THE CHALLENGE OF POVERTY IN AFRICA AND ENTREPRENEURSHIP DEVELOPMENT
STRATEGIES FOR REDEMPTION

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ABSTRACT
Poverty is a plague, a misery which most African countries suffer today without consistent strategies to overcome it. This paper argues that the best cure and redemption lies within these countries, not on/in foreign aids from developed nations. Observe that these nations have their own teething problems. It lies in each countries human capital management, and encouraging more small business activities among her populace. Entrepreneurship orientation (EO), is the constructive destruction of the over burdened economic status quo, (Schumpeter, 1961). The African economies (Nigerian economy in particular) cannot carry the responsibility of providing jobs for her teeming graduates alone. Therefore, entrepreneurship orientation through education or by various government deliberate policies will assist in remedying the problem of unemployment and knocking poverty off-balance. The substance of this paper is to appraise extant literature on the essence of entrepreneurship and job creation opportunities, and propose an outline of fifty-five (55), small business ideas any one can invest in, with a mindset, small capital and show the prospects how to start. It is a conceptual paper and a review of extant literature, with intersperse of personal comments born out of experience.

Key words: entrepreneurship, entrepreneurial marketing, Innovative, Customer intensity, Network, Leverage financing, Risk management.

Introduction
The purpose of this paper is to once more establish the place of entrepreneurship practice as a mindset, in reducing the level of unemployment in Africa and Nigeria; to say it loud that our redemption is within us not in foreign aids. The acquisition of entrepreneurship skills by graduating students have assisted them in no small measure to create products and services that has helped to sustain them, (Anukam, 2013). Many have also developed and expanded to the point of employing others. Empirical examples abound to support the importance of this mindset and research studies have confirmed the same ((Guth & Ginsberg, 1990; Pinchot 2000; Morris & Kuratko, 2001; Schumper, 1961; Hisrich, 1992; Osisioma, et. al, 2010). Deliberate government policies are required to extend entrepreneurship programmes and developments to the school leavers to assist them learn and develop some crafts.
Entrepreneurship practice requires inward looking by an individual to see what he/she can make of himself/herself. While small business/management studies emphasis the
knowledge of the business place, methodology and process, entrepreneurship studies talk about the “Man” who runs the small business. Its emphasis is “Get the MAN right, every other thing will fall in place,” posits Zig Zagler (1999). Conversely, nothing can be in place if the “man” is not in place-entrepreneurially skilled. Whatever affect man affects his environments, positive or negative.

Starting small is beautiful, and there is no great business venture in the universe that has no small beginning. Research studies have shown that there is no great global business without a small beginning. For example, Microsoft, Apple Computers, Coca Cola, Mercedes Motors, Wall Marts, GLO Communications, ABC Transport, Virgin Airline and many others. All have small beginning, from someone’s mindset. Confirming by extension that: small is beautiful, and big is accommodating, the philosophy underlying the entrepreneurship practice, (Anukam, 2013).

In our time, the shortest route to strong and viable personal economy is through a consistent and full-time entrepreneurship practices. This is because no paid employment can pay an employee his/her true worth, if they do, employers would not attain their expected profits. Further, the advanced economies of the world-USA, Europe, China, Japan and the rapidly developing nations are all engaged in entrepreneurship practices through their nationals. This is because the competency and economic strength of the individuals will always translate to aggregate strong national economy. What is a national economy without the microchips of the SMEs? (Okpala, et. al, 2010; Isu, 2010)

Small Business Enterprises (SBEs) do play a major and important role in today’s world economy, and they are recognized as one of the main contributors to economic development and employment growth. According to Mulhern (1995), 99% of all Europe companies are small and medium size enterprises (SMEs), and from 1985-1995 it provided 66% of the employment in Europe. The same role is also played by the SMEs in Nigeria, though the statistics are not available.

Small Business Enterprises, (SBEs)
Regardless of the high importance of small business enterprises for any economy, it is noticed that defining it had always been a difficult thing to do. Accordingly, there is a little agreement between researchers, practitioners, financial institutions and governmental agencies on what defines a small business. Based on that, small business had been defined in deferent ways in different parts of the world according to national and local needs. Table 1, summarizes the official or most common definitions of SBEs used in some countries around the world.

