
Entrepreneurship Education, Managing Unemployment and Poverty Alleviation in 21st Century

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ABSTRACT: *This paper examined the courses of unemployment in Nigeria with a view to proffering practical solution to it so as to reduce poverty rate. Secondary data gathered from various sources such as: CBN reports et cetera covering the period between 1970 to 2014 were used. It employed the regression analysis as the analytical method E-views version 9 and found out that a percentage increase in population growth will increase unemployment by 4.94%. Also the study found a positive relationship between government educational expenditure and unemployment rate in Nigeria and lastly, the result showed there is a positive relationship between gross capital formation and unemployment rate in Nigeria. It concluded by recommending that development of entrepreneurial skills and initiatives through entrepreneurship and training should be of paramount importance especially in the higher education sector so as to facilitate the employability and creativity of graduates who will derivatively contribute wealth of the nation not only as job seekers, but also job creators.*

KEYWORDS: entrepreneurship education, unemployment, poverty alleviation, educational expenditure, gross capital formation.

INTRODUCTION

Unemployment in Nigeria is now an endemic problem categorized as one of the serious multiplier of poverty impediments to high living standard. Apart from representing an enormous waste of a country's manpower resources, it generates welfare loss in terms of lower output thereby leading to lower income and well-being (Akinboyo, 1987; Raheem, 1993). High rate of unemployment has led to tremendous increase in criminal activities and social vices in Nigeria. It poses a threat to her development, security and peaceful coexistence, and donned an emblem of poverty on most her cities turning the nation to a poverty-ridden society where most families no longer feed properly

due to the high cost of basic staples such as Garri, rice, yam and beans et cetera. Meats like beef and poultry have disappeared from the family pot. The intake of protein, minerals and vitamins have been drastically reduced below minimal requirement, such that individual most household have become vulnerable to pellagra retard growth (physically and mentally) and greatly reduce resistance to diseases (Isah, 2014).

Poverty ridden society experiences rising rates of illiteracy as a result of the increase number of school dropouts and declining school enrolment, engendered by the inability of parent to afford the cost of training their children. Igbuzor (2005) sees poverty as a way of life characteri/.cd by low calorie intake, inaccessibility of adequate health facilities km qualits educational system, low life expectancy, unemployment and undcr-employment. The level of literacy can also influence the level of performance in economic enterprise. This is probably why Africa tradition insists on life-long education as a means of acquiring various types of literacy. cultural, political and religious education, for meaningful and effective living.

The World Bank reports that the GDP at purchasing power parity of Nigeria was \$108 billion in 201 1 show that unemployment has eaten deep into the Nigerian economy as it has resulted in more and more people who do not have purchasing power. Less consumption has led to lower production and economic growth has been hampered (lime. 2013). Therefore, valuable education and productive employment becomes basic needs, and ways of escaping unemployment crises and poverty alleviation. Thus this phenomenon calls for solution since unemployment seems to be a major cause of poverty and economic doldrums. Consequently, the urgent need to alleviate the suffering of close to 70 percent of Nigeria's active population that is living below poverty line is sine qua non to analysing the debilitating causes of unemployment and determining the kind of education that can sustain this.

Statement of Problem

The problem of unemployment has dealt a deadly blow on Nigeria as a nation. In recent times, the incidence of unemployment has been deep and widespread, cutting across all facets of age groups, educational strata and geographical entities and simultaneously pushing the living standard of an average man towards poverty line. Statistics on the nation's labour force released by the National Bureau of Statistics [NBS] has indicated that about 9,969,649 Nigerians were unemployed as at March, 2009 (National Bureau of Statistics, 2014). The report which is the latest on Nigerian's employment rate, further indicated that the total unemployment rate constituted about 19.7 percent of the entire labour force put at 50,607,355 and had risen sharply from 14.9 percent recorded in March, 2008. The rate of unemployment as at 2014 is put at 23 percent, the highest since 2000 (NBS, 2014).

