

## Entrepreneurship and the Economic Problems in Nigeria: An Empirical Investigation

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**Abstract:** This study focused on the influence of entrepreneurship and economic problems in Nigeria. The study used survey research design, and equally gathered secondary data from both International Labour Organization and National Bureau of Statistics. The study analyzed the data gathered through descriptive statistics, correlation and regression model. Finding shows inverse inter-operational behaviour between entrepreneurial practices and poverty level in Nigeria with significantly weak effect, and positive inter-operational behaviour between entrepreneurial practices and unemployment level in Nigeria with significantly weak effect. Finding further shows that four major factors (pull, passion to utilizing opportunity, knowledge-skill-ability and unemployment) are attributed to the weak entrepreneurial practices in Nigeria. The study concludes that though poverty level appears to be reducing at almost unnoticeable rate, unemployment level keeps increasing in a slow and steady rate alongside increase in entrepreneurial practice and engagement in Nigeria. This study therefore recommends that the four factors should be given solution attention as this will systematically affect the way entrepreneurship is practiced in Nigeria.

**Keywords:** Entrepreneurship; Poverty Alleviation; Failure; Economy; Poverty line

**JEL Classification:** L20; M10

### 1. Introduction

There is likelihood that the economic problems (poverty and unemployment) will proportionally increase, with increase in entrepreneurial activities in Nigeria. This is due to the nature of entrepreneurial practice in Nigeria. The observed entrepreneurial practice in Nigeria is majorly necessity driven with less opportunity drive. Though, there are so many problems associated with the Nigerian economy, but the studies (such as Ogunlela & Ogungbile, 2006; Agboli & Ukaegbu, 2006; Abimbola &

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Agboola, 2011) have identified poverty and unemployment as the most critical. There is an observed dramatic relationship between entrepreneurial practices and the duo economic problems.

In their study, Adele, Oyedokun, Oyerinde and Ayodele (2015) found that unemployment can drive individuals who are educated into engaging in entrepreneurship as necessity. The simple indication is that the majority of entrepreneurs making up Nigerian entrepreneurship system are inclined by push factor. Bhola, Verheul, Thurik and Grilo (2006) observed that necessity entrepreneurs are made to engage in entrepreneurship as a result of push motivations and opportunity entrepreneurs as a result of pull motivations. Joblessness is considered a push factor in this study. In addition, poverty in the Nigerian economy establishes no alternative for individuals but necessary entrepreneurial engagement. In their previous study, Rosa, Kodithuwakku & Balunywa (2006) reviewed the empirical work of GEM, and found that the poverty level of any country determines the percentage of necessity entrepreneurs in the country. The 'necessity' entrepreneurs are prompted to entering into entrepreneurship as a result of insufficiency caused by the deficiency of a country's economy. These necessity entrepreneurs may be pushed into starting their own businesses without adequate preparation (Caliendo & Kritikos, 2010). Based on his finding, Cheung (n.d.) expressed that necessity entrepreneurs are compelled into engaging in entrepreneurial activities as a result of poverty and unemployment.

The prior global tenet is that entrepreneurship is the messiah of a crumbling economy. In the Nigerian context, entrepreneurship is conceived as the last resort for poverty and unemployment rate reduction. Sequel to this, the Federal Government emphasized on the necessity of the inclusion of entrepreneurship in the education curriculum of higher institutions of learning in Nigeria to promote entrepreneurship spirit among the youth (Mbam & Nwibo, 2013). But, it is unfortunate that this widespread call motivated necessity entrepreneurship rather than high-expectation entrepreneurship. Necessity entrepreneurship appears to be a reactive approach to economic survival. Regardless of this, entrepreneurial environment of Nigeria seems to have gained inadequate supportive policies and intervention programmes of the government and other economic stakeholders. Institutional Theory upholds that these factors among others can influence entrepreneurial practices. In fact, institutionalizing and connecting both the government and entrepreneurial environment is of utmost importance. Bruton, Ahlstrom and Li (2010) also argued that "entrepreneurs are discouraged from starting ventures if there are no formal institutional structures" (p. 426). Base on Kareem's (2018) view of entrepreneurial process, Nigeria is believed to be in the trial stage. Without 'institutional structure', Nigeria may not move out of the trial stage and her economic problems may remain unsolved. Thus, effect of entrepreneurial practices on the economy (as regarding poverty and unemployment reduction) may hang in the balance. This study aimed at

investigating the influence of entrepreneurial practice on unemployment and poverty level in Nigeria.

