

WOMEN ENTREPRENEURSHIP: A STRATEGY FOR CURBING
RURAL AND URBAN POVERTY IN NIGERIA

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Abstract

This paper a study on “Women entrepreneurship: A strategy for curbing rural and urban poverty in Nigeria” is aimed at finding the relevance of entrepreneurship among women and how it has aid in curbing poverty in both rural and urban areas in Nigeria. The poverty situation in Nigeria has become alarming as it has been on the increase in the recent past, especially among women. Therefore, women entrepreneurship is critical as it will ensure that factor inputs are sufficiently and effectively utilized in the translation of conceptual ideas to tangible outputs and services. From the research discourse, a glimpse of rural and urban poverty in Nigeria indicates that poverty is higher in the rural areas than urban areas. The involvement of women in entrepreneurship results in job creation, wealth and revenue generation and increased Gross Domestic Product (GDP) among others. Despite this relevance women entrepreneurship face some challenges among which are; low capital base, small market size, low level of education and poor

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infrastructural facilities. The research recommends among others that government and financial institutions should provide financial assistance to women entrepreneurs, provide adequate and functional infrastructural facilities and establish women entrepreneurship centres, as that will go a long way in curtailing rural and urban poverty in Nigeria.

Nigeria is endowed with abundant human and natural resources, spread across all regions. The country has all it takes to achieve the much talked about Vision 20: 2020, yet it keeps dancing at the blink, with poverty that cuts across all spheres of human life being on the increase. In Nigeria, the poverty situation has been described as a paradox as it contradicts the country's immense wealth. The country is endowed with enormous human, agricultural, petroleum and solid resources. Rather than recording economic development, Nigeria retrogresses to become one of the 25th poorest countries of the world (Ekpe, 2011).

Regardless of factors responsible for the contradiction, women are the most vulnerable segment of the population as a greater proportion of them are not employed in paid jobs due to, either cultural or religious beliefs. The situation is pervasive in rural areas where subsistence agriculture is the major source of employment of labour. Indeed, the poverty rate in the country is a manifestation of the fact that either the available resources have not been adequately put to use or they are mismanaged due to corrupt practices by those in power. Curbing poverty will involve empowering women with entrepreneurial skills that will make them more productive and self – reliant.

Women entrepreneurs can conceptualize investment or business ideas, and can translate ideas into either tangible products or services that will satisfy peoples' needs and at the same time raise the welfare of the people and the society. According to Students' Entrepreneurship Resource Manual (2012), women entrepreneurship is an extension of their kitchen activities as few of them now venture into service industry such as hospitality, catering, educational, consultation or public relations, beauty clinics, etc; and other economic activities that dwell on the creation of tangible product. Women entrepreneurs contribute significantly to the growth of the economy in both rural and urban centres. According to the United Nation's Report cited in Kofi (2003), women entrepreneurs are substantial contributors to national economy through their participation in start – ups and in small and medium scale business enterprises.

Poverty in Nigeria is found in both rural and urban communities of our society. Poverty is not a natural disaster; it is a condition of lack and a macro economic problem that has impacted negatively on the developmental effort of Nigeria even though

endowed with abundant natural and human resources. In Nigeria, poverty has become a hydra-headed monster that is culpable of making the nation and its citizen vulnerable, voiceless and powerless. Poverty is like a curse, because a poor person or nation will always have few friends and limited access to measures that can enable the victim move out of the vicious circle of deprivation. Nigerian women in both rural and urban cities are not exempted from poverty and deprivation, they have to be upstanding and face the realities of life by starting or establishing their own small businesses. It is against this back drop that the research intends to find out the role of women entrepreneurs in curbing rural urban poverty in Nigeria. The research adopts a theoretical design, using secondary data to source information.

Conceptual Discourse

Entrepreneur/Entrepreneurship

The entrepreneur is a critical agent of production that ensures that factor inputs are sufficiently and effectively utilized in the translation of conceptual ideas into tangible outputs or services that can satisfy human wants for a reward. Larson (2004) posited that an entrepreneur is an innovator or developer, who recognizes and seizes opportunities, converts those opportunities into marketable ideas, adds value through time, effort, money or skills. He accepts and assumes the risk of the competitive market place and implements these ideas with a hope of realizing rewards from the effort. Similarly, Opara (2000) cited in Ayeni (2005) opined that an entrepreneur is an individual who has the zeal and ability to find and evaluate business opportunities, gather necessary resources and take sequential and systematic steps toward utilising advantages of such opportunities. Contributing, Nwachuku (1990) cited in Anyanwu (1997) stressed that an entrepreneur is an individual or group of individuals who undertake the responsibilities of making innovations, a coordinator, a risk-taker and a high level decision maker. An entrepreneur is a risk bearer in any investment decision. Buttressing this fact, Garba (2011) posited that entrepreneurs are often contrasted with managers and administrators who are said to be more methodical and less prone to risk taking.

