

Entrepreneurship Education as a Catalyst for Poverty Reduction and National Security in Nigeria

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Abstract. The study examined entrepreneurship education as catalyst for poverty reduction and national security in Nigeria using time series data over the period 1995 to 2015. While entrepreneurship education (proxy by index of industrial production) served as independent variable, GDP growth rate, poverty rate and government expenditure served as explanatory variables. Using ordinary least square multiple regression analysis, the paper revealed that GDP growth rate is positively related to index of industrial production while the poverty rate and government expenditure on national security have negative signs which is an indication of the high rate of unemployment in Nigeria as many able bodied youth and graduates are not employed and as such, depended on the working population for survival which increases the rate of abject poverty. The paper suggest that government should not only integrate entrepreneurship education as an integral part of the curriculum across all levels of education but should also establish skills acquisition centres across the country to reduce youth unemployment stem down the rate of poverty and insecurity in the country.

Keywords: Entrepreneurship Education, Poverty Reduction, GDP Growth, Industrial Production, Government Expenditure, Poverty Rate, Skills Acquisition, National Security.

1. Introduction

Nigeria, as a nation, despite its abundant wealth in terms of human and material resources, has been observed in recent times, to be under severe internal socio-economic challenges which are partly orchestrated by the cumulative effect of poverty and graduate unemployment. These often times, caused breach of peace in the country as reflected in the spate of insecurity in Nigeria as many able-bodied and highly qualified persons who could not secure gainful employment have remained economically dependent on their parents because they lack the necessary occupational skills to be self-employed and to effectively function in today's world of work (Osolor, 2013).

According to Otokiti (2012), the reason for these problems is that since independence, the country has failed to link education with enterprise development with repeated emphasis on self-employment in all her planning effort, but with nothing to show for it. No wonder, Oladele, Akeke and Oladunjoye (2011) lamented that many graduates in Nigeria lack entrepreneurial skills to facilitate self-employment and that it is only the effective implementation of vocational and technical education programmes that will inculcate the necessary skills and competencies that will help the youth to be self-reliant. No wonder, Daodu (2002) posited that the missing link in the Nigerian educational system, is entrepreneurship education and to surmount these challenges, entrepreneurship education has been postulated as the antidote, According to

him, through this type of education, new skills are acquired, ideas and management abilities necessary for promoting the growth of small and medium scale enterprises and job creation are also imbibed. To Raposo and Paco (2011), entrepreneurship education prepares the youths to be responsible and enterprising. Enu (2012) argues that the ultimate goal of educational entrepreneurship is all about increasing the student's ability to anticipate and respond to societal changes. In other words, through educational entrepreneurship, students are equipped to deploy their creativity ability for their good and benefits of the larger society.

In the investigation of Daodu (2007) in Akpomi (2009) on the modalities for using entrepreneurship education as a strategy or instrument for channeling necessary energy of the Nigerian universities, faculties and students away from paid employment to self-employment concluded that entrepreneurship education is the solution to the nation's problems. While entrepreneurship education was introduced into the curriculum of most tertiary institutions in Nigeria, Olibie (2013) noted that the curriculum for higher education is not entrepreneurship oriented and is not adequately suited for emergent global curriculum trends. Universities have paid very little attention to the changing labour market conditions in spite of promptings by public officials and international agencies urging them to do so. Rather than being at the forefront proactively converting these changes into opportunities for innovative programmes, the University system in Nigeria seem to have assumed a production orientation oblivious of the needs of the economy.

However, in view of the quality of graduates produced in Nigerian higher institutions, many people have criticized formal education for lack of its relevance while some others also strongly looked down on informal education as being unable to promote the much needed development, scientific and technological breakthrough. This is quite an irony for a country that allocates huge resources to education annually via the budget.

The preponderances of these challenges in the Nigerian education systems has no doubt make the economy to be susceptible to high rate of unemployment and under-employment with its attendant socio vices of insecurity, theft, poverty, armed robbery, kidnaping, ritual killings, drug addiction and other form of misdemeanours. This may be attributed to the fact that most of the lecturers handling the course lack the necessary skills/expertise to handle same while the few one that have shallow knowledge of the subject matter lay emphasis on theoretical aspect rather than making it practical based to enable the students acquire basic business instincts and talents with which they can establish small and medium scale businesses where the white collar jobs are not available. It is against this backdrop that this study examines entrepreneur education as a catalyst for poverty reduction and national security in Nigeria.