## 2. Literature Review

Importantly, there is a presupposed intercommunication between entrepreneurship and any economy. Entrepreneurship has a link with economic problems (unemployment and poverty), and this ought to also be inversely proportional.

### 2.1. Conceptual Clarification

The concept “entrepreneurship” has attracted interest from researchers, economic stakeholders/experts and scholars due to its potentials. This is because; it is at the pivot of resolutions in problematic economy. Entrepreneurship is in no doubt the cardinal point of the economic activity.

According to Patrick (2006), entrepreneurship involves exploring, setting up of a business enterprise and then nurturing it to success. Idam (2014) views entrepreneurship as the process of finding better opportunities through the creation of new ideas, in an uncertain condition, in order to create either a new business, or rearranging the accessible one that can create employment for other people and also give worth to owners of business. This definition focuses on entrepreneurship potential towards employment generation without considering poverty reduction. In another view, Davidsson et al. (2002) believed entrepreneurship is centered on the creation of new ideas through the process of recognizing new market opportunities and to create a concrete set of wealth through which prospect can be utilize, and it is frequently associated with economic development. This study considers a positive correlation between poverty rate and economic growth. This implies that an economy can only be considered to have attained growth stage if poverty is bearably low in any country. Though, the term “poverty” may be ambiguous relative to jargons from different disciplines. That is the reason Adofu & Akoji (2013) regarded poverty as a herculean task because of the elusiveness and the controversy surrounding the concept. Okolo *et al.* (2014) added that poverty is a multidimensional concept that erodes deep in the society in different aspects of development. Importantly, poverty (including unemployment) is observed to be product of environmental challenges. Clercq and Voronov (2009) argued that entrepreneurship has to do with the interplay between individual entrepreneurs’ behaviour and the environmental challenges.

However, the definition of poverty has taken various shapes as Haruna (2002) argued that low or no income observed with people is not an encompassing measure of poverty. Though, increasing deficiencies in income can be easily tied with poverty situation. Yet, Oghojafor *et al.* (2011) asserted that low income or low consumption is linked with poverty situation, and that standard of living in terms of income or consumption can be used to determine whether a group of people is poor particularly when it is very low.

Meanwhile, Aluko (1975) takes poverty to be the inability of people to acquire basic needs. This means that the outright level of consumption is inadequate, and this translates into insufficient food, clothing and/or shelter.

After considering the salient meaning of the two terms (entrepreneurship and poverty), Ibitoye *et al.* (2015) posited that there is plethora of studies regarding the linkage between the duo in Nigeria. According to Igbo (2006), poverty associated with unemployment has resulted to high incidence of different type of social ills like armed robbery, rape, political thuggery, assassination, human trafficking, car snatching, abortion, unwanted pregnancy etc.

## **2.2. Entrepreneurial Practice and Economic Problems in Nigeria**

Nigerian entrepreneurship is driven by two different orientations (necessity-driven and opportunity-driven). Entrepreneurs are driven by the necessity or the opportunity to engage in entrepreneurial activities. Studies (Clark & Drinkwater, 2000; Wagner, 2007; Caliendo & Kiritkos, 2010; Desai, 2011; Naudé, 2011) identify necessity entrepreneurial activities as function of informal economic sectors, and opportunity driven entrepreneurial activities as function of formal sectors. Individual venture desirability in Nigeria today is observed to have been sharpened by these economic constructs.

