

# Entrepreneurship and Small Business: Strategic Approach to Alleviating Poverty and Corruption in Nigeria

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**Abstract-** Entrepreneurship and small business development, poverty alleviation, wealth creation and corruption are some of the major concerns facing developing economies. This has become a subject of debate among the academics and interest groups at national and global levels. Therefore, the objective of this paper is to make a theoretical assessment of the progress the Nigerian government and the organized private sector have made so far to reduce poverty, increase employment opportunities and create wealth for the citizens through strategic approaches to small business and entrepreneurship development. The paper is descriptive and reviews literature on poverty, small business, entrepreneurship, corruption and the programs initiated by government to stimulate Small and Medium Scale Enterprises (SMSEs). The activities of Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), for example, were assessed. Literature findings indicate that in spite of the huge investment, corruption, ineffective policies, insecurity and so on militate against the growth and development of SMSEs in Nigeria. The paper recommends among others, the judicious use of borrowed funds, intensifying war against corruption by government and international communities, tackling the insecurity challenges, improving the poor state of infrastructure in the country and so on. The paper adds value to knowledge in the sense that it draws a theoretical link between entrepreneurship and small business development and poverty, unemployment and corruption in the Nigerian context.

**Keywords:** *Corruption, Entrepreneurship, Poverty, Small Business, Strategic.*

## I. INTRODUCTION

Consistent with the growth and development aspiration of most developing countries, the strategic transformation of the various sectors of the Nigerian economy is very critical. In Nigeria, this growth and development dynamics have been propelled by the existence and exploitation of natural resources and primary products pioneered by the agricultural sector. This sector, driven by the demand for food and cash crop production was at the center of the growth

process contributing 54.7 percent to the Gross Domestic Product (GDP) during the 1960s. The emergence of the oil industry came as the main driver of growth after the agricultural era. Reliance on agriculture and oil at the expense of small business and entrepreneurship development inhibited the performance of the economy to its full potentials especially in the face of rising population (Sanusi 2010). As at 2012 the population of Nigeria was over 167 million people, majority of who are unemployed and poverty stricken. The Nigerian economy has grossly underperformed relative to her enormous resources and her peer nations. For example, it has the 6<sup>th</sup> largest gas resources and the 8<sup>th</sup> largest and oil reserves in the world. It has about 37 solid mineral types in commercial quantities.

Compared with the emerging Asian countries like Thailand, Malaysia, China, India and Indonesia that were behind Nigeria in terms of GDP per capita in 1970, those countries have transformed their economies and are now miles ahead of Nigeria in terms of economic development and are major players on the global economic arena due largely to their economic policies, investment in small business, entrepreneurship and good governance.

## II. PAPER OBJECTIVE

Based on the preceding, the objective of the paper is to assess government strategies in developing entrepreneurship and small business in order to reduce poverty, increase employment opportunities and create wealth vis-à-vis the high level of corruption in Nigeria.

## III. PROBLEM STATEMENT

In the light of government intervention and the high rate of poverty which is estimated at about 60 percent while rising unemployment is at a current level of 70 percent as estimated by the National Bureau of Statistics, and on the Global Hunger Index, Nigeria is placed well below 50<sup>th</sup> position. Peer countries like Indonesia, South Korea, Egypt, Bangladesh,

Philippines, Mexico and Pakistan to mention a few have the potentials to achieve global economic giant status by 2025. (2005 "Global Economics" Paper No. 134). However, with ineffective policies on small business and entrepreneurship and the prevailing level of corruption, one wonders if the dream of attaining the global economic giant status would be "a dream come true". Therefore, the problem of the paper is to determine whether there is a link between success of small business and entrepreneurship development, poverty reduction, corruption and strategies put in place by government to address these wealth creation issues.

#### IV. CONCEPTUAL CLARIFICATIONS

Small business success and entrepreneurship are closely related. Every big business starts as a small business while every business starts with an innovative and passionate entrepreneur. Steinhoff and Burgess (1993) posit that small business are defined in terms of annual sales, employees, annual income, receipts, assets value, and so on. These variables require a ceiling below which they are regarded as "small" The ceiling varies from country to country, which may range from retail, service, transportation, construction, agriculture and so on. Small business is therefore characterized by the active management of its owner, highly personalized largely local in area of operations, relative small size within the industry, heavy dependence on internal sources of capital to finance growth and expansion. In Nigeria, the National policy of Macro, Small and Medium Enterprises (MSMEs) defines small business as one that has more than 10 but not exceeding 49 employees and an asset base of more than ₦5 million but not more than fifty million naira. Small business in Nigeria accounts for about 21,264 (0.12%) of the estimated 17,284,671 MSMEs.

