

Investigating The Relationship Between Entrepreneurship Development And Poverty Reduction In Rural Communities In Edo State, Nigeria

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ABSTRACT: This paper investigates the relationship between entrepreneurship development and poverty reduction in rural communities in Edo State Nigeria. Taro Yamani's statistical technique was used to calculate the sample size of the population. Stratified random sampling was used to distribute the survey questionnaires, out of the 215 questions distributed to the respondents, only 211 were completed and returned back for data analysis. SPSS version 20 software were employed using Analysis of Variance (ANOVA) to analyze the data and compare different population of mean existing within the groups and between the groups at five point-likert scale of strongly agreed, agree, undecided, disagree and strongly disagree. The result of analysis revealed that F -calculated (1270.644) is greater than F -tabulated (2.53) thereby rejecting the null hypothesis and accepts the alternative hypothesis that, there is significant relationship between entrepreneurship development initiative and poverty reduction in the rural areas in Edo State, Nigeria. The result of study also showed that entrepreneurship initiative has translated positively towards poverty reduction in rural communities through jobs creation, development of rural areas, establishment of small and medium size enterprises, youth empowerment through soft loan provided by federal government of President Good Luck Jonathan's You-Win Program among others. The following recommendations were made; government of Nigeria should strengthen macroeconomic policies such as judiciary to prosecute corrupt government officials that loot government treasury. Secondly, government abandoned project should be recycled and resuscitated to avoid huge waste of resources and time wasted. Thirdly, there should be need for both government and private sector partnership through Private-Partnership Project (PPP) to complete most abandoned government projects such as skills and acquisition centres. This will help to achieve greater sustainability and economic growth in the country.

Keywords : Entrepreneurship Initiative; Rural Communities; Edo State; Poverty; Scientific Package on Social Science (SPSS).

1. INTRODUCTION

In Nigeria, more than sixty percent of the population lives in the rural areas. In spite of this, developmental efforts have been concentrated in the urban areas to the neglect of the rural areas thereby making life very difficult for the rural dwellers. Provisions of social amenities such as roads, electricity and water supply, sanitation, etc are disproportionately handled at all levels of government between the urban and rural dichotomy in favor of the urban areas. As a result, the rural dwellers, especially the young school leaver's and graduates from tertiary institution have continued to migrate from the rural to urban areas to enjoy social amenities which the rural areas cannot offer as well as seek job opportunities which are presumed to be available in the urban areas. Entrepreneurship is about self-employment, self-help through creativity and innovation identifying an opportunity related to needs and converting it to a thing (product or service) of value (Soyibo, 2008). Rural entrepreneurship development programme have become a relatively new and important research subject across the globe. Many researchers are of the view that supporting small and medium business in rural areas is the needed development strategy to fight against poverty, especially in the developing countries. Some experts are of the view that for economic development to become a success story the new business in rural areas must be put in place through local initiatives and that entrepreneurship is critical to the maintenance of a healthy economy. Malecki (2003), the World Bank new strategy that was launched in 2002 called it reaching out to the poor. Another perception is that some cultures or some social groups are more conducive

entrepreneurial behavior than others. According to this view, the factors that contribute to the supply of entrepreneurs are an inheritance of entrepreneurial tradition, family position, social status, educational background and the level of education. Based on research into the origins of business owners, it is believed that persons who come from small business owner families are more likely to become entrepreneurs than others. Studies of family position of exiting entrepreneurs demonstrate that entrepreneurs are often found among elder children, since according to the explanation they are pressed to take more authority and responsibility at earlier stages than younger members of the family. The outsider group, ethnic minority or the outsider individual the marginal person who are by a combination of different factors rendered outsiders in relation to the social groups with whom they normally interact are both viewed as a significant source of entrepreneurship. This Study is therefore designed to assess the extent entrepreneurship development can be used to develop rural communities and reduce mass poverty (Malecki, 2003). The major problem identified in this study is high poverty rate in rural communities; the case of Edo state cannot be overemphasized. According to publication by (IFAD, 2005), about 900 million people living in rural areas are poor, some of them depend substantially on agriculture and related activities for their livelihoods. In fact, it has become a reality that the millennium poverty target cannot be met unless the world addresses rural poverty. According to CBN (2011), the living standard of those living in rural areas is worrisome and some of the viable programmes of government that would have enhanced their living standard could not see the light of the day. Numerous programmes were put in place which aimed at

reducing the rate of unemployment and poverty but more than 90% of them have been without significant impacts on the conditions of the people. There are many micro and small business in Esan West Local Government Area but the problem is that the contribution of these wide range of entrepreneurial initiatives are seriously impaired by the dysfunctional government policies designed to enhance the performance of entrepreneur (Sanusi, 2012). This study therefore was designed principally to examine entrepreneurship potentials for opening up rural communities and to determine measures that can make entrepreneurship effective in improving the living conditions of the rural populace in Nigeria. Owing to the problems identified above, objective of study is necessitated which investigates the relationship between entrepreneurship development and poverty reduction in rural communities in Esan West Local Government Area of Edo State, Nigeria. Again, to fulfill study objective, the following research questions were formulated to guide the study.

