of the inhabitants is farming. The prevalence of loamy and laterite soil provides support for poor plant nutrients and growth fed by rain. Few crops like groundnut, cassava, yam, guinea corn, tomato, maize and beans thrive well with or without the use of fertilizer and insecticides. Some cash crops found in the area are cashew nuts, castor, palm kernel, locust beans grow around Osara, Irepeni, Atami, Aku, Zariagi, Zangondaji, Iresuare, Irewagere as well as Obombomi.

Resulting from the mountainous topography of the LGA, farming activities are carried out on limited scale, forcing most farmers to migrate to neighbouring Edo, Ondo and Ekiti States.

The vegetation of the LGA is Sudan Savannah covered by grasses, shrubs and short trees with trees of economic value like locust beans, baobab, cashew, mango, shear butter, palm tree and a host of others. The Local Government Area enjoys two seasons of rain (wet) and dry (harmattan) seasons commencing usually in April through to October

every year to usher in a dry season in November through to March of the proceeding year with occasioned erratic downpour rainfall in August and September.

The LGA witness a high temperature of between 22^0 C to 24^0 C that is $71^{0 \cdot \cdots}$ 6^0 F to 75^0. 2^0 F) during wet season and 20^0 C to 22^0 C (68^0 F to 71. 6^0F) during the dry season.

Economic: Economically, Adavi Local Government Area boasts of small and medium scale industries scattered around towns like Ogaminana, Kuroko, Inoziomi, Adavi – Eba etc. These industries range from furniture making, bakery, block making, black-smithing, stone crushing, fuel service stations, hotels/bar to restaurant, and private schools. Trading activities in the form of cloth weaving among women folk, merchandizing, transport are all abound in the area.

The Local Government Area is transverse by trunk A road linking the North and South of Nigeria through middle belt Region and another one spanning through Ogaminana to Kabba. It is also blessed with lots of truck B and C roads linking major towns and villages across the length and breadth of the Local Government Area.

Kogi state is a state of hidden treasures especially solid mineral deposits with part deposited in Adavi Local Government such as marble/granite in Oniyeka, precious stones in Kuroko/Eika and Lime stone deposit in Obajana/Zariagi a reason for sitting the on going largest private cement factory project in Nigeria in the state.

Much of the information discussed in the study such as the changing faces of business as a result of changing lifestyles, the presumed use of entrepreneurial skill potentials to push the bars of poverty from the society and the achievements of previous and present poverty reduction initiatives could not be fully studied with interview alone without using a the standard form questionnaire. Also, an in-depth face-to-face interviews with different households were carried out to seek more correct information on the effect of empowering the people with meaningful entrepreneurial skills good enough to bring about poverty reduction in the life of poor Nigerians. For this reason, fifty (50) households were interviewed comprising thirty (30) from Orgaminana, fifteen (15) from Adavi-Eba and five (5) from Ozuri.

Questions asked were not far different from those in the questionnaire except that they were administered to the illiterate poor and as such

would have to be translated into the local dialect to be well understood by them. Their responses were equally not far fetched except for reasons of individual opinions.

First, interview provides a first-hand information on entrepreneurship by the perceived poor who are the targeted beneficiary of every poverty reduction programme. Secondly, the case study greatly enrich the analysis of the hypothesis and underlying belief by providing qualitative information and even crude statistical data on the dynamics of poor response to most poverty reduction programmes.

Responses from these interviews are summarize as follows:

a. The poor believed that because of their educationally disadvantaged position government is not sincere in their dealings with them in providing adequate care for the less privileged. Programme benefits are distributed to relatives of people in government.
b. In their own wisdom, effort is intensified in their farming and trading activities with a hope to raising capital for the education of their wards, in anticipation that they may become leaders tomorrow.
c. They are of the opinion that government does not sell investment ideas alongside poverty reduction orientation, else they could take

advantage of the recent ongoing privatization exercise by investing in shares which will have made them shareholders too. They know no other form of making money than their traditional farming and trading.

d. At the level of the poor, emphasis is laid on mentoring – with one business person teaching others in the form of apprenticeship. This way, their young ones are consolidating their entrepreneurial skill for business fit.

e. Money commands universal attention. Behind every business motive is the desire to make money to take care of life's needs. Therefore, they are in business to make money.

f. Over the years, trading was limited to immediate market, but now, there is market expansion providing opportunity to move into bigger farther markets such as Sokoto, Kano, Maiduguri, Lagos, Onitsha, Port Harcourt etc. This have brought about a very significance improvement in their earnings, thus reducing poverty hurts from homes.

g. They are strongly in support of the teaching of entrepreneurial skills to all in the society.