As stated earlier in the text, small business and entrepreneurship are closely related. For this paper, entrepreneurship in the views of Drucker (1974), Knight (1967), Schumpeter (1958), Abrams (2012) and Chinonye (2013) revolves around the following: risk, passion, creating new value that did not previously exist, practicing to start/commence new organization (business), creating new wealth through the implementation of new concepts, commitment to innovation, new combinations, change through the introduction of new technology (process, product and service), rewards and so on. According to Aminu (2011) entrepreneurship is the pursuit of lucrative opportunities by enterprising individual with the hope of making a fortune. It involves creating new systems, resources or processes to produce new goods or service at profit, or taking advantages of

discovering new markets or entering into a market. It is basically a process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary, personal satisfaction and independence. Based on the above, an entrepreneur should be persisted, bold, persuasive, ethical, risk taking, hardworking, innovation, accountable, self-confident, set achievable goals and so on to be successful (McClelland, 1961 and Moredith, 1983). To achieve all these, creativity and innovations are the keys.

#### V. SOME ASPECTS OF POVERTY

Poverty has been a central feature of Nigeria for over decades. Over 75 percent of its population live below poverty line and has one of the most social indicators in the world including unemployment rate. Poverty has different perspectives (Ajaikaye & Olomola, 2003). It may be regarded as the state at which one lacks a certain amount of material possession or money. It is an economic condition of lacking both money and basic necessities needed to successfully live such as food, water, education, health care and shelter. Poverty is multifaceted and there is a considerable debate on how best to define the term (Milbourne, 2006). Poverty can be seen from the following perspectives. Lack of income security, economic stability and the predictability of one's continued means to meet basic needs and so on.

In Nigeria, people who live on less than US\$1.25 a day constitute 67.98 percent while those living below US\$2.00 are about 84.49 percent (UN Human Development Report, 2009). This is relatively high compared to other African countries like Ghana (\$28.59), Morocco \$2.52, Gabon (\$4.84), and Egypt \$1.69. In this type of poverty situation where the majority live below poverty line, they have less access to health, education, and other services and so they become poorer and poorer day by day. Problems of hunger, malnutrition and diseases afflict the poorest in society. These people are marginalized and have little representation or voice in public and political debate. They have no means of saving and cannot raise the required capital to start a small business making it even harder to escape poverty. Poverty then becomes a circle and thus a generational problem.

Poverty has connection with the social economic, political and to some extent, the religious realities of a given society. Therefore, poverty is multi-dimensional: lack of access to basic needs and goods, the result of lack of or impaired access to productive resources, the outcome of inefficient use of common

resources and the result of 'exclusive mechanisms' (Dike1997 & Ajakaiye, 2002). Considering the 'consumption-based' approach, an individual is considered poor when he cannot afford specified baskets of commodities or services such as nourishment, shelter, education, health care and so on, including, of course meaningful political voice and participation. Further, from the perspective of impaired access to productive resources, poverty breeds low (or no income), unemployment and undernourishment. Dike again refers to these productive resources as agricultural land, physical capital and financial assets.

Again, ineffective utilization of common resources such as land and human capital is also poverty. It is stated that no matter how an economy is blessed with natural endowments, poverty remains an incurable reality so long as such resources are not properly channeled into productive use. As for 'exclusive mechanisms' it is obvious especially from the Nigerian perspective, that certain classes of people in the society may deliberately exclude others from meaningfully, willingly and gainfully participating in the process of economic development either by manipulating the democratic process or by way of outright 'exclusive mechanisms'. By 'exclusive mechanisms' approach, the privileged few get richer and reduce others to abject poverty and deprivation so that the poor get poorer.