<table>
<thead>
<tr>
<th>Country</th>
<th>No. of Employees</th>
<th>Other Criteria</th>
</tr>
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<tbody>
<tr>
<td>USA</td>
<td>Under 100</td>
<td>Less than $5 million annual sales</td>
</tr>
<tr>
<td>European Union</td>
<td>10 to 49</td>
<td>Annual turnover or global balance less than 10 million Euros + independence (not exceeding 25% of the capital or voting rights withheld)</td>
</tr>
<tr>
<td>Country</td>
<td>Employees</td>
<td>Investment or Annual Sales</td>
</tr>
<tr>
<td>-----------</td>
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</tr>
<tr>
<td>Australia</td>
<td>Under 20</td>
<td>None</td>
</tr>
<tr>
<td>Canada</td>
<td>Under 500 in mfg and 50 in services</td>
<td>Less than $ 5 million annual sales</td>
</tr>
<tr>
<td>India</td>
<td>None</td>
<td>Total investment (not exceeding 10 million Indian Rupees in industrial enterprises and 1 million in service enterprises)</td>
</tr>
<tr>
<td>Mexico</td>
<td>Under 50</td>
<td>None</td>
</tr>
<tr>
<td>Thailand</td>
<td>Under 20 in labour intensive</td>
<td>None</td>
</tr>
<tr>
<td>Turkey</td>
<td>10 to 49</td>
<td>None</td>
</tr>
</tbody>
</table>


From table 1, as can be seen from the above, notice that the number of employees is the most often used element in determining the category of SBEs in most countries. Furthermore, it is also noticed that there is a lack of agreement on what defines a small business, for that a standard definition for Small Business Enterprises is highly needed. Despite their differences, all these definitions share the common idea that Small Business Enterprises are generally low in terms of number of persons employed and in the amount of investment and annual business turnover. The main criteria used throughout the world to describe small business include:

i. Number of employees
ii. Sales volume
iii. Financial strategy
iv. Relative size
v. Initial capital outlay
vi. Independent ownership
vii. Type of enterprise

The Committee for Economic Development (CED) of the United States has given a valuable list of characteristics of the SBEs. The CED states that SBEs will have at least two of the following characteristics:

i. Managers are also owners
ii. Owners supplied capital
iii. Area of operation mainly local
iv. Small in size within the industry

In the credit guidelines of the Central Bank of Nigeria (CBN), Small Business Enterprises are classified as those businesses with an annual turnover of less than half a million naira (N500,000). Currently, as given by the Government Small Scale Industry Development Programme (GSSIDP), the definition of SBEs in Nigeria is “any manufacturing, processing or service industry with a capital investment not exceeding N150, 000 in
machinery and equipment alone”. Many authors have recognized the difficulty of defining precisely a small business, for the purpose of this paper; SBEs are those whose scale of operations are as classified by the CED and GSSIDP in any industry, (El-Gohary, 2010)

The role of entrepreneurship in job creation cannot be over emphasized. In fact it is as previous studies have confirmed the solution to the Nigeria graduate unemployment, (Okpala, et. al; Anukam, 2013). Now, the challenge is the acquisition of the appropriate skills and where and how to start. Many graduates are desirous to step out onto the marketplace, but lack the courage and mindset to do so. To overcome this problem, apprenticeship, benchmarking and/ or mentorship is required. By attaching oneself to a veteran, the required experience, exposure and knowledge of the market trends in a line of business is acquired. It has been observed that in Nigeria today that most of the SMEs operators are not graduates, thus a graduate who want to learn or understudy these veteran requires humility and tolerance to succeed. The paper looks at this trend to see whether the graduate have the courage and mindset to a create job for himself and others. From the reviewed literatures and empirical standings of previous studies this paper aim to establish that:

a) Graduates who have learned the entrepreneurship skills, and have courage and a positive mindset can create an enterprises which can provide jobs for them and others.

b) None implementation/application of the learned skills cannot create jobs.

c) To show in a simple practical ways how an enterprise can be created.

d) The study also outlines various areas of entrepreneurship opportunities which exist and how they can be started.

The following research questions are stated, of which their answers will proffer solutions to the research problem.

i. Who creates jobs?

ii. How can jobs be created?

iii. What does it require to create jobs after the acquisition of the entrepreneurship skills by the graduate?

Theoretical Framework

Entrepreneurship/Entrepreneur

Entrepreneurship has been defined as the process of creating value by bringing together a unique package of resources to exploit an opportunity (Stevenson, Roberts, & Groesbeck, 1989). It results not only in the creation of new, growth-oriented firms, but in the strategic renewal of existing firms (Guth & Ginsberg, 1990; Pinchot 2000; Morris & Kuratko, 2001). The process include the set of activities necessary to identify an opportunity, define a business concept, assess and acquire the necessary resources, and then manage and harvest the venture.