Majority of entrepreneurs initially developed job-seeking behavior before start-up. The situation of the Nigerian economy has made people to develop such behavior which often interpreted into artificial entrepreneurial behavior. Langevang & Gough (2012) noted that the spirit of being job creators rather than being job seekers is gradually increasing. If a person has no job, he/she does not only lose income but also the sense of undertaking the duties and responsibilities expected of him/her as a person (Akerlof & Shiller, 2010), and may deem it fit to be self-employed to fulfill these duties. It appears that unemployment leads to unhappy state of the mind. From recent literature, Winkelmann (2014) pinpointed that a wide cleavage exists among people, spanning from the influencing power of unemployment (but on a good note, the parallel level of people's happiness may be hardly determined). There is also likelihood that employed people may be unhappy. Some people may be happy working for regular salaries, but others who see the need for high growth may not be happy and will make decision regarding venturing in entrepreneurial activities; but Mullainathan & Shafir (2013) explained that most people who lack jobs seem never to be happy, and as such are limited in power to making good decision regarding venturing in entrepreneurial activities.

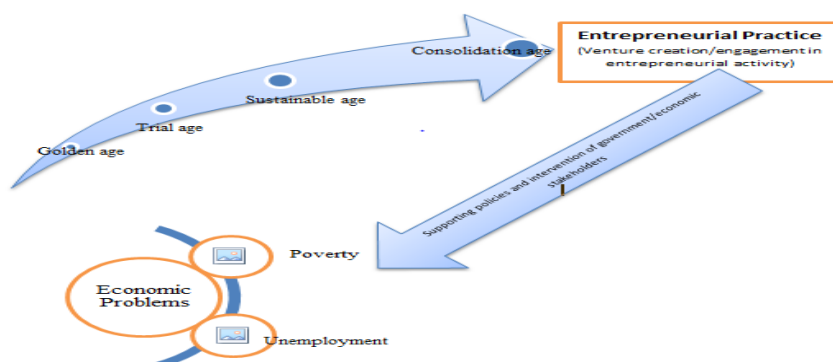
Tominc, Rebernik, Bradac-Hojnik and Sirec (2015) uphold that entrepreneurial activities proportionally interact with venture start-up. That is, the tendency of increasing entrepreneurial activities will be constant as the birth of new or more firms continue to spring up. Venturing in a particular aspect of entrepreneurship is a signal of entrepreneurial practice. The successful motivation, supporting policies and

intervention of economic stakeholders is likely to promote economic progress of Nigeria. Having understood this, Oghojafor *et al.* (2011) advocated for entrepreneurship-based policies that focuses on building entrepreneurial skills as a key strategy to reducing poverty. For instance, the Nigerian Government had to intervene by implementing policy regarding the inclusion of entrepreneurship education across all universities in the country. United Nations Conference on Trade and Development (UNCTAD) (2010) expressed that the focus of the government policies is to ensure that entrepreneurship fits-in in the well-structured educational system such that knowledge for self-reliance is embraced through partnership and apprentice training programmes. UNCTAD (2010) added that ordinarily, it should drive the will-be spirit of individual towards entrepreneurial practices. In the past, vast majority of researches have not been thought significant to investigate entrepreneurial practice in Nigeria. According to “Audretsch, Falck, Feldman & Heblich (2011)” and “Welter (2011)”, “underlying this research is a growing theoretical appreciation for the importance of context in understanding entrepreneurial practices”. Spigel (2012) expressed that the “mechanisms that link entrepreneurial contexts with entrepreneurial practices have been under-theorized” (p. 1).

Kareem (2018) divided “the success of entrepreneurial practice into golden age (up to 1970), trial age (1970-till date), sustainable age and consolidation age” (p. 17).

- i. The *golden age* earmarks the period of ease in entrepreneurial activities and practices. In the era, risk of venturing and raising enterprises is relatively low. Interestingly, there were observed records of success in the practice of entrepreneurs in the golden age. Though, this may be dependent on certain areas and acceptable level of entrepreneurial skills.
- ii. The *trial age* may be conceived as the period of test in terms of resource mobilization and utilization in the Nigerian context. According to Kareem (2018), “trial age in the sense that entrepreneurship policies that were put in place have not yielded any tangible result in eradicating or reducing the tides of unemployment and underemployment among Nigerian citizens” (p. 17).
- iii. The *sustainable age* involves maintaining entrepreneurship success towards resolving economic problems (unemployment and poverty). The 21<sup>st</sup> century poses serious challenge that the Nigerian government had to intervene in entrepreneurship education. Unfortunately, reasonable success appears unachieved to embrace sustainability. On the general note, Kareem (2018) is of the opinion that success in entrepreneurship can be achieved by restructuring education system “to reflect the technical and entrepreneurial skills required to propelling the Nigerian economy”.
- iv. At the *consolidation stage*, self-movement from schools (after graduation) to shops, industries, farms, among other businesses will be enabled, overshadowing