The above concepts are all applicable to the Nigerian situation. The point of integration here is that it hinders meaningful development as Todaro & Smith (2009) rightly state that no society shall surely be flourishing of which by far the greater part of the members are poor and miserable. Lamido (2012) had earlier stated that a society will be more distant away from prosperity when the greater part of its productive members are not only poor and miserable materially, but have been largely swallowed by 'intellectual poverty' which has the devastating effect of keeping them in perpetual poverty. Unfortunately, this is the situation in Nigeria. On the other end, the wealthier people are more likely to benefit from economic and political policies, and indeed have the capital to invest as entrepreneurs in small and large businesses. Causes of poverty in Nigeria, as in many other countries may include: the adverse effect of Structural Adjustment Program introduced by the International Monetary Fund (IMF), lack of individual responsibility, bad governance/policies, exploitation by people and business with power and influence, corruption or some combination of these and other related factors. Indeed poverty has become a silent killer in Nigeria. It leads to hunger and

hunger leads to death. It appears that of all the factors responsible for poverty in Nigeria, corruption seems to be deep-rooted.

#### VI. NEGATIVE EFFECTS OF POVERTY ON ENTREPRENEURSHIP AND SMALL SCALE BUSINESS

Researchers are of the view that poverty is a major factor that breeds restiveness, violence and crimes. People who are frustrated by hunger, diseases and general economic and social exclusion are easily conscripted into unethical acts. Yunus (2007) believes that poverty leads to hopelessness, which in turn provokes people to desperate acts. Those who have practically nothing do not resist or refrain from violence or criminal behaviors. Most people who engage in violence and other criminal activities do so in order to 'make a living'. The effects of poverty on growth and development of small business and entrepreneurship in Nigeria is multifaceted. In summary some of the negative effects are:

- a. The raise of terrorism (Boko Haram), Daba especially in the Northern part of the country. This has affected MSMEs and instead of reducing, has increased the level of poverty, the number of deaths, people with disabilities, orphans and destitute.
- b. Kidnapping and armed robbery in the Southern parts of the country has adversely affected investment, the growth of MSMEs and has also affected the operations of entrepreneurship and business growth.
- c. Communal clashes especially in the Middle Belt of the country has affected agricultural products, houses, and destroyed existing businesses thus leading to increase in poverty and corruption.
- d. Increase in child trafficking in the Western part of Nigeria. Poverty level is high in this part of the country to an extent that some people resort to child trafficking to earn their livelihood. In addition, poverty has led to prostitution among teenagers. It is common seeing young girls of about 13 years old prostituting openly in many cities in Nigeria.
- e. Corruption is the most adverse effect of poverty. As stated earlier, corruption is deep-rooted in almost aspects of life in and a key player in the under development of the country.
- f. Bad governance is another effect of poverty. This is coupled with poor macro-economic and monetary policies (Gbevevbie, 2012)

#### VII. EMPIRICAL STUDIES ON POVERTY

Osewe (2010) studies the link between poverty and youth restiveness in Niger-Delta Region of Nigeria. This region is notorious for political, social and economic upheavals since 2005. The study found that over 70 percent of the population in the region lives below the poverty line and the youth are at the center of those affected in the area. He concluded that the underlying factor of all the movements, demands and violence by various groups is the issue of extreme poverty (and environmental degradation) which has characterized the region for decades.

Another study by Mohammed & Madaji (2010) on Daba Youths in Kano State corroborated that violence in Kano was as a result of ‘unemployment living below poverty line with no reliable source of income, low level of education, from poverty stricken and broken homes’. The study established that for members of the political class, poverty is a strong force that prepares the youth as ‘ready instruments to intimidate opponents’. Youth are normally ‘hired’ not only to intimidate opponents but also to kill or kidnap at a very low fee. From these studies it is clear that abject poverty is responsible for most of the serious crimes in Nigeria.

**VIII. CORRUPTION IN NIGERIA**

Egweni & Monday (2010.164) are of the opinion that “corruption has been antithetical to Nigeria’s development aspirations. It diverts resources set aside for development, breeds poverty, and promotes injustice and unemployment. It discourages foreign and local investments, undermines governments and authorities, endangers human capacity development, promotes infrastructural decay and heightens social, economic and political tensions and crises all translating into national underdevelopment. Dike (2008.1) observed that: “there are many unresolved problems in Nigeria, but the issue of the upsurge of corruption is (extremely) troubling and the damages it has done to the polity are astronomical”. Corruption is not restricted to public offices only. It exists in homes, market places, religious institutions, places of worship, schools, and private business and in fact at burials. Corruption is deep-rooted in Nigeria’s network of social institution and interactions. The effect of corruption on socio-economic development of Nigeria is enormous. A nation that is dissected by corruption, the effective development of small business and entrepreneurship to reduce poverty, increase wealth, savings and investment becomes a big challenge. Going by the recent Corruption Perception Index (CPI), Nigeria is one of the most corrupt countries in the world (Transparency International (TI) 2012). According to this index, out of the 174 countries surveyed,