Research studies have postulated that entrepreneurship is the principal agent of change operating from within an economic system (Birch 1981; Ronstadt 1985; Timmons 2000). Such changes come in the form of new combinations of resources, or innovations, which
eventually displace existing products and processes. Schumpeter (1961), used the term “creative destruction” to describe the continual disruption of economic equilibrium brought on by entrepreneurial activity.

Entrepreneurship has been viewed as an organizational orientation exhibiting on three underlying dimensions: innovativeness, calculated risk-taking, and proactiveness (Miller & Friesen 1983; Covin & Slevin 1994). Innovativeness refers to the seeking of creative, unusual, or novel solutions to problems and needs. Calculated risk-taking involves the willingness to count significant resources to opportunities that have a reasonable chance of costly failure, but also creative attempts to mitigate coverage or share the various risks. Proactiveness is making things happen through whatever means that are necessary. The more innovative, risk-taking and proactive the activities of the firm; the more entrepreneurial it is, in form and shape. Thus, entrepreneurship is not an either-or determination, but a question of degree of commitment to create a product or service that has capacity to satisfy a need which consumers and customers will seek after. Lumpkin and Dess (1996), note that a firm’s entrepreneurial orientation can be characterized by various combinations of these underlying dimensions.

A growing body of evidence suggests the more successful firms over time are the ones that engage in higher levels of entrepreneurial activities. A positive relationship between entrepreneurial orientation and a number of measures of organizational performance has been substantial in the work of Miller and Friesen (1983), Covin and Slevin (1994), Morris and Sexton (1996), Zahra and Garvis (2000), among others. Moreover, entrepreneurial orientation is a longer-term perspective that often entails intermediate failure. Sternson et al. (1989) argue that the need for entrepreneurship is greatest when firms face diminishing opportunity streams, as well as rapid changes in technology, consumer needs, social values, and political roles. The same is true when firms are confronted with short decision windows, unpredictable resource needs, lack of long-term control over the environment, increased resource specialization, rapid resource obsolescence, and employee demand for independence, (economic melt-downs and melt-ups of 2012-2013).

Entrepreneurship should be distinguished from business, which is the activities or processes the entrepreneur engages in, with a set of objective so as to attain whatever goal he has set. Entrepreneurship is the capacity to be enterprising, innovative, visionary, creative and competitive. Entrepreneurship is the capacity to survive in a harsh and turbulent business environment like ours. Entrepreneurship is restlessness to make a mark, add value and have a personal worth.

An entrepreneur is an enterprising person, an innovator, risk-taker and profit-maker. He conceives plans and assembles the men, machines, materials, methods, money and manages the time, to ensure that they are effectively and efficiently deployed to achieve a set target. An entrepreneur is a result oriented person, (Anukam, 2013).

Who Creates Jobs?
Entrepreneurship substance is in job creation,(Birch, 1981). The place of entrepreneurship orientation in economic development is the reduction, if not the complete elimination of unemployment. It provides a training ground for business
knowledge; it ensures the dispersion of industrial skills, enhances the people’s standard of living by providing them with the needed goods and services; it is a source of revenue to the government at all levels; and a microcosm of big businesses. There are specialty functions which the entrepreneur provides which cannot be provided by the big business organizations. By extension no economy can survive without small business enterprises as created by the entrepreneurs to support such economy, (Schumpeter, 1961; Hisrich, 1992; Osisioma, et. al, 2010).

Methodology
This paper is a conceptual one and hence, relied on extensive literature review and empirical results of previous studies. Consistent with their focus on the practitioners, these articles emphasize tasks such as creating a business plan and providing templates to achieve certain tasks. Entrepreneurship success tools are surveyed in this context, and “how to” is provided. Framework, theories, opposing perspectives, and much of empirical evidence are not emphasized.