The increase in the unemployment rate was largely attributed to the rising population, inadequate expenditure on education, lack of infrastructure, increased number of school graduates with lack

of employable skills due to inappropriate school curricula, high degree of rural-urban migration, and neglect of agricultural sector and poor enabling environment. For many years, high unemployment has been a key challenge to the Nigerian government, aggravating youth restiveness. which represents a huge waste of Nigeria manpower resources as it generates welfare loss in terms of lower output thereby leading to lower income and well-being. High rate of unemployment have led to tremendous increase in criminal activities and other vices in all parts of the country.

These compelling natures of the unemployment problem epitomized by a pervasive imbalance between the job expectation and opportunities of an increasingly frustrated class of unemployed and underemployed persons despite their level of education, raise a host of important and challenging policy questions, and a critical examination of the type of education adopted for which socially optimal responses based on a robust and sound analytical framework must be sought. Hence, analysis of the causes, trends and the effects of unemployment in Nigeria are very fundamental.

Research Hypothesis

HO: unemployment is not caused by rising population, inadequate expenditure on education and capital formation.

b. Neglect of the agricultural sector: The agricultural sector had been the leading provider of employment in Nigeria especially for more than 60% of the Nigerian population. This sector has completely existed unloved by youths in search of white-collar jobs. **c. Adoption of untimely economic policy measure;** Another important factor responsible for unemployment situation is the dismissing of small scale and cottage industries which operated in both formal and informal sectors in 1986.

d. Wrong impression about technical and vocational studies: The wrong impression most people have about technical education also contributed to the high rate of unemployment in Nigeria in recent time. There is an enduring societal biased attitude against technical and vocational education (Damachi, 2001)

e. Poor enabling environment: The poor-economic enabling environment that characterizes the economy over the years has continued to pose serious challenges to employment generation in Nigeria. **Effects of Unemployment In Nigeria**

The consequences of unemployment in Nigeria are very severe and threatening to the citizenry and the economy as a whole (Bello. 2003). They include:

a. Loss of output in terms of goods and services: According to Njoku and Ihugba (2011), the most direct impact on the economy of an unproductive labour force is loss of output in terms of goods and services.

b. Crime and violence: With the growth of youth unemployment, the gap between the rich and the poor kept growing, resulting in social tensions which could affect the entire sphere of the

community, state and the entire country (Niger-Delta militancy. North-Hast, North-Central insurgents killing, etc).

c. Drug addiction: Due to frustration that results to the inability of engaging in a gainful employment, most people turn to drugs and even go ahead to be addicted to it. **d. Low GDP:** It is an established economic reality that the size of the workforce directly impacts on country's GDP.

e. Political instability :' unemployment grows in a community, dissatisfaction with the incumbent government follows. This in turn, leads to frequent changes in governments and formation of unsteady coalitions. This is not healthy for long term stable economic policies and this situation could lead to a vicious circle of political changes.

f. High level of poverty: Poverty is a state or condition in which a person or community lack the financial resources and essentials to enjoy a minimum standard of life and well-being that is considered acceptable in society. It is a contagious and debilitating effect of unemployment.

Why Poverty persist in Nigeria

Poverty has many causes which are very basic. Some experts suggest, for instance. That the world has too many people too few jobs and not enough food. But such basic causes are quite intractable and not easily eradicated in most cases, the causes and effects of poverty interact so that what makes people poor also creates conditions that keep them poor. Primary factors that may lead to poverty include:

1. Poor macro-economic and monetary policies: These have contributed to high poverty rate. The Nigerian naira that used to exchange for 1.20 Naira to one British pound in 1986, now exchanges for 370 naira. The outcome has made it almost impossible for small and medium enterprises (SMES) to thrive, which would have contributed to the reduction of poverty through job creation.

2. Globalization: This means trade liberalization. Nations are supposed to trade freely amongst themselves for the mutual benefit of their people. As for Nigeria, there are only two major goods that could be marketed - Crude Oil and agricultural produce. The latter is totally neglected with the discovery of the former in a commercial quantity. The gains of globalization as currently being enjoyed by developed nations seem to be eluding Nigeria because of her inability to export manufactured goods abroad like other developed nations.