2. Concept of Entrepreneurship Education

According to Ebele (2008), entrepreneurship education is the teaching of knowledge and a skill that enables the students to plan, start and run their own business. In the view of Swarland (2008), entrepreneurship education aims to stimulate creativity in students, enables them to identify opportunities for innovation and motivate them to transform the ideas into practical and targeted activities whether in a social, cultural or economic context. Amusan (2004) agrees that entrepreneurship education will provide opportunities for students to access their attitude, aptitude and skills relating to those necessary for developing and running business.

Entrepreneurship education entails teaching students, learners and would-be businessmen, the essential skills required to build viable enterprises, equipping the trainees with skills needed for taking responsibility and developing initiatives of prospective trainees (Ezeani, 2012). According to Abefe-Balogun (2012), Entrepreneurship education involve a dynamic process of creating wealth through the process of creating something new and in the process assumes both attendant risks and rewards. To Izedonmi (2006), entrepreneurship education is

a process of preparing trainees for self-employment.

Okereke and Okorofor (2011) assert that entrepreneurship education has been acknowledged world wide as a potent and viable tool for self-empowerment, job and wealth creation. To Atakpa (2011), entrepreneurship education is an aspect of education which equips an individual and creates in the person the mindset to undertake the risk of venturing into something new by applying the knowledge and skills acquired in school.

In his own view, Fashua (2006) says entrepreneurship education creates the willingness and ability in a person to seek out investment opportunities in the society and be able to establish and run an enterprise successfully based on the identified opportunities. Hence, the overall purpose of entrepreneurship education is to develop expertise as an entrepreneur. According to Enu (2012), entrepreneurship education is a form of education that seeks to provide knowledge, skills, attitude and motivation to students for entrepreneurial success in any facet of human endeavours. He further argues that entrepreneurship education equips individuals with the ability to seek investment opportunities and maximize returns from those investments.

Entrepreneurship according to Omolayo (2006), Baba (2013) is the act of starting a company, arranging business deals and taking risks in order to make profit through the education skills acquired. The entrepreneurship spirit is a prerequisite to an entrepreneurial society and culture. To Aruwa (2004), it is the ability of some people to accept risk and combine factors of production in order to produce goods and services. It can also be seen as the willingness and ability of an individual to seek out investment opportunities in an environment and be able to establish and run an enterprise successfully based on the identified opportunities.

2.1 Objectives of Entrepreneurship Education

The objectives of entrepreneurship education clearly show that it is concerned with the development and survival of both the individual and society. In fact, it is a tool through which social, economic and political development could be achieved.

According to Osuala (2010), the objectives of entrepreneurship education are:

- to provide meaningful education for youth which could make them self-reliance and subsequently encourage them to drive profit and be self-independent;
- to provide graduate with the training and support necessary to help them establish a career in small and medium size business;
- to provide graduates with employable skills that will make them meet the manpower needs of the society;
- to provide graduates with enough training in risk management to make uncertainty bearing possible and easy;
- to stimulate industrial and economic growth of rural and less developed area;
- to provide graduate with enough training that will make them creative and innovative in identifying new business opportunities; and
- to provide small and medium sized companies with the opportunity to recruit qualified graduates who will receive training and tutoring in the skills relevant to management of the business centre.

3. Research Hypothesis

The paper will be guided by the following hypotheses:

H₀₁: There is no significant relationship between entrepreneurship Education and Poverty reduction in Nigeria.

H₀₂: There is no significant relationship between entrepreneurship Education and national security in Nigeria.

4. Methodology

$$Y_t = -29.91625 + 0.123020b_1 + 4.508248b_2$$

From table 1, GDP growth rate and poverty rate served as explanatory variables while the index of industrial production is the dependent variable. The result of the model as indicated in table 1 showed that all the explanatory variables are positively related to the dependent variable. The coefficient of multiple determination shows that the model is of high good fit with approximately 84% of index of industrial production being explained by the variables included in the model, while the remaining 16% are factors influencing entrepreneurship education but were not captured in the model. Similarly, the low Durbin-Watson value of 1.322747 suggests that there is presence of serial correlation. The F-statistics indicate the joint significance of the explanatory variables and the high degree to which variations in the index of industrial production are explained by variations in the explanatory variables.