Interviewing these groups of households made it possible to compare their responses to entrepreneurial challenges with other forms of poverty reduction initiatives. The comparison was bolstered by the coincidence of the recent job cuts in government's organizations. The interview was particularly revealing.

4.2 DATA PRESENTATION AND ANALYSIS

The data presented here are responses from questionnaires administered to entrepreneurs. From a population of 1255 registered entrepreneurs between the period of 2003 to 2005, 502 representing about 40 Percent of the sample was used for the study at different locations of Ogaminana, Adavi-Eba and Ozuri. Approximately 402 were sole proprietorship, representing 80 percent. 75 were in partnership about 15 percent and 25 limited companies representing 0.5 percent respectively of the sample population. Out of the 502 distributed questionnaires, 443 were returned, 59 were not returned.

$$\text{Response rate} = \frac{\text{Total number of items received in return}}{\text{Total number of items expected}} \times 100$$

$$\frac{443}{502} \times 100$$

$$= 88\%$$

250 of the sole proprietorship, 50 of partnership and 22 of the limited companies were from Ogaminana metropolis. 100 sole proprietors, 15 partnerships and 2 limited companies were from Adavi-Eba and suburbs with the rest 52 sole proprietors, 10 partnerships and 1 limited company drawn from Ozuri ward, a rural locality in the local government area.

By interacting with these groups of entrepreneurs, it was possible to compare their responses to the questions asked and the results summed up in the following tables.

Table 4.1: Sex of Respondents

Responses	**Number of Respondents**	**Percentage**
Female	300	68
Male	143	32
Total	443	100%

Source: Fieldwork 2006.

Table 4.1 indicated that women are more engaged in entrepreneurial practice than men. From a total of 443 respondents, 300, (68 percent) are women while 143 men occupy the remains 32 percent. This is an indication that women truly occupy the frontiers of small business.

Table 4.2: Marital Status of Respondents

Status	Number of Respondents	Percentage
Married	200	45
Single	100	23
Divorced	89	20
Widowed	54	12
Total	443	100%

Source: Fieldwork 2006.

In table 4.2, from a total of 443 respondents, 200, (45 percent) were married, 100, (23 percent) were single. 89, (20 percent) and 54, (12 percent) were divorced and widowed showing that entrepreneurship can be engaged in by all class of people.

Table 4.3 Employment Position of Respondents

Employment	Number of Respondents	Percentage
Government-Employed	300	68
Self Employed	93	21
Private Employed	50	11
Unemployed	0	0
Total	443	100%

Source: Fieldwork, 2006.

Table 4.3 shows that from a total of 443 respondents, 300, (68 percent) are Government employed, 93, (21 percent) are self-employment, 50, (11 percent) work for private firms. No one is unemployed as an entrepreneur. The table shows that people are really interested in being self-reliant.

Table 4.4 Responses on the Types of Enterprise

Enterprise	Number of Respondents	Percentage
Sole proprietorship	362	82
Partnership	68	15
Limited company	13	3
Corporation	0	0
Total	443	100%

Source: Fieldwork, 2006.

Table 4.4 depict that out of 443 respondents, 362, (82 percent) were sole proprietors, 68, (15 percent) were in partnership the rest 13, (3 percent) were limited liability companies. There is no presence of registered corporation in the area. This is an indication that sole proprietorship still remains the most widely form of enterprise known to most people in place of a better more organized corporation that provides more benefits to her owners.

Table 4.5 Responses on Source of Capital for Entrepreneurship

Source	Number of Respondents	Percentage
Own Cash	300	68
Acquired Credit	80	18
Cooperative	40	9
Family & friends	23	5
Total	443	100%

Source: Fieldwork, 2006.

Table 4.5 shows that from a total of 443 respondents, 300, (68 percent) began business with own cash. Another 80, (18 percent) took advantage of the small and medium scale credit financing facilities while 40, (9 percent) source their capital from various cooperative homes and the balance figure of 23, (5 percent) source money from family and friends to start business.