Denmark, Finland, and New Zealand jointly tied as first position with a score of 90 each while Nigeria, Azerbaijan, Kenya, Pakistan, and Nepal are on 139<sup>th</sup> position with a score of 27 each. Korea, Afghanistan and Somalia are the bottom of the table with a score of 8 each. Nigeria as a giant of Africa is placed below other African countries’ scores like Botswana (65), Namibia (48), Ghana (45), Lesotho (45), South Africa (43), Liberia (41), Burkina Faso (38), and Zambia (37). She is slightly better off than Cameroon (26) Congo Republic (26), Eritrea (25) Angola (22) Sudan (13), and Somalia (8). Again a survey by Global Finance (2012) categorized the world riches top ten and the world poorest top ten as shown in the tables I & II below:

**TABLE I  
WORLD RICHEST TOP TEN COUNTRIES**

S/N	Country	Population	GDP per capita (\$)
1.	Qatar	1,759,227	106,283.96
2.	Luxembourg	509,074	79,649.49
3.	Singapore	5,812,400	61,046.96
4.	Norway	5,033,675	54,479.06
5.	Hong Kong	7,061,200	50,716.14
6.	Brunei Damssalam	408,786	50,440.03
7.	USA	311,591,917	49,601.41
8.	United Arab Emirate	7,890,924	49,434.60
9.	Switzerland	192,385	44,015.97
10.	Kuwait	2,818,042	43,733.88

**TABLE II  
WORLD POOREST TEN COUNTRIES**

S/N	Country	Population	GDP per capita (\$)
1.	Congo	67,757,577	328
2.	Zimbabwe	12,754,378	354
3.	Liberia	3,786,764	392
4.	Burundi	10,216,190	410
5.	Somalia	9,925,640	600
6.	Eritrea	5,824,000	669
7.	Niger	15,730,754	733
8.	Central African Republic	4,422,000	764
9.	Sierra Leone	6,300,000	781
10.	Togo	6,619,000	832

Source:www.gfmag.com/tools/globaldatabase/economy (retrieved 10/8/2013)

## IX. STRATEGIES FOR ENTREPRENEURSHIP AND SMALL SCALE BUSINESS DEVELOPMENT

Sandwiched between the richest and poorest nations of the world and corruption, it becomes imperative for Nigeria to strategically stimulate economic growth and development. One such strategies is to look inward and encourage small business (which may turn out to be big business if effectively managed) and entrepreneurship development, considering the fact that the world richest countries have invested much in and encouraged the growth and development of MSMEs globally. Further, considering the prevailing rate of unemployment, poverty, the desire to create wealth and achieve the country's Vision 20-2020 and the Millennium Development Goals (MDGs) therefore, successive governments since Independence in 1960, have embarked on various strategies to stimulate the growth and development of small business and entrepreneurship in order to reduce poverty, create wealth and provide employment opportunities for the teeming youth who are "job seekers" instead of "job doers" in Nigeria. Some of the strategies according to the National MSMEs Collaborator Survey (2010) are briefly summarized as stated below:

### A. Funding Entrepreneurial Activities

Funding has been one of the major problems militating against the rapid growth and development of small business and entrepreneurship in Nigeria. At an African Diaspora Marketplace (ADM) Investment Summit organized by Tony Elumelu Foundation (TEF) in conjunction with Western Union and the United States Agency for International Development (USAID) in Lagos few months ago, it was observed that the growth of small business/enterprises was a catalyst for private sector-led growth. The summit further noted that Nigeria and indeed other African countries would need to commit \$80 billion (N12.4 trillion) to their equity and debt financing in order to drive entrepreneurship development. This would further create wealth, through employment opportunities, investment and poverty reduction.

In addition, the National Economic Reconstruction Fund (NERFUND), an organization with the objective of catalyzing the development of MSMEs and providing both short and long term loans to participating commercial banks for on-lending to small and medium scale enterprises for the promotion and acceleration of productive activities, has set aside over N300m to finance small businesses and enterprises. NERFUND is jointly funded from local,

bilateral and multilateral sources including Federal Ministry of Finance, Central Bank of Nigeria (CBN), African Development Bank (ADB) and so on. This organization has assisted in creating jobs and has contributed to the country's Gross Domestic Product (GDP).