- (i) To what extent does entrepreneurship development initiative leads to poverty reduction in the rural communities?
- (ii) To what extent does the internal and external factor affect entrepreneurship initiative development and the performance of entrepreneurs in the rural communities?

In the light of this, the following hypotheses were formulated to guide the study as;

Hypothesis 1

- H_0 : There is no significant relationship between entrepreneurship development initiative and poverty reduction in the rural areas.
- H_1 : There is significant relationship between entrepreneurship development initiative and poverty reduction in the rural areas.

2 REVIEW OF RELATED LITERATUR

In this section, works related to this study were reviewed along the following sub-headings: conceptual review, relationship between entrepreneurship development initiative and poverty reduction in rural communities, perceived constraints that prevent entrepreneurship from contributing effectively to the development of rural communities, empirical review and theoretical framework.

2.1 Conceptual Review

Several definitions have been offered to entrepreneurship and in each definition, a particular area of the concept has always been highlighted. For instance, defining entrepreneurship as risk taking neglects other major elements of what we usually think of as entrepreneurship, such as a well – developed ability to recognize unexploited market opportunities. Again, defining it as stabilizing force limits entrepreneurship to reading market disequilibria, while entrepreneurship defined as owning and operating a business, denies the concept the possibility of entrepreneurial behaviour by non-owner managers who have no equity stake in the business (Petrin, 1994). However, Kanothi (2009) has defined entrepreneur as the 'instigator of entrepreneurial events'. Acs and Szerb (2007) noted that entrepreneurship revolves around the realization of existence of opportunities in combination with decision to commercialize them by starting a new firm. This reasoning is what Thornto (1999) called demand and supply perspectives of entrepreneurship discourse. In trying to offer a

definition that can properly fit into the rural development context of entrepreneurship, entrepreneurship has been defined as "a force that mobilizes other resources to meet unmet market demands", "the ability to create and build something from practically nothing" (Jones and Sakong, 1980), "and the process of creating value by pulling together a unique package of resources to exploit an opportunity" (Timmons, 1989 & Stevenson, 1985).

2.2 Relationship between Entrepreneurship Development Initiative and Poverty Reduction in Rural Areas

Expert's opinion is increasing daily in terms of recognizing the importance of entrepreneurs in economic growth. According to Saxena (2012), rural entrepreneurship implies entrepreneurship emerging in rural areas. The first to link economic growth and development through the development of rural entrepreneurship was Schumpeter (1934). The author noted that entrepreneurship has great potentials to empower people at the community level. The same author observed further that many examples of successful rural entrepreneurship can already be found in literature. Diversification into activities other than those solely related to agricultural usage, for example, the use of resources other than land such as water, woodlands, buildings available skills and local features, all fit into rural entrepreneurship. Sexena (2012) was also concerned with entrepreneurial combinations of these resources which are for example; tourism, sports and recreation, hospitality facilities, professional and technical training, retailing and wholesaling, industrial applications (engineering, crafts), servicing consultancy), value added (products from meat, milk, wood, etc.) and the possibility of off-farm work. Equally, entrepreneurial activities are new uses of land that enable a reduction in the intensity of agricultural production, for example, organic production. Two things stand out here:

1. Better distributions of farm produce resulting in rural prosperity.
2. Rural entrepreneurial occupation for the growth which results in reduction of disguised employment and alternative occupation for rural youth.

According to Global Entrepreneurship Monitor Report (GEMR, 2005; Cited in Sexena, 2012), about 70 percent of an area's economic performance is dependent upon how entrepreneurial the area's economy is. In a related development, studies conducted by Economic Commission for Latin America and Caribbean (ECLAC) and Food and Agricultural Organization (FAO, 2006; Cited in Sexena, 2012) in the Latin America and Caribbean regions, have indicated that rural enterprises can be an important modernizing agent for small agriculture. Governments have supported his process by creating incentives for agro-industry to invest in such regions. This has not only been in developing countries, but it has also been a clear policy of the European Union (EU) which channels a large part of the total common budget to develop the backward and poor regions of Europe. Lyson (1995) echoes the prospects of small-enterprise framework as a possible rural development strategy that works, for economically disadvantaged communities and provides this description of the nature of small-scale flexibly specialized firm: First, these businesses would provide product for local consumption that are not readily available in the mass market.