seeking for government-based job opportunities (Kareem, 2018). This is far unattainable in the Nigerian context today. For example, entrepreneurship in Nigeria is seen defective due to the nature of the practices of entrepreneurs in Nigeria. Entrepreneurial practice appears to be stimulated by necessity (that is, majority of entrepreneurs engage in entrepreneurial practice as a means of survival in the turbulent economic situation of Nigeria).



**Figure 1. The Relationship Framework of Entrepreneurial Practice and Economic Problem**

*Sources: Adopted from Abiola & Olaopa (2008); Oghojafor et al. (2011); Tominc et al. (2015); Kareem (2018)*

Economic growth is likely to be favored with increasing start-up of new ventures. Alvarez, Godley and Wright (2014) supported that “entrepreneurship is fundamentally significant because of its role in generating economic growth” (p. 187). Though, this has been an aspect of entrepreneurship with common-sensual assumption, but it is often the reverse in the Nigerian context. For example, many micro and small enterprises are often observed with a short life cycle. They face entropy five years after start-up; this is expected to cause irregularity in the economic growth. Meanwhile, Ribeiro-Soriano (2017) argued that “extensive literature on the importance of small enterprises in the economy has consistently shown that the creation of new ventures drives economic prosperity” (p. 1). There have been empirical evidences on the fact that “economic growth is a sine qua non for reducing poverty” (Ali & Ali, 2013; Hussain, Bhuiyan & Bakar, 2014).

Figure 1 shows that aggregate entrepreneurial practice can cause appreciable reduction in the level of the economic problems (unemployment and poverty). In the case of economic problems, studies (such as Olotu, Salami & Akeremale, 2015; Omitogun & Longe, 2017) have also recognized that “poverty and unemployment” are inseparable developmental challenges facing the Nigerian economy. Ejikeme (2014) as cited in Omitogun and Longe (2017) established empirically that the nexus between unemployment and poverty is direct, and often a universal phenomenon.

Increasing entrepreneurial activities according to Ali & Ali (2013) have the potential to influence reduction of poverty level to a reasonable extent particularly when the nation's economy witnesses more business start-up and expansion of the existing business ventures. Omitogun and Longe (2017) also added that "entrepreneurship needs to be encouraged to overcome the unemployment" (159).

This study explores the relationship between "poverty and unemployment" in Nigeria. It is seen from figure 1 that policies and intervention of government/economic stakeholders can influence the relationship between poverty and unemployment in Nigeria. Though Corcoran & Hill (1980) argued that policies to reduce unemployment level will not in any way result into poverty reduction; such policies when effective can only be beneficial to the working poor and not the working non-poor.

Abiola & Olaopa (2008) expatiated that unemployment rate in Nigeria is instrumental to poverty and low life expectancy as well as a general level of human hopelessness is a product of the poverty level. Based on the position of Abiola & Olaopa (2008), this study perceives a positive relationship between poverty and unemployment in Nigeria. Due to the recently observed entrepreneurial practices or engagement of some individuals in Nigeria, unemployment is expected to be a motivational force and opportunity. For instance, people who have for a long time stayed unemployed are now forced to take initiatives or engage in entrepreneurial activities in order to prevent their household from being abjectly poor. In that case, it is appropriate to say that unemployment faces people with the necessity to start-up entrepreneurial activities. If investigated empirically, it may be found that unemployment is a mother of entrepreneurial engagement. However, this study is only concerned with the interactive nature of entrepreneurial practices, poverty and unemployment.