Again, the United States government has invested \$26 billion in developing small and medium enterprises and the agricultural sector in Nigeria through the Nigeria-American Chamber of Commerce. Further, Ghana's leading non-bank financial company-UT Financial Service- has been supporting micro small and medium-scale business in Nigeria since 2009. It has provided financial support for SMEs and entrepreneurship in various sectors through funding of local purchase order and provision of a wide range of financial services. The company's philosophy of loving people and adding value to them has helped in creating wealth and reducing poverty in Nigeria to a large extent.

### B. Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)

SMEDAN was established in 2003 to promote the development of micro, small and medium enterprises (MSMEs) sector of the Nigerian economy. The agency positions itself as a one-stop shop for MSMEs development in Nigeria, with a mission to facilitate the access of micro, small and medium entrepreneurs and investors to all resources required for their development. The agency's statutory responsibility of facilitating the creation, resuscitation and stimulation of growth and development of the micro, small and medium enterprises sector, has repositioned the sector and realigned it into the mainstream of the Nigerian economy. The agency has not only provided funds but also training for young entrepreneurs throughout the country. SMEDAN has the following specific functions:

- Initiating and articulating policy ideas for micro, small, and medium enterprises growth and development.
- Stimulating, monitoring and coordinating the development of the MSMEs sector.
- Promoting and facilitating development programs, instruments and support services to accelerate the development and modernization of MSMEs.
- Serving as a vanguard for rural industrialization, poverty reduction, and job creation and thus facilitating enhanced sustainable livelihoods.

Specifically, SMEDAN has the responsibility of:

- a. Linking MSMEs to internal and external sources of finance, appropriate technology, and technical skills as well as to large enterprises.
- b. Overseeing monitoring and coordinating the development of the MSMEs sector.
- c. Promoting and providing access to industrial infrastructure, such as layouts incubators and industrial parks.
- d. Providing assistance to MSMEs in marketing their products.
- e. Mobilizing internal and external resources, including technical assistance, for the development of MSMEs.
- f. Promoting the familiarization, sub-contracting, networking, and cross cutting strategic linkages between MSMEs and other economic sub-sectors.
- g. Creating beneficial linkages between MSMEs and research institutes/universities
- h. Providing extension services to MSMEs
- i. Monitoring implementation of government directives, incentives and facilities for MSMEs development.
- j. Recommending to government required amendments to business regulatory frameworks for ease of enterprise development.
- k. Working in concert with other institution in both public and private sectors to create a good enabling environment of business in general, and MSMEs activities in particular.

- Establishing Business Support Centers and Business Information Service (BSCs and BICs) for modeling business planning skills, mentoring professional services, legal and taxation advisory service and so on.
- Capacity building and promotional services including vertical linkage of MSMEs with large enterprises organization of MSMEs into cluster and cooperatives, arrangement and facilitation of trade and technology exposition, provision of market support information system, encouraging and facilitating new investment in priority areas in each state of the federation and so on.
- Encouraging the establishment of industrial parks through public-private and public partnership. The Industrial Parks and Regional MSMEs Development Centers come with industrial designs, and offer MSMEs common facilities on a cost-sharing basis on variables like security, electricity, water, service providers, petrol station etc.
- Enhance MSMEs access to finance. This involves liaising with financial institution to harness, pooling resources for utilization by MSMEs and sharpening their business plans for possible financial assistance from micro-finance and development banks.
- Networking with trade groups, non-governmental organizations, government ministries and other agencies, research and technology institutions and multilateral/donor agencies to create a dynamic network of stakeholders in small business and entrepreneurs.
- Increasing Entrepreneurship Education through Entrepreneurship Development Programs (EDPs). This involves training and development. Entrepreneurs are trained in various EDPs which are tailored towards the required needs of the beneficiaries. There are various types of training aimed at youth entrepreneurship development, women entrepreneurship development, rural enterprise development, and cluster development.

### *C. Micro Finance Policy Framework*

The Federal Government of Nigeria through the CBN launched the Micro finance policy, regulatory and supervisory framework in 2005. The policy provides the legal and regulatory framework for micro finance banking in Nigeria. The aim is to create sustainable and credible micro finance banks capable of mobilizing and channeling funds to the MSMEs sub-sector. The policy has resulted in the establishment of many micro finance banks in the country. Today, the various micro finance banks have provided the financing window to address the inadequate access to finance confronting small business and enterprises in Nigeria.