Entrepreneurship, according to Oghojofor, Olayemi, Okonji & Olayiwola (2011), entailed the totality of self asserting attributes that enable a person to identify latent business opportunities, together with capacity to organize needed resources with them to profitably take advantage of such opportunities in the face of calculated risks and uncertainty. Buttressing this fact, Gana (1995) rightly posited that entrepreneurship is the willingness and ability of an individual to seek out investment opportunities in an environment and to be able to establish and run an enterprise successfully based on

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identified opportunities. Supporting this fact, Shapero (1997) cited in Dabo & Dakyap (2013) opined that entrepreneurship means taking of initiative, organization of some social economic mechanism and acceptance of risk of failure. In line with that, Brain (2006) identified the rules of entrepreneurship to include among others: find a need and fill it; find a problem and solve it; look for solutions; focus on your customers and the source of most great fortunes (the sweat equity). Therefore, it is worth mentioning that an entrepreneur is someone who thinks and ventures into financial risk of starting a new business with a vision and expectation of being profitable.

Poverty

Poverty, according to Ijaiya and Umar (2004), is a situation where the total earnings of individuals or families are insufficient to obtain the minimum necessities for the maintenance of merely physical efficiency. Contributing, Anyanwu (1997) opined that poverty is multi – dimensional; it includes various alienations and deprivations such as: lack of human capabilities, poor life expectancy, poor maternal health, illiteracy, poor nutritional levels, poor access to safe drinking water and perceptions of well being. According to the World Bank (1999), a poor person is one without a job, who can not help himself, who has no money, no farm or business, no education or is educated but under employed or under paid, one who has no good food, clothes and health, a person who is under nourished and ageing fast, one without self confidence, looks dirty and lives in filthy environment, one who cannot cater for his family, trains his children and unable to pay medical bills.

In a similar way, Adeleke (2012) viewed poverty as the lack of basic human needs such as clean water, nutrition, health care, education, clothing shelter and other basic needs because of inability to afford them. Utomi (2006) summarized that poverty is linked to hunger and endemic malnutrition which humiliates and dehumanizes its victims. It is evidently clear that poverty is a situation where people cannot afford the basic necessities of life such as food, clothing and shelter; thus, pushing them into servitude, misery and malnourishment.

It is worth mentioning that the poverty situation in Nigeria has reached such a monumental crisis that it has become a matter of great concern to the government. Adeleke (2012) observed that the principal cause of poverty in Nigeria is attributable to joblessness. Other causes are; structural crisis arising from exogenous factors such as skills, changes in economic policies; natural calamities that manifest in form of wars and environmental degradation; negative changes in macro economic and monetary policies and dwindling performance of the manufacturing sector of the economy among others. No wonder in 2013, the United Nations Human Poverty index classified Nigeria among

the twenty five (25) poorest nations of the world where a great majority of the populace remain poverty ridden.

A Glimpse of Rural and Urban Poverty in Nigeria

Poverty incidence in Nigeria is more pervasive in rural areas where social infrastructures such as good roads, electricity and water that can promote economic and commercial activities are lacking. Aderonwu (2010) posited that poverty is more pronounced among rural dwellers in Nigeria because people in the rural areas are backward and under-developed in terms of standard of living, the roads are bad, women and children walk bare footed and trek long distance to get drinking water and fire wood, pupils study under trees, classrooms are dilapidated and health centre's are ill equipped. Sabry (2010) argued that poverty in the urban centre is linked to the problems associated with urbanization, which include the massive movement of people from the rural areas to the cities to search for jobs that are not available and also to enjoy social amenities that are feasible in rural area. However, the wave of poverty is more felt among rural women in Nigerian villages. Zaid & Popoola (2010) submitted that the increasing concern for improving the quality of life of the rural women in Nigeria can be seen from the various schemes established by different administrations in Nigeria with a view to alleviating the socio economic status of the rural poor household. Therefore, many programmes sponsored by either national or international agencies in the past had not met the desire of alleviating poverty among rural and urban women; but entrepreneurship training will solve those shortcomings.