### **3. Research Methodology**

This study used survey research design. Lores (2011) regarded it as the master framework or the plan used in gathering and analysing data. Primary data were gathered through questionnaire, and secondary data through International Labor Organization and National Bureau of Statistics. This enhances the broad knowledge of the authors in the subject area (Domegan & Fleming, 2007; Marsh, 2009; Stentenfeld, 2010).

**Table I. Nigerian poverty and unemployment statistics 2004-2014**

<b>National Data</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Poverty	0.46	0.47	0.48	0.48	0.49	0.49	0.50	0.51	0.51	0.52	0.53
Unemployment	13.4	11.9	12.3	12.7	14.9	19.7	21.4	23.9	27.4	24.7	25.2

*Source: International Labour Organization (2016b) and National Bureau of Statistics*

Table 1 shows the percentage of the poor and the percentage of the labor force population ages 15 and older that is not in paid employment or self-employed.

The researchers used attached mail questionnaire, which was sent to twelve research assistants. The research assistants administered the questionnaires for the period of eight months in 2017 across clustered business areas in Nigeria. Factors influencing entrepreneurial practice were measured on a “Five-point Likert scale”. Entrepreneurial Practice (EP) was measured with “venture in entrepreneurial activities”. Chartered Institute of Personnel and Development (2013) exposes this study to the fact that entrepreneurial practices cut across different firms’ sizes, industries and sectors. The reliability of the instrument using Cronbach alpha coefficient was 0.76. The results show that the instrument is reliable.

Bill Godden (2004) propounded the formula below for sample size in case where the population size is unknown. The formula is particular useful for the population that is suspected to be more than 50,000)

$$SS = \frac{Z^2 \times (p) \times (1-p)}{C^2}$$

SS = Sample Size

Z = Z-value (1.96 for a 95% level of confidence)

P = Percentage of population picking a choice, expressed as decimal (For example, 1/5 = 20%)

C = Confidence interval, expressed as decimal (For example, .04 = +/- 4 % points)

Z-value which is from probability table denotes the probability that a sample is likely to be within a particular distribution.

$$SS = \frac{3.8416 \times 0.2 \times 0.8}{0.0016} = 384$$

Based on the result, a total of 384 were selected in random manner.

Descriptive analysis, Correlation and Regression model were used for data analysis. The male respondents were 212 (55.2%); and the female were 172 (44.8%). The age



distribution of the respondents was 15 to 25 years (26.3%); 26 to 36 years (13.0%); 37 to 47 years (26.0%); 48 to 58 years (21.4%); and 59 years and above (13.3%). 104 respondents (27.1%) held primary school leaving certificate; 153 respondents (39.8%) held secondary school certificate; and 127 respondents (33.1%) held higher certificates (such as National Diploma Certificate, Higher National Diploma Certificate and above). Based on business categories, 89 respondents (23.2%) were into manufacturing, 154 respondents (40.1%) were into trading, 43 respondents (11.2%) were into service rendering; and 98 respondents (25.5%) were in other industries.

#### 4. Result and Discussion

**Table 1. Showing the factor Loading of entrepreneurship**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.582	25.818	25.818	2.582	25.818	25.818	2.388	23.883	23.883
2	1.907	19.074	44.892	1.907	19.074	44.892	1.852	18.525	42.408
3	1.339	13.387	58.279	1.339	13.387	58.279	1.383	13.830	56.238
4	1.098	10.982	69.261	1.098	10.982	69.261	1.302	13.024	69.261
5	.877	8.766	78.027						
6	.666	6.655	84.683						
7	.566	5.657	90.340						
8	.449	4.491	94.831						
9	.280	2.800	97.631						
10	.237	2.369	100.000						

#### Extraction Method: Principal Component Analysis

Table 1 shows the importance of each of the ten principal components. Only the first four have eigenvalues over 1.00, and these explain over 69% of the total variability in the data. Based on the eigenvalues, a four factor solution will probably be adequate in addressing the issue of entrepreneurship in Nigeria. However, the table also shows that nine out of the 10 variables are statistically significant given the high mean values as presented in the table 2. The Bartlett test of Sphericity ( $p < 0.00000$ ) and the Kaiser Meyer Olkin (KMO) measure of sampling adequacy index (value of 0.608) confirm that the data are fit in for principal component analysis (PCA). The principal component analysis with varimax rotation produced the four factors (motivated by pull factors, passion to utilize opportunity, knowledge-skill-ability possessed and

unemployment drive) that were employed as the constructs in this study. The factors were used as the determinant of the entrepreneurial practice in Nigeria.