Table 2: EFFECT OF GDP Growth Rate, Government Expenditure on National Security on Entrepreneurship Development in Nigeria

Dependent Variable: Index of Industrial Production
 Method: Least Squares
 Sample (Adjusted): 1995-2015
 Included Observations: 19

EXPLANATORY VARIABLES	COEFFICIENTS	STANDARD ERROR	T-STATISTIC
Constant	-27.43110	42.05804	-0.652220
LOG(b ₁)	3.816399	10.98550	0.347403
LOG(b ₃)	0.241321	2.143253	0.439562

R-squared = 0.813916 Adjusted R-squared = 0.704256
 F-statistics = 1.053432 S.E. of Regression = 1.132505
 Durbin-Watson stat = 1.335190 Prob. (F-Statistic) = 0.034970
 Akaike info Criterion = 3.194909 Mean Dependent Var. = -12.53195

$$Y_t = -27.43110 + 3.816399b_1 + 0.132854b_3$$

In this model, GDP growth rate and government expenditure on national security served as explanatory variables while index of industrial production is the dependent variable. The result of the model as indicated in table 2 showed that GDP Growth Rate and government expenditure on national security are positively related to the dependent variable. The coefficient of multiple determination shows that the model is of high good fit with approximately 81% of the index of industrial production being explained by the variables included in the model, while the remaining 19% are factors influencing entrepreneurship education but were not captured in the model. Similarly, the low Durbin-Watson value of 1.335190 suggests that there is presence of serial correlation. The F-statistics indicate the joint significance of the explanatory variables and the high degree to which variations in the entrepreneurship education are explained by variations in the explanatory variables.

Table 3: Combined Effect OF GDP Growth Rate, Poverty Rate, Government Expenditure on National Security on Entrepreneurship Development in Nigeria

Dependent Variable: Index of Industrial Production
 Method: Least Squares
 Sample (Adjusted): 1995-2015
 Included Observations: 19

EXPLANATORY VARIABLES	COEFFICIENTS	STANDARD ERROR	T-STATISTIC
Constant	-20.33120	22.15814	-0.552124
LOG(b ₁)	2.716395	8.67552	0.447213
LOG(b ₂)	-0.432861	0.245954	1.223552
LOG(b ₃)	-1.321431	4.132459	0.321415

R-squared = 0.913612

Adjusted R-squared = 0.844236

F-statistics = 1.053432

S.E. of Regression = 1.122515

Durbin-Watson stat = 1.235191

Prob. (F-Statistic) = 0.024570

Akaike info Criterion = 2.174604

Mean Dependent Var. = -11.52163

$$Y_t = -20.33120 + 2.716395b_1 - 0.432861b_2 - 1.321431b_3$$

In this model, all the variables are combined together and the result indicated in table 3 showed that GDP growth rate is positively related to index of industrial production while the poverty rate and government expenditure on national security have negative signs. The negative signs of poverty rate is an indication of the high rate of unemployment in Nigeria as many able bodied youth and graduates are not employed and as such, depended on the working population for survival which increases the rate of abject poverty. In the same vein, the increase in government expenditure on national security relative to the industrial sector of the economy in the past few years may be partly responsible for the native sign of the variable. The coefficient of multiple determination shows that the model is of high good fit with approximately 91% of index of industrial production being explained by the variables included in the model, while the remaining 9% are factors influencing entrepreneurship education but were not captured in the model. Similarly, the low Durbin-Watson value of 1.235191 suggests that there is presence of serial correlation. The F-statistics indicate the joint significance of the explanatory variables and the high degree to which variations in the index of industrial production are explained by variations in the explanatory variables.

6. Conclusion

There is no doubt that entrepreneurship skill development goes beyond training and education but it involves a process of human capacity building through formal and informal training inculcating in the entrepreneur basic

technological and managerial. Therefore, government should not only integrate entrepreneurship education as an integral part of the curriculum across all levels of education but also establish skills acquisition centres across the country to train unemployed youths in trades that they can engage in with financial support so as to create wealth, generate employment, reduce poverty, thereby translating to reduction in insecurity in the country.

7. Recommendations

Based on the finding of this study, the following recommendations are made to reduce poverty and insecurity in Nigeria using entrepreneurship education:

- (i) Since devil find work for an idle hand, the government should make en entrepreneurship education mandatory across all levels of education to enable youths acquire skills with which they can set up small businesses where white collar job is not available. This will promote employment generation, reduce poverty and reduce instances of insecurity arising from unemployment.
- (ii) More funds should also be made available to genuine small scale enterprises as is currently being done by the Bank of Industry to create more employment opportunities and reduce poverty.
- (iii) More universities should be made to run entrepreneurship education as a

discipline like any other academic programme to solve the problem of inadequate qualified staff to teach the course in our tertiary institution of learning in Nigeria.

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