In order to achieve the above mentioned functions, SMEDAN's intervention, strategies are directed towards the following core areas.

- Sourcing, processing and disseminating business information by creating and updating the agency's databank on MSMEs raw material, markets, and available technologies/machines and so on.
- Policy development

- Seminars, conferences and workshops are also organized to sensitize the public towards the importance of being a business owner entrepreneur as well as inculcating the spirit and culture of entrepreneurialism among students, youths, and women.

All these noble strategies are dissected with corrupt practices that have hindered the smooth development of small businesses and entrepreneurship in the country.

#### *D. Investment Schemes*

The government has also embarked on various investment schemes. Some of the schemes include:

##### *a. The Small and Medium Enterprises Equity Investment Scheme (SMEEIS).*

This initiative by the Federal Government is aimed at aggressive and radical transformation of the sub-sector through the provision of adequate and cheaper funding. Under this scheme all commercial banks operating in the country are required to set aside 10 percent of their profit after tax for equity investment in MSMEs in Nigeria. As at December, 2009, the cumulative amount set aside by the banks amounted to N42 billion. The figure has since increased. MEMEs are expected to contribute up to 60 percent for their projects. The scheme, however, was not successful because of fear of removal of control and their inability to raise 60 percent equity contribution.

##### *b. The N200b Small and Medium Scale Enterprises Guarantee Scheme (SMSEGS).*

Established in 2010 to fast track the development of the sector set, it set the pace for the industrialization of the economy and increase access to credit by small and medium business and entrepreneurs. As the name implies, the scheme provides guarantee on loans by banks to the sector in order to absorb the risks that inhibited banks from lending to MSMEs.

##### *c. SMEs Restructuring/Refinancing Fund:*

The scheme which is similar to the above schemes was established by the government, through the CBN to refinance or restructure bank's existing loan portfolios to the sector. The fund was sourced from N500b debenture stock issued by the Bank of Industry. Like the other schemes, the major objective of the fund is to enhance access to credit by the small and medium enterprises and improve the financial position of commercial banks.

##### *d. The N5 billion Dangote fund for MSME:*

This is a private effort to assist small business and entrepreneurs. Alhaji Aliko Dangote, one of the most successful businessmen in Nigeria and Africa, gave the sum of N5 billion to the bank of Industry for on lending to MSMEs in Nigeria. This is one of the collaborator and partnership initiative with the private sector aimed at assisting MSMEs.

Note: As at the time of writing this paper, the exchange rate was USD1 to N1.60.

#### *E. Youth Enterprises with Innovation in Nigeria (You Win)*

The Youth Enterprises with Innovation in Nigeria (You Win) Program is another strategy to create wealth, create employment opportunities and reduce poverty among the youths. The program is a collaboration of the Ministries of Finance, Communications, Technology, and Youth Development. Under this program, a Business Plan Competition (BPC) for aspiring young entrepreneurs is organized, in line with the Federal Government's drive to create more jobs for the Nigerian youths. The private sector is also expected to provide funding and support. Basically, the You Win Program is aimed at generating jobs by encouraging and supporting aspiring entrepreneurial youths to develop and execute business ideas that will lead to job/wealth creation and poverty reduction in Nigeria. It also provides a platform to show case their business acumen, skills and aspiration to business leaders, investors, and mentors.

#### *F. Campaign for Patronage of Made-In-Nigeria Products*

This is another strategy to create wealth and stimulate the development of MSMEs. The campaign has provided adequate market for made in Nigeria products. The initiative has led to the market and marketing of the products and services of the sector through renewed vigor and aggressive strategy in the packaging and quality of the products. For example, access to markets is provided, just as the turnover of MSMEs is enhanced making them more competitive nationally and globally. Drawing largely from the experience of other countries like China, India, United Kingdom, South Korea, Taiwan, Singapore, Brazil, Japan, The United States and so on, Nigeria has been able to provide finance for the operations of MSMEs as mentioned above. However, due to certain factors, the growth and development of this sector has not been rapid as compared to these countries and poverty rate is still high, while the desire to create wealth and stimulate employment opportunities exists only on pages of Nigerian newspapers and government gazettes.