On the state of rural poverty in Nigeria, Saheed (2010) submitted that rural poverty had manifested more among the unemployed, and income generating opportunities are not accessible due to the absence of commercial and industrial facilities. The wave of poverty among individuals include: inability to sustain and house oneself sufficiently, physical insecurity, inadequate assets, ignorance, incapability to afford basic necessities to meet social and economic needs and powerlessness to improve one's situation. Contributing, Nwosu (2008) posited that despite Nigeria's plentiful agricultural resources and oil wealth, poverty is widespread in the country and has increased since the late 1990's. Some 70 per cent of Nigerians live on less than ₦160 (\$1) a day. The majority of the rural poor are located in areas resourcefully poor, ecologically vulnerable with very limited or poor infrastructure. They have no land asset, little or no capital and very limited employment opportunities beside farming and fishing.

The table below shows the poverty situation in Nigeria from 1980 – 2010.

Table 1.0: Rural and Urban Poverty Incidence in Nigeria (1980 – 2010)

Year	Rural	Urban	Percentage of the poor out the total population
1980	28.3	17.2	28.0
1985	51.4	37.8	46.3
1992	46.0	37.7	42.7
1996	69.3	58.2	65.6
2004	63.3	43.2	54.0
2010	73.2	61.8	69.0

Source: National Bureau of Statistics, 2012

From the table, it shows that the poverty situation has been on the increase right from 1980 to 2010 where 69% of Nigerians were identified as being poor with 73.2% in the rural area, while 61.8% were from the urban centre in 2010. From the table above it very clear that the incidence of poverty had been on the increase in the recent past. The result indicates that poverty is pervasive in rural areas in Nigeria.

Women Entrepreneurship: A Key to Curbing Rural and Urban Poverty in Nigeria

The roles of women entrepreneurs in alleviating poverty are enormous in Nigeria. According to Okunade (2007) cited in Ukonu & Tafamel (2011), women entrepreneurs are an integral part of economic growth, their businesses contribute to jobs, productive and distributive activities required for wealth creation for families and nation’s economies. This assertion attested to the fact that women constitute a greater part of the nation’s population but yet having low literacy rate and in years past, were confined by domestic work, but today play active role in all sorts of economic activities. Some of the roles of women entrepreneurship in curbing rural and urban poverty include:

- i. **Job Creation:** Poverty is a product of unemployment and joblessness among other macroeconomic problems, and the alarming rate of unemployment in Nigeria cuts across all gender. Therefore, providing women with necessary skills, attitudes and support for self-reliance through entrepreneurship will increase their participation in economic activities. Their participation in economic activities will lead to job creation among women and others in both rural and urban cities; thereby, alleviating poverty. Kofi (2003) asserted that when women are fully involved in business, the benefit is seen immediately as their families will be healthier and better fed. Their income, savings and investments will go up and poverty will be reduced drastically. Contributing, Adepelumi (2007) opined that Nigerian women are social actors, who posses tremendous capacity of human resources; they need to be encouraged to

develop the inert participatory development instinct that is stored in them through entrepreneurship discipline, policing, management, principles and practice.

- ii. **Income Generation:** The involvement of women in the ownership and management of enterprises will expand the income stream of households in both rural and urban centres thereby curbing poverty. According to Yero (2012), efforts have to be made to ensure that female entrepreneurs make economic choices and transform their businesses into competitive enterprises and generate income and employment through improved production.
- iii. **Wealth Creation and Revenue Generation:** Women entrepreneurs in both rural and urban centres in Nigeria constitute a substantial percentage of informal sector operators. Their participation in businesses raise output, generates more revenue for the government and expands savings and investment, thereby leading to the creation and accumulation of more wealth or assets that are key to alleviating poverty. In line with that, Yero (2012) posited that women entrepreneurial activities in formal and informal sectors have added value to the economy and social aspect of women in their social environment. It has alleviated poverty among women in rural and urban centres in Nigeria.
- iv. **Increase in Gross Domestic Product:** Women entrepreneurs are not restricted to a defined line of production; their activities cut across all facets of human life, they are involved in the manufacturing as well as service industries that help in raising the country's Gross Domestic Product (GDP) and in the long run the national income. Ekpe (2011) rightly noted that women entrepreneurs in Nigeria are catalysts to economic growth and they create job opportunities. They reduce import of manufactured goods and decrease trade deficits that results from imports, and subsequently alleviate poverty.
- v. **Human Resource Development:** Women participation in business ownership provides participants and others in the system with the opportunity of acquiring entrepreneurial training, attitudes, knowledge and skills that will make them more useful and productive in other aspects of human life, all geared towards self reliance. In the same view, Ukonu & Tafamel (2011) summarized the contributions of women in poverty alleviation as follows: economic roles, where women create their own business and make adequate use of their acquired skills and training to generate income; social roles, where women contribute to their families and the society at