Discussion of Findings
Jobs/Business Opportunity Identification Tools

i. Demand and Supply (Consumers asking for/ suppliers not many).
An entrepreneur is an opportunity-seeker; he does not wait for opportunity to appear, but created one and sees others as they come. If there is a high demand for a product or service, or suppliers are inadequate- that is an opportunity for business and job creation, (Okpala, et. al, 2010).

ii. Innovative-driven opportunity-seeker.
An entrepreneur is a restless man, always seeking to improve what has already been done. Value-creation out of what is already in existence, by way of consistent improvement of products and service-changing their form, sizes, shapes, prices and colors. Creative value-creation in costs and price reduction creates opportunity for increased customer traffic and more sales, (Backbro, et. al, 2006).

iii. SWOT Analysis (Environmental scanner).
SWOT, is analytical framework for business strength and opportunity analysis. The use of the tool reveals to you your marketplace position, and enables to know what action to take in order to sustain the enterprise. Strengths should be fortified and defended; Weakness should be improved upon and shielded from competition; Opportunities are to be taken quick and fast, because they are as slippery as others are also desirous to take them, and they may not be there always. Threats are to be studied and countered. Guerrilla marketing approach can be adopted to ward-off threats. Threats are scared of guerrillas, (Levinson, 1998).

iv. BCG Matrix and PLC Analysis (Portfolio Analysis)
The matrix and the life-cycle analysis are helpful to the entrepreneur in knowing the position of his products or services or both in the marketplace per
time.—This revelation enables him to fortify, confront, harass and innovate. Successful fortification will result to expansion which will require more hands-job, (Kotler, 1997).

v. **80/20 Principle (Pareto Effect, 1897)**

This principle by Pareto, (1897) states that in every enterprise there is 20% regular buyers that brings 80% profits. The opportunity business is to identify this consistent 20% and make effort to retain their patronage. Then construct appropriate strategies to bring in the 80% customers whose loyalties are elsewhere, by way of better service quality and penetration schemes. The 80% is the opportunity for business, (Koch, 1999).

vi. **Social Network**

Church membership, friends, relations, neighbors’, trade associations and professional bodies’ membership, are entrepreneurial environment. No business enterprise can do without a social network. With an entrepreneurial hindsight, it can be seen that the social network components content and share a lot of information that indicates business opportunity and job creation, (Levinson & Rubin, 1996).

Let us now look at the entrepreneurship substance: practicable small businesses that can be started and managed anywhere, with small capital outlay. Fifty-five (55) business ideas you can organize with a mindset, little help and small capital.


<table>
<thead>
<tr>
<th>Number</th>
<th>Business Idea</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Real Estate Brokerage</td>
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<tr>
<td>2</td>
<td>Car Washing Business</td>
</tr>
<tr>
<td>3</td>
<td>Party Accessories Production Making</td>
</tr>
<tr>
<td>4</td>
<td>Flower Gardening (Horticulturist)</td>
</tr>
<tr>
<td>5</td>
<td>Daily Savings (Contributions)</td>
</tr>
<tr>
<td>6</td>
<td>Telephone Business (GSM)</td>
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<tr>
<td>7</td>
<td>Fast Food Business</td>
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<tr>
<td>8</td>
<td>Laundry Services</td>
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<tr>
<td>9</td>
<td>Special Home Tutorial</td>
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<tr>
<td>10</td>
<td>Waste Disposal</td>
</tr>
<tr>
<td>11</td>
<td>House Cleaning</td>
</tr>
<tr>
<td>12</td>
<td>Hair Clinic/Beauty Shop (Plaiting, Braiding etc)</td>
</tr>
<tr>
<td>13</td>
<td>Goods Haulage</td>
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<tr>
<td>14</td>
<td>Transport business Specialist</td>
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<tr>
<td>15</td>
<td>Computer Training</td>
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<tr>
<td>16</td>
<td>Book-keeping services for small businesses</td>
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<tr>
<td>17</td>
<td>Event Hall Decoration</td>
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<tr>
<td>18</td>
<td>Fruit Drinks/Dairy</td>
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<tr>
<td>19</td>
<td>Barbecue Spot</td>
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<tr>
<td>20</td>
<td>Video Entertainment Centre</td>
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<tr>
<td>21</td>
<td>Sport Entertainment Centre</td>
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<tr>
<td>22</td>
<td>Mobile Food Selling</td>
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<tr>
<td>23</td>
<td>Wedding &amp; Occasion</td>
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<tr>
<td>24</td>
<td>Story Writers</td>
</tr>
<tr>
<td>25</td>
<td>Modeling</td>
</tr>
<tr>
<td>26</td>
<td>Business Broker</td>
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<tr>
<td>27</td>
<td>Personal Coach</td>
</tr>
<tr>
<td>28</td>
<td>Website Designer</td>
</tr>
<tr>
<td>29</td>
<td>Computer Repair</td>
</tr>
<tr>
<td>30</td>
<td>Editorial Services/Proofreading</td>
</tr>
</tbody>
</table>

Let us now look at the entrepreneurship substance: practicable small businesses that can be started and managed anywhere, with small capital outlay. Fifty-five (55) business ideas you can organize with a mindset, little help and small capital.
There are many more, the above is not exhaustive, the list can be added to. Now, can you image an economy without these small service units? That will be catastrophic (e.g. socialist economies of the yester-years). Their absence will show us the place of entrepreneurship orientation and the role entrepreneurship in the economic development and will always result in melt down of the entire economic system. Begin with an imagination of a chosen enterprise and see this as successful already, because “imaginations are things”. “What you cannot imagine, you cannot have”, (Genesis, 11:6). Where you are today is a product of yesterdays’ imagination.