The 68, 9 and 5 percent entrepreneurs that began business with own capital is largely sole proprietors who do not need huge capital to start up. 18 percent is spread between those in partnership and limited companies.

Table 4.6 Types of Poverty Reduction Schemes Respondents are Aware of

Types of Poverty Reduction Schemes	Number of Respondents	Percentage
Small Scale Credit Financing	200	45
NDE	143	32
UNDP Assistance	70	16
Local Training	30	7
Total	443	100%

Source: Fieldwork, 2006.

From table 4.6, 200 (45 percent) respondents are awareness of the Small Scale Credit Financing facilities, 143 (32 percent) knows about the NDE Scheme. Another 70, (16 percent) knows about the UNDP assisted programme and the rest 30, (7 percent) are aware of the Local Government training in the area bringing the total respondents to 443. The schemes require more orientation campaign to enable people take better advantage of their existence.

Table 4.7 Responses on Motivation to Entrepreneurship

Motivation	Number of Respondents	Percentage
Money Making	344	77.7
Hobby	64	14.4
Enhanced Status	21	4.7
Common Development	11	2.5
No Response	3	0.7
Total	443	100%

Source: Fieldwork, 2006.

In the table 4.7, from a total of 443 respondents, 344, (77.7 percent) were motivated to entrepreneurship for money making, 64, (14.4 percent) starts business as a lifestyle (hobby). 21, (4.7 percent) were motivated to entrepreneurship for community development and 11, (2.5 percent) start business to enhance their status. And the remaining 3, (0.7 percent) do not state their motivation to business.

Table 4.8 Responses on the extent of poverty reduction due to entrepreneurship

Options	Number of Respondents	Percentage
Very Significant	289	65.2
Significant	112	25.3
Slightly Significant	32	7.2
Not Significant	6	1.4
No Response	4	0.9
Total	443	100%

Source: Fieldwork, 2006.

Table 4.8 sums up the responses of respondents on the question: To what extends have you experience poverty reduction since the inception of your entrepreneurship? From a total of 443 responses, 289, (65.2 percent) had very significant poverty reduction, 122, (25.3 percent) had significant poverty reduction. 32, (7.2 percent) experienced a slight significance in poverty reduction. 6, (1.4 percent) had no significant poverty reduction since inception of entrepreneurship and the rest 4, (0.9 percent) do not respond to the question.

Table 4.9 Responses on Entrepreneurship as Opportunity to Build Per Capital Income per Person(s)

Options	**Number of Respondents**	**Percentage**
Agree strongly	400	90
Agree	43	10
Neither agree nor disagree	0	0
Strongly disagree	0	0
Total	443	100%

Source: Fieldwork, 2006.

In table 4.9, the responses of 443 respondents that answered to the question “Entrepreneurship will provide ample opportunity to build the per capital income per person(s)” is summed up. 400, (90 percent) agree strongly to the statement, 43, (10 percent) agree to the same statement.

No respondents neither agree nor disagree or strongly disagree with the statement.

Table 4.10 Means of Achieving Expected Change in Social Life

Means	Number of Respondents	Percentage
Self innovation, creativity	220	50
Reliance on government	143	32
Reliance on NGO	70	16
Reliance on families/friends	10	2.26
Total	443	100%

Source: Fieldwork, 2006.

Table 4.10 indicated a total of 443 respondents out of which 220, (50 percent) expected a change in social life of people through self innovation and creativity. 143, (32 percent) believed that changes can be achieved through reliance on government, 70, (16 percent) believed that change can be foster through reliance on NGOs, while the rest 10, (2.26 percent) believed that changes can be achieved through families and friends.

4.3 TESTING THE HYPOTHESIS

Two hypotheses were generated to aid the research work. They are:

Ho: Entrepreneurship does not reduce poverty.

H_1: Entrepreneurship has effect on poverty reduction.

For clarity of purpose, the following terms are defined.

d/f - degree of freedom

x^2 - observed calculated

Asymp. Sig. - level of significance

Therefore, our d/f = 16

Level of significant = .000

x^2 = 395.879

The hypothesis will be tested using Chi-Square Statistical Package for Social Science (SPSS). And responses from tables 4.7 and 4.8 are cross tabulated to produce likelihood picture of the situation under study as both tables applies directly to the hypothesis of the research and may provide answers to some of the research questions.