### G. Development Projects

The Second National Fadama Development Project is also an US\$100 million project with the aim to increase incomes of Fadama users. They include farmers, pastoralist, fishers, hunters, gatherers and service providers. Furthermore, the project aims at providing meaningful means of livelihood to nomadic cattle rearers in the Northern part of the country and hunters and fishermen in the Southern part with a view to enhancing their living standard. The Local Empowerment and Environmental Management Project (LEEMP), a US\$70 million operation in Nigeria has also strengthened the institutional framework at all the three tiers of Government –Federal, State and Local in supporting environmentally sustainable, and socially inclusive development, especially in planning, co-financing, and implementing of multi-sector micro-projects that stimulate wealth creation and poverty reduction.

### X. LITERATURE FINDINGS

The paper is descriptive in nature and it reviews related literature on entrepreneurship and small business and strategic approaches put in place by either government agencies or private initiatives to sustain their development. Based on the review, it is found that Nigeria has initiated several programs, schemes, policies at improving MSMEs, reducing the rate of poverty and creating employment opportunities and wealth. The importance of entrepreneurship and small business cannot be underscored: they contribute in employment generation, job creation, efficient enterprises, more innovative, income generation through wages, salaries and savings, assist in equitable redistributing income and so on. These benefits are most useful in poverty reduction and further investments. The previous schemes/programs did not achieve the desired objectives. However, the recent strategies directed at poverty reduction and wealth creation through stimulating MSMEs appear to be more successful and impacting on people and the economy of Nigeria.

The review also established that Nigeria is a poor giant and has a very high level of unemployment and corruption and stands tall among the poor nations with over half of the total population living on less than US\$1.00 per day or below poverty line. That corruption, bad governance, terrorist activities, kidnapping and so on are among the negative effects of poverty and has adverse effect too on small business and entrepreneurship development cannot be an understatement.

### XI. CONCLUSION

Entrepreneurship and small business are drivers of economic growth and development. Considering the rate of poverty, unemployment, low income, illiteracy and so on and abundant human and mineral resources as stated above, there is no reason why Nigerian should be poor with high rate of unemployment where the majority live on less than \$156 per day. It is clear that nations like the Group 6 (G6): USA, Japan, Germany, UK, France and Italy had invested in small business and entrepreneurship development devoid of corruption and are today rich nations with high GDP per capita. Government intervention strategies to stimulate the growth and development of MSMEs are laudable programs directed at poverty reduction and wealth creation. Borrowing a leaf from other countries with similar background, it is hope that these strategies, if effectively pursued, would go a long way in ameliorating the suffering of the people of Nigeria. The programs will further provide employment and business opportunities and access to credit facilities to established more business and also become successful entrepreneurs and business men and women whose products and service would be competitive globally.

The paper adds to our understanding of the extent to which poverty, bad governance and corruption affect entrepreneurship and small business development in developing countries with specific reference to Nigeria.

### XII. RECOMMENDATIONS

- a. Government should intensify war against corruption. As noted above, corruption in Nigeria is almost legalized. It takes place under the 'watchful eyes' of government officials, it cut across all the hierarchy of government establishment and the organized private sector. As observed earlier, corruption appears to be "business as usual" even at burials, as committee members are more interested in sharing money and materials illegally than burying the dead. The organs of government responsible for trying corrupt people: Economic and Financial Crimes Commission (EFCC), Code of Conduct Bureau, Independent Corrupt Practices and Related Offence Commission (ICPC), the Judiciary, the Police, Members of both the State and National Assemblies, the Executive Councils at State and National levels and so on should be ethical, honest and demonstrate best practices and good



governance in the discharge of their duties. Corrupt people should be summarily tried and if found guilty, be punished instantly and accordingly as the law stipulates.

- b. Funds provided by government, donors and banks should be properly channeled to MSMEs and effectively monitored to avoid diversion. World financial institutions and the richer nations can be approached for more funding. The granting of additional funds may depend on how prudent the previous funds were utilized.
- c. Incubation centers or parks should be established in all the 747 local government areas in Nigeria. And collaborator/partnerships sought to increase access to capital for MSMEs development.
- d. Both current and potential entrepreneurs and small business men should be trained and retrained to manage the business and implement government policies on small business enterprises.
- e. Government should improve the poor state of infrastructure as well as industrial base. Most of the road networks, electricity supply, transportation, communication facilities, industrial development and so on are all in very poor state through the country. These facilities should be improved for business and entrepreneurship to thrive.
- f. Lastly, the security situation in the country should be properly addressed by government. Political instability, Boko Haram terrorism, kidnapping in Niger Delta Region, disrespect for the rule of law, armed robbery and other forms of insecurity should be fought to a standstill.

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