large; and political role, where some women venture into leadership and help in bringing sanity in the system.

Constraints to Women Entrepreneurship Development in Nigeria

Women entrepreneurs face numerous socio-cultural, economic and political challenges that limit the scope of their activities. Among the constraints are:

- i. **Low Capital Base:** Women entrepreneurs' lack the needed resources such as money, equipment, tools, etc; that will help them in translating their entrepreneurial ideas and skills into physical output or services. Hence, UNICEF (2001) posited that lack of investment capital has been a formidable obstacle to women entrepreneurs, and this has been attributed to feminization of poverty with women having little access to capital. The inability to obtain collateral security, debt management and poor record keeping of financial information, coupled with the fact that in most families, women are often excluded in the sharing of inherited assets and wealth by most tribes in Nigeria. Buttressing this fact, Ukonu & Tafamel (2011) posited that most of the time the guarantees required for external financing may be beyond the scope of their personal assets.
- ii. **Small Market Size:** Nigerians, particularly those residing in urban areas, do not patronize locally made products, no matter their quality; while rural markets are often dominated by men due to cultural and religious beliefs. Contributing, Garba (2011) opined that women sometimes limit their market close to their home in order to blend their domestic chores with the productive entrepreneurial engagement. The access to market becomes a challenging one particularly to those women living in rural areas.
- iii. **Role Conflict:** Women entrepreneurs suffer competing demand between their domestic chores and business participation or expectation. In some cases, their businesses are not for profit making, but avenues where resources needed to satisfy family needs can be sourced.
- iv. **Low Level of Education:** Illiteracy rate in Nigeria is high among women than men especially in the northern part of the country, where the girl child is denied access to western education. Thus, limiting their access to information, business skills and their rights to own assets independently.
- v. **Poor Infrastructural Development:** The near absence of basic infrastructural facilities such as good roads, constant power supply, etc; that have the potential of

promoting the activities of women entrepreneurs is a serious challenge. Oyekanni (2005) cited in Aderonmu (2010) observed that inadequate infrastructure has led to high cost of doing business in Nigeria; electricity generation is unstable and inadequate; new roads are hardly maintained and water supply is not sustainable.

Conclusion

Women participation in business ownership and management is a key to making Nigeria a private sector – driven economy because they are the best managers of financial resources, and they constitute a greater part of the country's population. Women entrepreneurs play significant role in creating jobs, generating revenue, creating wealth and promoting economic growth as well as enhancing human resource development and skills acquisition.

Recommendations

To reduce rural and urban poverty through women entrepreneurship strategy, the following steps are critical:

1. Government and financial institutions should provide financial assistance to women entrepreneurs at a minimal interest and less cumbersome collateral security.
2. Capacity building and training in functional areas such as literacy skills, marketing, financial discipline, managerial skills, etc; for women entrepreneurs should be made a priority. This is in line with Aliu (2007) cited in Garba (2010) that entrepreneurship training helps individuals to be empowered and escape poverty as it provides them with the skills and knowledge to raise their output income and wealth. In addition, there should be public enlightenment campaigns on the need for gender balance in entrepreneurial training.
3. Government should ensure the provision of functional infrastructures in both rural and urban areas. Electricity should be adequately provided as most businesses require electricity for their operation. The position of Arogundade (2011) is that attention should be given to entrepreneurship development through the provision of good economic environment and infrastructure.
4. Women entrepreneur centres should be established in both rural and urban areas in Nigeria. It should prepare and train women in different aspects of life so that they can become successful entrepreneurs.

5. Nigerians should be encouraged to patronize locally made goods and services to boast productivity and create jobs.

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