Npar Tests

Chi-Square Test

Frequencies

Table 4.12: Responses on possible motivation to entrepreneurship

	Observed N	Expected N	Residual
Money Making	344	88.6	255.4
Hobby	64	88.6	-24.6
Enhanced status	21	88.6	-67.6
Community Development	11	88.6	-77.6
No Response	3	88.6	-85.6
Total	443		

Table 4.13: Responses on the extent of poverty reduction due to entrepreneurship

	Observed N	Expected N	Residual
Very Significant	289	88.6	200.4
Significant	112	88.6	23.4
Slightly Significant	32	88.6	-56.6
Not Significant	6	88.6	-82.6
No Response	4	88.6	-84.6
Total	443		

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	395.879[a]	16	.000
Likelihood Ratio	125.655	16	.000
Linear-by-Linear			
Association	324.475	1	.000
N of Valid Cases	443		

a. 17 cells (68.0%) have expected count less than 5. The minimum expected count is .03

Test Statistics

Pearson Chi-Square = 395.9

d/f = 16

Asym. Sig (2-sided) = .000

Interpretation and Decision Rule

The criterion is that when the computed X^2 value is less than or equal (<) to the table value, we accept the null hypothesis (Ho), but when the computed value is greater than (>) the table value, we reject the null hypothesis and accept the alternative hypothesis (H_1). This rule will be applied in the decision making of the hypothesis of this study.

Therefore, from computed chi-square X^2 value of 395.9 (two-sided) a table value for the t-distribution of 2.110 is compared. Obviously, the calculated is greater than the observed valued. Thus, the null hypothesis (Ho) that states "Entrepreneurship does not reduce poverty" is to be rejected while the alternative hypothesis (H_1) which states that "Entrepreneurship has effect on poverty reduction" is accepted.

Government should as a matter of utmost top priority focus on growing the economy entrepreneurially for considerable sustainability in poverty

reduction in Nigeria because entrepreneurship proved to have a significant effect on poverty reduction. This will bring the much desired impact from poverty reduction schemes.

4.4 RESEARCH FINDINGS

From the analysis of data presentation, the following research findings were made.

(i) Married women engage more in small business than men.

(ii) Entrepreneurship cut across all strata of society with post primary school leavers dominating the scene.

(iii) A large number of entrepreneurs are aware of poverty reduction initiatives but cannot take advantage of some of its provisions.

(iv) Sole proprietorship remains the most popular form of business.

(v) People are motivated to entrepreneurship for money making to cushion the effect of poverty hurts and get successful.

(vi) Entrepreneurs build their personal economy faster than any other beneficiary of the poverty reduction programmes.

(vii) Entrepreneurship when successfully practiced; bring forth a producing society that can transcend into a global economy.

(viii) With self rediscovery, innovation and creativity a monumental change in the life of average Nigerian will be achieved.

4.5 DISCUSSION OF FINDINGS

The tables 4.1 and 4.2 indicated that married women are the leading folk in small businesses. Society is a reflection of the family unit. As managers and keepers of home, women are highly spirited in protecting the family from poverty hurt and collapse by doing small business to support other source of livelihood for the family and enhance harmony. This answer the research question on the extent of entrepreneurship contribution to the peaceful running of a home.

In table 4.3 employments is 68 percent government meaning that societal development is left to the hand of government. In a society where government partneer with the private sector, development is faster and create a conducive business atmosphere but because of the waiting attitude on the part of the people, community development is very epileptic.

Table 4.4 and 4.5, shows that sole proprietorship, 82 percent, still remain the dominant form of business with own cash as source of capital for business (68 percent). Considering the number of years poverty reduction programmes had lived, there is little advancement in the forms of business and inability of rural people to become a part owner of a

public liability company. Therefore, the previous approaches targeted at poverty reduction has not yielded the expected result.

Table 4.6 shows the percentage awareness of poverty reduction schemes among the people. The 16 and 7 percent awareness for UNDP and local trainings are low. This may be attributed to lack of orientation on the part of the agencies. In response to how the poor have accepted the programmes, the idea is warmly accepted but need more enlightenment on some of the selection criteria to enable them take advantage of it.