**Table 2. Showing descriptive statistics of factors influencing entrepreneurial practice of respondents**

Factors	N	Minimum	Maximum	Mean	Std. Deviation
Economic hardship	383	1.00	5.00	1.8642	1.08890
Struggle for survival	384	1.00	5.00	2.2786	1.24030
Unemployment drives	384	1.00	5.00	2.4505	1.26930
Widespread call by the government	384	1.00	5.00	2.2682	1.21283
Passion to utilize opportunity	384	1.00	5.00	3.2214	1.31291
Pull factor	384	1.00	5.00	3.6536	1.09465
Knowledge-skill-ability possessed	384	1.00	5.00	2.4974	.71536

Table 2 shows the descriptive statistics of factors influencing the entrepreneurial practice of respondents in Nigeria. The N represents the total numbers of data that enters the distribution; minimum represents the least data, maximum represent the highest data; mean ( $\bar{x}$ ) represents the average of the data in the distribution; and the standard deviation ( $\sigma$ ) represents the spread of data around the mean. The closer the standard deviation to zero, the even the data spread.

From the table, it is observed that economic hardship ( $\bar{x} = 1.8642$ ;  $\sigma = 1.08890$ ) is the only less important factor influencing entrepreneurial practice of respondents in Nigeria. Other factors such as Struggle for survival ( $\bar{x} = 2.2786$ ;  $\sigma = 1.24030$ ); Unemployment drives ( $\bar{x} = 2.4505$ ;  $\sigma = 1.26930$ ); Widespread call by the government ( $\bar{x} = 2.2682$ ;  $\sigma = 1.21283$ ); Passion to utilize opportunity ( $\bar{x} = 3.2214$ ;  $\sigma = 1.31291$ ); Pull factor ( $\bar{x} = 3.6536$ ;  $\sigma = 1.09465$ ); and Knowledge-skill-ability possessed ( $\bar{x} = 2.4974$ ;  $\sigma = .71536$ ) are important factor influencing entrepreneurial practice of respondents in Nigeria. Though, passion to utilize opportunity and pull factor appear to be highly important.

However, the standard deviations show that there is little divergence of these factors influencing entrepreneurial practice in Nigeria.

**Table 3. Showing the effect of entrepreneurial practice on poverty and unemployment level in Nigeria**

Predictor Variables	Explained Variables	Co-efficients ( $\beta$ )	S.E ( $\beta$ )	Value of t-statistic	Value of R <sup>2</sup>
EP	PL	-.407	.043	9.552	.194**
EP	UL	.274	.038	7.184	.120**

Note: \*\*. Significant at the 0.01 level (2-tailed); Entrepreneurial Practice; Poverty Level Despite Government Effort; Unemployment Level in Nigeria

The table 3 shows that 19.4% of the perceived variation in poverty level is explained by the kind of entrepreneurial practice. The presence of 80.6% unexplained variation suggests that there are other predictor variables which affect variations in poverty level in Nigeria. The R<sup>2</sup>-value of 0.194 shows a weak predictor. The co-efficient for entrepreneurial practice (-0.407,  $p < 0.01$ ) shows a negative relationship with poverty level in Nigeria. The result shows that more engagement of people or increasing entrants in entrepreneurship will bring about a tendency of 40.7% decrease in poverty level at the long if all things being equal. Though, the study empirically proves inverse inter-operational behaviour between entrepreneurial practices and poverty level in Nigeria but the effect of the former on the latter is significantly weak. This finding refutes the study of Ali-Yasin (2013) which also discovered that the positive correlation between entrepreneurship development and poverty alleviation is weak in Somalia. This study further advances the finding of Muttalib, Mahrani, Hajar, Saenong & Samsul (2016) that entrepreneurship has significant effect on poverty reduction. The present study is able to establish the nature and degree of this effect as unclearly specified by Muttalib *et al.* (2016).