3. Good Governance: Nigeria is yet to experience good governance, this has deprived her people the dividends of democracy. Policies of government are still being formulated without due consideration to the welfare of citizens, the outcome of which is further poverty

4. Corruption: This is a serious problem in the country. Money that accrued to government at all level are stolen and kept in private bank accounts at home and abroad (oversee) by public officials. No meaningful investment, which would have generated employment for the people could take place in an environment plagued with corrupt practices.

5. Low production capacity: Productivity is low in the country. Industries that would have provided job employment for the people are either folding up or producing at very low capacity; as a result unemployment is bound to increase and thereby increase the level of poverty.

6. Over population: This is a situation of having large number of people with too few resources and too little space. Excessive high population densities put stress on available resources. Consequently, in the rural areas, over population could lead to scarcity. A lawgiver, Corbett (2007) opines that in developed countries such as the United States and the countries of the Western Hemisphere. Over population generally is not considered a major cause of poverty. These countries produce large quantities of food through mechanized farming, which depends on commercial fertilizers, large-scale irrigation and agricultural machinery. This form of production provides enough food to support the high densities of people in metropolitan areas. It is important to note that high birth rate leads to overpopulation.

7. Inadequate employment and theoretical education: Illiteracy and unemployment are common in developing countries. In Nigeria. For instance most public schools are not well funded by the government. It is a known fact that without education, most people cannot find income-generating work. However, because of the theoretical and consumption oriented educational curriculum adopted in most secondary and higher educational institutions the work force can hardly (initiative!) make a living due to lack of entrepreneurial skill. Poor people also often forego schooling in order to concentrate on making a minimal living. In addition, developing countries tend to have few employment opportunities. Unemployment rates are high which leads to high level of poverty. Corbett (2007) notes that in countries with high populations, unemployment level of only a few percentage points mean that millions of working age people cannot find work and earn an adequate income and that other people may earn wages too low to support themselves.

METHODOLOGY

Secondary data collected in this study focused on the period of 1970-2014 based on data availability. This period was chosen because the economy experienced high level of unemployment with high level of private institutions producing more graduates. The aim of the study is to identify the causes of unemployment in Nigeria, through the use of regression analysis. The Kviews version 9 was used to compute the regression analysis.

Model Specification

Since the method of analysis is regression, relationship between variables and functional models must be explicitly formulated and defined. Based on the secondary data from (1970-2014). the growth rate of the data is employed for the test except otherwise thus:

$$\text{LINE } f(\text{GDPg, PG, HE, GCF}) \dots \dots \dots (1)$$

In stochastic term, equation (1) becomes:

$$\text{UNE} = \beta_0 + \beta_1 \text{GDPg} + \beta_2 \text{EE} + \beta_3 \text{GCF} = \epsilon \dots \dots \dots (2)$$

Where:

UNE = Unemployment growth rate

PG = population growth rate

HI = education expenditure

GCF = gross capital formation

E = white noise error

A priori Hxpectation: increase in economic growth is expected to reduce unemployment rate, and increase in population growth can have both positive and negative effects on the rate of unemployment. While education expenditure should normally have positive effect on unemployment level, gross capital formation is expected to be otherwise.

RESULTS AND FINDINGS

rSIMMAKY STATISTICS

	LRGDP	LCF	LHK	PP	UN
Mean	2.872746	1.628233	1.588585	2.524952	7.507409
Median	2.901182	0.466229	0.819729	2.450000	5.300000
Maximum	4.426774	4.605895	6.672877	3.11 1000	21.10000
Minimum	1.231333	0.386345	-1.000000	2.213000	2.000000
Sid. Dov.	0.542571	1 .6394 1 3	1.917381	0.219464	5.121369
Skewness	0.407916	0.771234	1.568961	1.279671)	1 .0989 1 0
Kurlosis	6.452472	1.814913	4.310364	4.171823	3.096574
Jarque-Rcra	18.87771	5.675464	17.34541	11.88509	7.259(,12
Probability	0. 000080	0.058558	0.000171	0.002625	0.026521
Sum	103.4189	58.61641	57.18905	90.89826	270.2667
Sum Sq. Dc\.	10.30340	94.06863	128.6722	1 .685757	917.9948
Observations	36	36	36	36	36

Moreover, using skewncss, kurtosis and the Jarque-Bera normality test, it was discovered from the figure above that the distribution is positively skewed although near symmetrical because the value is near /.ero while the kurtosis could be said to be leptocotically distributed but because the value is near 3 we can say it is close to mesocoptic distribution. The Jarque-Bera probability of 30% lends credence to the stability of the parameters in the unemployment model which suggest that the model is fairly well specified and robust for policy analysis.