In the tables 4.9 and 4.10, most self made entrepreneurs believed that their per capital income is boosted as a result of gains from their businesses. This group of entrepreneurs also have created employment opportunities bringing about increase savings and investments.

Responses cross tabulated in table 4.12 answer the research question on the extent entrepreneurship has contributed to the peaceful running of homes and also provides answer to the alternative hypothesis that states "Entrepreneurship has effect on poverty reduction". From a total of 443 respondents, 344 (77.7 percent) were motivated to entrepreneurship for money making and had very significant poverty reduction. 64 (14.4 percent) started entrepreneurship as a hobby and had very significant

poverty reduction. 21 (4.7 percent) began entrepreneurship to enhance status and had very significant poverty reduction. 11 (4.5 percent) were motivated to entrepreneurship for community development and had very significant poverty reduction. Essentially, this group had experienced increased savings, employment, investment and improvement in the standard of living. In other words, it means intact family structure, good mental health and continued preservation of value orientation.

CHAPTER FIVE

5.0 SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY

Poverty factor has become a basis on which the health of a nation is measured through indicators as income level, unemployment, economy, health etc. These are marked global phenomena that have attracted much attention in the 21st century with multilateral organizations such as World Bank, United Nations Development Project together with various concerned nations evolving poverty alleviation programmes machineries to curb the menace.

In Nigeria, over the years, several approaches have been used by the governments, past and present to stem down poverty. These approaches include the economic growth approach, rural development approach, targeting approach and the needs approach. By and large, the approaches have impacted on the lives of the rural poor but with a recorded wide gap between the poor and the rich yet to be fill. A reason for craving the use of entrepreneurial participatory approach by which the minds of the poor can be tailor for self invention, innovation, creativity and a good mental attitude to bring immediate relief to cushion poverty hurts.

An entrepreneur is a person who identifies a commercial opportunity and creates an organization to pursue it. This involves risk taking by assembling scarce resource for productive uses for satisfying the needs and wants of consumer for a value-premium. Money making or a lifestyle enterprise with a modest revenue for satisfying the financial needs of the family may be a motivating factor to entrepreneurship. What is most important is the economic gains it gives an individual to be able to take charge of life challenges.

Intending entrepreneurs can choose to start as a sole proprietor, partnership, limited company or corporation depending on capital base and business aspiration. Entrepreneurs can bootstrap early development from personal sources, friends, and relatives, but external infusion of capital are usually necessary if they want to move to a higher level.

Getting started on writing a plan for a business mean understanding the conceptual framework of entrepreneurship. Spotting opportunity, identifying the market(s) to be served. Providing details about how the entrepreneur organizes and intends to pursue such plan require a good possession of entrepreneurial skills that may sometimes be needed in describing the unique qualifications management team brings to effort

where applicable. It is also needed in analyzing the resources required for success and in providing a forecast of results over a reasonable time horizon. The necessity of a business plan is in getting the thought of entrepreneurs organized for possession of entrepreneurial fits to produce synergy results. The challenge of enterprise growth is hinged on the coping strategies of the entrepreneurs as the business expands. This and very many other entrepreneurial toolkits are essentials demands of any business that is destined for success.

A social research of this nature that is studying a large population of enterprise variables and poor households would be most appropriately conducted using a survey research design. The use of purposive sample is key to providing answers to some of the research questions and hypothesis. Using questionnaires, face to face interview to test for the true states of affairs as obtainable in the society compared to research findings and ad vocation. are relevant

An in depth study of Adavi Local Government Area potrays a picture of a land pregnant with hidden treasures in mineral deposits, arable farmland, rich culture and a people with diverse faith in Islam, Christianity and traditional worship making life flexible. Situated in the

middle belt region of Nigeria, the Local Government is a focal point with highway network transversing the North, South and Western region of Nigeria. Adavi LGA is without much gigantic industries, but small and medium scale businesses are source of the people's economic power scattered around Ogaminana metropolis, Adavi-Eba, Ozuri and other localities. The mainstay of the inhabitants are agriculture and trading in local industries.

Research data from this study are presented in frequency tables using percentage. This makes it easy to sum up opinions of respondents and come up with findings of the research. Responses from findings are used in testing the hypothesis to provide the basis for recommendations. Interestingly, the poor welcomes the developing trends in poverty reduction even though they are unable to take full advantage of some of the schemes initiatives as a result of poor orientation, programme leakage, inappropriate allocation of scarce resource by policy makers and biases on the part of government agencies. However, small money making ventures have been traditional engagement of most poor in building personal economy to reduce poverty.