The table 3 also shows 12.0% of perceived variation in unemployment level which can be explained by the kind of entrepreneurial practice in Nigeria. The presence of 88.0% unexplained variation in unemployment level in Nigeria suggests that there are other predictor variables which are responsible. The R<sup>2</sup>-value of 0.120 shows a very weak predictor. The co-efficient for entrepreneurial practice (0.274,  $p < 0.01$ ) shows a positive relationship with unemployment level in Nigeria. The result shows that more engagement of people or increasing entrants in entrepreneurship will bring about the tendency of 27.4% increase in unemployment level at the long if all things being equal. The study empirically proves positive significant inter-operational behaviour between entrepreneurial practices and unemployment level in Nigeria. However, the positive effect of entrepreneurial practices on unemployment level in Nigeria is significantly weak. This finding may be associated with the kind of entrepreneurial practice in Nigeria (necessity entrepreneurship as against opportunity entrepreneurship which may enhance greater potentials). This study refutes the finding of Taiwo (2014) that in any growing economy, entrepreneurship development always give birth to job creation in Nigeria. In addition, this finding is

contrary to the study of Asad, Ali & Islam (2014) which found that unemployment rate is negatively related to entrepreneurial development.

**Table 4. Showing the descriptive statistics and Pearson correlation of poverty and unemployment in Nigeria**

	Mean	Std. Deviation	1	2	P-Value
Poverty	.4945	.02162	1	.898**	0.01
Unemployment	18.8636	5.95572	.898**	1	0.01

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 4 shows that the level of unemployment is higher than the level of poverty in Nigeria given the mean. The correlation' result showed that the variables correlate positively at  $P < 0.01$ . Significantly, positive correlation (strong) exists between unemployment and poverty ( $r = 0.898$ ,  $p < 0.01$ ). This means that when people engage more in entrepreneurial activities, the relationship between unemployment and poverty are expected to be positive. That is, when more jobless people venture in businesses, unemployment and poverty may probably drop. This agrees with the study of Osinubi (2015) which found that poverty is positively related to unemployment rate, and that efforts geared towards reducing poverty will simultaneous drive unemployment in the same proportion. Similarly, the study of Aiyedogbon & Ohwofasa (2012) also found that unemployment has positive determining influence on poverty level in Nigeria. Therefore, the statement of Nwagwu (2014) that poverty is a product of unemployment is affirmed empirically.

## 5. Conclusion

Unemployment and poverty are two inseparable economic problems in Nigeria. Previous studies have shown that the two have been coexisting for many decades. Some government programmes have been instituted to translate the potential of entrepreneurship into meaningful reduction in the level of these two economic problems. It is evident that though poverty level appears to be reducing at almost unnoticeable rate, unemployment level keeps increasing in a slow and steady rate alongside increase in entrepreneurial practice and engagement in Nigeria.

Entrepreneurial practice and engagement appears to be having a totally different orientation in the country, and this establishes a strong cleavage in entrepreneurship between Nigeria and other countries of the world. If the Nigerian entrepreneurship must be put in the right shape, a four factor solution will be adequate in addressing the issue of entrepreneurial practices. The factors that have driven the Nigerian entrepreneurship are pull factor, passion to utilizing opportunity, knowledge-skill-ability and unemployment. Further studies in this area may investigate the most important factor to be prioritized or the best method to enhancing the order of importance of these factors. This will go a long way to promoting promising

entrepreneurship in Nigeria.

However, it is recommended based on the finding of this study that appropriate attention should be given to these four factors. These factors (pull, passion to utilizing opportunity, knowledge-skill-ability and unemployment) systematically indicate that a problem exists in the way entrepreneurship is practiced in Nigeria. If this problem is not addressed, increase in entrepreneurial practice and engagement will continue to yield little or no reduction in poverty level, and the rate of increase in unemployment in Nigeria may double.

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