Correlation analysis

UN	I.RCiOP	I.CT	I.lil-	IT
I	0.2807	0.3869	0.2748	-0.2547
0.2807	I	0.2500	0.4504	-0.2168
0.3869	0.2500	I	0.73800	-0.504 I
0.2740	0.4504	0.7388	I	-0.3286
-0.2547	-0.2168	-0.5044	-0.3286	i

The correlation analysis indicates positive correlation between unemployment and economic growth. The correlation between capital formation and unemployment is positive. The correlation between education expenditure and unemployment is positive and that of population and unemployment is negative.

Individual Regression Results/Findings

This analysis was concerned with the problem of open unemployment in Nigeria which is the percentage ratio of total unemployed and total labour force. It analysed the issue, the macroeconomic variables influencing the open unemployment experience using time series data from 1970-2014. Unemployment data was gathered from different sources. The study investigated the influence of population growth, government expenditure on education and capital formation on unemployment in Nigeria.

Table 1: Impact of population growth on unemployment

Dependent Variable: UN Method: Least Squares Date: 09/23/10 Time: 22:33 Sample: 1971 2013
Included observations: 43

Variable	Coefficient	Std. Error Statistic	t- Prob.
C	20.0677	7.932177 2.529537	0.0154
PI	4.941304	3.082483 1.603027	0.1166
R-squared	0.058979	Mean dependent var	7.399226
Adjusted R-squared	0.036027	S.D. dependent var	4.692700
S.E. of regression	4.607392	Akaike info criterion	5.938596
Sum squared resid	870.3505	Schwarz criterion	6.020512
Log likelihood	-125.6798	Hannan-Quinn criter.	5.968804
F-statistic	2.569696	Durbin-Watson stat	0.594552
Prob(F-statistic)	0.116606		

The estimated figure from table 1 shows that there is a negative impact of population growth on unemployment rate in Nigeria. A percentage increase in population growth will increase unemployment by 4.94%. This means the number of job available is far limited to the number of population. That means, the government is unable to provide jobs for its youths. This increase in population might be as a result of high level of migration, high birth rate and low death rate. The result therefore implies that government must for now put in place adequate measure to control population growth and distribute resources equitably while giving a sense of belonging to all citizens.

Table 2: Impact of education expenditure on unemployment

Dependent Variable: UN Method: Least Squares Date: 09/23/10 Time: 22:33 Sample: 1971 2013
Included observations: 36

Variable	Coefficient	Std. Error Statistic	t- Prob.
C	6.341307	1.087610 5.830497	0.0000
LHH	0.73405 1	0.440439 1.666636	0. 1 048
R-squared	0.075526	Mean dependent var	7.507409
Adjusted R-squared	0.048336	S.D. dependent var	5.121369
S.L. of regression	4.996064	Akaike info criterion	6.109130
Sum squared resid	848.6622	Schwarz/ criterion	6.197104
Log likelihood	-107.9643	Hannan-Quinn eriter.	6.139836
(•'-statistic	2.777676	Uurbin- Watson stal	0.615869
Prob(F-slalislic)	0.104774		

The estimated figure from table 2 shows that there is a positive relationship between government educational expenditure and unemployment rate in Nigeria, although the impact of the relationship is not significant. This means that government spending on education can be enhanced.