How to Start:

i. **Choice of Business Idea** – Make a choice relative to the knowledge of a particular business concept of interest. Do not downplay your interests and pursue others interests.

ii. **Choose/Decide on the form** –
   - Sole proprietorship
   - Partnership
   - Cooperative organization
   - Limited Liability Company. This should be relative to the skill acquired.

iii. **Name of Business** – You should give your business-idea and practice an identity. This is part of differentiation and branding, so that you can be identified and located among others very easily. Imagine an enterprise without a name? Surely will have no place in the marketplace. How will you locate the firm and with which name?

iv. **Sources of Capital** – Could be previous savings, borrowed/loaned from family members, among others, (Nwanna & Chikezie, 2010).
v. Legalities – Your business choice must be the ones allowed by the law of the land. If it is an unlawful service/product, that you are providing, the arm of the law will bring it to an end (Wills et. Al, 1984)

vi. Segmentation, Targeting and Positioning (STP) – You must define and decide the market you want to serve, that is the population you want to serve. Segment them, and then focus your product or service on satisfying whatever needs that segments are seeking to satisfy. Post-purchase satisfaction, will bring the customers/consumers back to you, ensuring customers/consumers loyalty as a result of right positioning, (Kotler, 1997; Anukam, 2013).

vii. Competition – To succeed in the marketplace, you must identify your competitors, who are they, what are their strategies and what are their response characteristics if attacked? (Anukam, 2010)

viii. Location – Your business must be rightly located to succeed. There must be a place where your products and services should always be found. Have a right location, (Thomas, 1984).

ix. Profitability Analysis – You must be able to make forecast and predictions about your conviction that the said business idea will succeed and have capacity to make a certain level of profit. These in the end have the potential to attract investors’ interest seeking for expansion.

x. Social Responsibility – The society should benefit from your entrepreneurial activity. Your product and, or services should be qualitative to give value to the consumers. Your advertising claims should be as contained in the packages or core product. The prices should be commensurate with the benefits offered. Your organizational programmes should on the overall benefit the society, (immediate environment) of which your firm is a sub-unit, (Kotler, 1997; Anukam, 2013).

xi. Strategies- ways and means to achieve your desired objectives. These should well defined.

Conclusion
Reference to the nation of Israelite’s experience in Zechariah of the Bible (Zechariah 1:18-21), is the story of Four Craftsmen/Carpenters (Entrepreneurs) and the “Horn of Poverty”, (unemployment). The carpenters/craftsmen (entrepreneurs) are to scare and deal decisively with the “Horns of poverty” because they have the skill and ability, their tools and strategies have the capacity to break the “Horns of poverty” (unemployment) which is the purpose of Entrepreneurship Orientation (EO). Africa and Nigeria should learn from this experience and stop hoping on foreign aids that turns into beggar nations. Now, let us interpret, Zechariah’s vision: What else will make men to bow their heads, not lifting them up, other than poverty via unemployment? Therefore the question here is unemployment, and entrepreneurship (visionary, skill, initiative, creativity, innovativeness, social networker, imaginativeness and a mindset to implement) is the solution. Entrepreneurship Orientation is a strong “antibiotic to the disease” of
unemployment and poverty, but the dosage has to be regular and consistent, have a mindset, imagination and a determination to implement the desired enterprise. The entire universe is looking for solution providers, men with offering in the form of products and services, not just abstract knowledge alone, but a combination of both. When studies are conducted it should be to provide solution to societal problems not for academic purposes alone or high sounding theoretical premises. When once you provide solutions to customers’ problems, you will be paid and with a consistent performance, you are in business. There is no entrepreneur without a product or service, or both, so think about something to offer the society. Your products and services offering directly or indirectly create jobs for others and by extension poverty is knocked with an aim for final elimination, (Onyima & Nzewi, 2010; Anukam, 2013).

References