5.2 CONCLUSION

The research into the use of entrepreneurship to reduce poverty has come up with meaningful findings that can make a lasting difference from the traditional approaches. We can infer from the findings of the study that no single approach to poverty reduction can lead to the desired or significant reduction in poverty but only through a combination of approaches.. Importantly engaging every creative, innovative mind in enterprise plus other approaches will yield an enduring result.

Note, the major theme of this study is to unearth how entrepreneurship can be used to achieve poverty reduction to the benefit of all. Therefore, the study concludes that acquisition and development of entrepreneurial skills are important for success in business and consequently to poverty reduction. The study also posit that lack of proper orientation on how to generate fund by the rural entrepreneurs has hindered them from exploring and experimenting with other forms of enterprise (such as limited liability company, corporation) which have synergy effect from team building. This is confirmed by the small number of registered businesses over the three years period. Also, the non utililization of the

credit facilities provided by the poverty reduction scheme has contributed to the small number of entrepreneurs in the study area.

One important inference is that the poor are ever ready to take advantage of any good plan to cause a positively change to their poor predicament given the opportunity for participation and backed by a strong support from the public.

Their major concern is inaccessibility to Government to share opinions on issues bordering on their lives as citizens so that any proposed poverty reduction programme can take into account such opinions and views in formulating policies that give rise to such programme.

5.3 RECOMMENDATIONS

In the light of the data analysis and interpretations, findings and conclusion drawn in the proceeding section, the researcher wishes to recommend the following:

A successful private economy is a central building block of a successful and sustained anti-poverty policy. Sustained poverty reduction requires a combination of helping to grow the economy of the people, provision of basic needs by government and investment in human capital.

Beneficiaries of skill acquisition training programme be well equipped for a take off of the trade learnt rather than been given insufficient loan that would not be enough to purchase the equipments needed to practice. Adequate funding and a well equipped resource centre be provided to cater for the running and implementation of all skill acquisition programmes.

The policy choices that countries make largely determine its success or failures. Government should redefine its role and redesign its policy such that education is given top priority with technical and entrepreneurial skills be made more competitive by inclusion into all school level syllabus and also bake such skills into our culture and erase the pervading sense of bleakness. Design education policy instrument to boost enrollment of the girl child into school, offer special scholarship to talented girls living in rural area and design a flexible school hours that allows to combine schooling and household chores to enhance the molding of today youth for tomorrow leadership and good governance. Universal basic entrepreneurial skills will wake up the creativity, innovation in man and will create employment, raise productivity, create investment and stimulate growth and open up economic opportunities to more people.

Government and capitalist should create a conducive interactive atmosphere for the relationship between the poor government agencies to blossom the relationship for poverty crusade to reach it targeted beneficiaries and in return their opinions be heard and taken care off. This will foster harmony between government, private sector and the people and enhance resource allocation by focusing them where they can have most impact on achieving the aims. Reallocation of aid toward localities with large number of poor will enhance the poverty reduction performance of aid. By so doing, inequality can be reduced and also participation raised with the quality and sustainability of development programme assured.

To be able to take advantage of credit facilities, credit institutions be lenient by charging positive real interest on loans to the poor and show genuine interest in their growth. This would bring about more patronage and enhanced low default rates based on mutual arrangement by group's solidarity to encourage borrowers to honour their repayment obligations using team influence as selection criteria.

If poverty reduction programmes are to succeed, local governments must make judicious use of funds allocated to it and its constituencies under

strict supervision by the central government. And government should establish a one-stop need service-providing centre for quality service delivery to the rural populace in major villages. These service centers should include sections for agriculture, loan disbursement, enterprise utilities, health care and opinion pool to be manned by very efficient staff as representative of the central ministries. This would remove the drudgery of traveling far to take advantage of the services provided by the main office. It should also creates a forum for exchanging views, ideas, and expression of needs for harmonization before ranking of priorities for onward presentation to the central body for policy formulation. This way, like earlier said would bring about adequate allocation of resources and a good partnership. Achieving these will also support Nigeria's achievement of the millennium development goals.

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