Table 3: Impact of capital formation on unemployment

Dependent Variable: UN Method: Least Squares Date: 09/2/2010 Time: 22:34 Sample: 1971 2013
Included observations: 43

Variable	Coefficient	Std. Error Statistic	t- Prob.
C	5.740695	0.913058 6.287330	0.0000
I.(T	1.155968	0.433382 2.667321	0.0109
R-squared	0.147868	Mean dependent var	7.399226
Adjusted R-squared	0.127084	S.D., dependent var	4.692700
S.E. of regression	4.384388	Akaike info criterion	5.839372
Sum squared resid	788.1372	Schwarz criterion	5.921289
Log likelihood	-123.5465	Likelihood ratio test	5.869581
F-statistic	7.114599	Durbin-Watson stat	0.709471
Prob(L-statistic)	0.010897		

The estimated figure from table 3 shows that there is a positive relationship between gross capital formation and unemployment rate in Nigeria. A percentage increase in gross capital formation will increase unemployment by 1.16%. The implication of the result is that that type of economic growth in Nigeria is harmful to job creation in Nigeria. The result implies that the situation in Nigeria is challenging in solving the unemployment problem. For Nigeria to take-off in terms of full employment there is need to formulate and implement policies that will promote transparency and accountability, overcome institutional constraint, promote human development, engineer political transformation and engender social and cultural re-orientation. All these would without doubt bring about structural multidimensional changes and generate massive employment opportunities for the unemployed in Nigeria.

SUMMARY OF RESULTS

1. A percentage increase in population growth will increase unemployment by 4.94%. This means the number of job available is far limited to the number of population. That mean the government is unable to provide jobs for its youths. This increase in population might be as a result of high level of migration, high birth rate and low death rate.
2. The estimated figure from table 2 shows that there is a positive relationship between government educational expenditure and unemployment rate in Nigeria, although the impact of the relationship is not significant. This means that government spending on education can be enhanced.
3. The estimated figure from table 3 shows that there is a positive relationship between gross capital formation and unemployment rate in Nigeria.

RECOMMENDATIONS AND CONCLUSION

One of the most crucial challenges facing Nigerian economy today is the formulation effective policy measures that will drastically reduce unemployment and poverty. Given the damnable implications of this phenomenon in an economy, it is apparently clear that no country would allow this episode to uninterruptedly proceed without mitigation. Therefore, in the continuous effort towards unemployment reduction in African economies especially in Nigeria, the following suggested policy measures are very useful. Given the high level of unemployment in Nigeria, the development of entrepreneurial skills and initiatives should be of paramount importance especially in the higher education sector in order to Facilitate the employ-ability of graduates who will increasingly be called upon to be not only job seekers, but above all to be job creators (Okebukola. 2001). Nigeria is at its lowest ebb in human capital development and utilization because of its inadequate educational system which tends to produce more of those who lack job skills for employment than those the economy requires to remain vibrant. In view of this, to attack unemployment then, there is the need to restructure the educational system in respect of manpower production for the needs of the economy. Vocational skills should be given high priority, as it is capable of generating self-employment. The technological institutions in the country should be properly funded and equipped to ensure efficiency.

Expenditure on Entrepreneurship / Productive education should be well increased

Government should ensure more prudent and judicious management of national resources on productive education. Hducation is the bed rock of human capital development and it is synonymous to economic growth. The type of education dished out must be growth enhancing. The government should also encourage entrepreneurship in her programmes and fully incorporate the citixens in such programmes. A skilled populace, given the right incentives interacts favourably with this business-friendly environment to be productive citizens. However, Nigeria remains a

country with immense untapped potential - vibrant population, large market and an even greater potential of harnessing all these for economic prosperity.

Provision of Infrastructure

The poor state of infrastructure in Nigeria has continued to remain a monumental problem to the Nigerian economic growth and development in all facets. Self- engagement is seriously inhibited due to poor or lack of infrastructures; hence, the dependence of virtually all the unemployed persons on the government. The economic environment has continued to remain hostile to cottage, small and medium scale industries. There is the need for the government to efficiently meet the challenges of infra structural development which fuel the fire of Hntrcpencurship skill in the entire country as this will help to launch the private sector into full potentials. This will stimulate private investment and induce remarkable economic growth much more than government direct involvement in investment. This is because the empirical evidence for most African countries indicates that private investment has a significantly stronger effect on growth than does government investment probably because it is more efficient and perhaps less closely associated with corruption (Tairu. 2003).

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