Second, small-scale technically sophisticated enterprises would be able to fill the niches markets in the national economy that are too small for mass producers. Third, small, craft-based, flexibly specialized enterprises can alter production quickly to exploit changing market conditions". According to study conducted in the United State, it was found that rural poverty has become intense as that found in the inner cities, and has stubbornly resisted a variety of attempts at mitigation through economic development policies. The talent strategy for addressing this problem is the encouragement of emerging "home-grown" enterprises in rural communities. The expectations are that these new ventures will: a) provide jobs or at least self-employment; b) remain in the areas where they were spawned as they grow: and c) will export their goods and services outside the community, attracting much needed income (Lyons, 2002). Gavian, et al. (2002) in a study commissioned to determine the importance of SME development in rural employment in Egypt, have suggested that SMEs are traditionally thought of as well poised to respond to increased demand by creating jobs. It is therefore important to stress here that rural entrepreneurship in its substance does not differ from entrepreneurship in urban areas. Entrepreneurship in rural areas is finding a unique blend of resources either inside or outside of agriculture. The economic goals of an entrepreneur and the social goals of rural development are more strongly inter linked than in urban areas. For this reason, entrepreneurship in rural areas is usually community based, and has strong extended family linkages and a relatively large impact on a rural community (OECD, 1999). Entrepreneurial, orientation to rural development, contrary to development based on bringing in human capital and investment from outside, is based on stimulating local entrepreneurial talent and subsequent growth of indigenous companies. This in turn would create jobs and add economic value to a region and community and at the same time keep scarce resources within the community. To accelerate economic development in rural areas, it is necessary to increase the supply of entrepreneurs in rural areas, it is necessary to increase the supply of entrepreneurs, thus building up the critical mass of first generation entrepreneurs (Petrin, 1994). These set of entrepreneurs will take risks and engage in the uncertainties of a new venture creation, crate something from practically nothing and create values by pulling together a unique package of resources to exploit and opportunity. By their examples, they will stimulate an autonomous entrepreneurial process, as well as a dynamic entrepreneurship, thereby ensuring continuous rural development.

2.3 Perceived Constraints that Prevent Entrepreneurs from Contributing Effectively to the Development of Rural Communities.

Entrepreneurship researches have established relationships between the business environment and entrepreneurial activities (Dobbin and Dowd, 1997; Borkowski and Kulzick, 2006; Carter and Wilton, 2006). The effective manifestation of the functions and roles of entrepreneurship in socio-economic development have often been attributed to the presence of certain factors in the external environment of the entrepreneur over which he has little or no control. Borkowski and Kulzick (2006) lists the interplay between entrepreneurship and environment as follows:

- a) New venture strategies are formed in response to

environmental forces;

- b) Entrepreneurs are negative towards and will resist political interference; and
- c) Unstable economic, social and even political environments are negatively related to growth opportunities.

Equally, other studies in this area have identified various environmental factors, which some have tagged external factors. Principal among the factors identified are influences of firms, influences of markets (Thomtom, 1999); public policies (Dobbin and Dowd, 1997); regulations and policies (Baumol, 1990); and physical infrastructure (Agboli and Ukaegbu, 2006). Some scholars have gone ahead to particularize or associate environmental needs to the level of economic development. For example, Agboli and Ukaegbe (2006) emphasized the imperatives of physical infrastructure of other external factors in their study of Nigerian entrepreneurs.

Table 1: Perception of Nigerian Entrepreneurs to Infrastructure Services

S/N	INFRASTRUCTURE	MAJOR PROBLEM (%)
1	Electricity	92
2	Water	85
3	Road Network	79
4	Water Disposal	73
5	Telecommunication	69
6	Security (Police)	66
7	Trucking Services	51
8	Postal Service	27
9	Air Freight Services	12

Sources: (Agboli & Ukaegbu, 2006).

The World Bank (2005), as part of its findings in a study on problems encountered in Doing Business across the globe states that:

1. Businesses in poor countries face much large regulatory burdens than those in rich countries. They face three times the administrative cost, and nearly twice as many bureaucratic procedures and always associated with them. And they have fewer than half the protections of property rights of rich countries.
2. Heavy regulation and weak property rights exclude the poor from doing business. In poor countries, about 40% of the economy is informal. Women, young and low-skilled workers are often hurt.

The World Bank's Doing Business report quotes Nigeria as ranking 108 among the 178 economies compared. The report finds many Sub-Saharan countries like Mauritius, Botswana, Ethiopia, Ghana, Kenya and South Africa more business friendly than Nigeria. Where other economies as in developed world may be talking of industry specific needs, Nigeria is still grappling with needs that are basic to entrepreneurial activity irrespective of the sector of the economy. For example, Idehen (2007) contends that the greatest challenge that our business and other in Nigeria are facing is inadequate infrastructure. Of course, a lot of people have explained how lack of basic infrastructure greatly after businesses. But the truth remains that the relevant agencies of government have no idea how

monstrous the problem is. This situation is even worst in the rural areas. In the transport sector, business operators (entrepreneurs) usually spend a lot of money whenever their vehicles travel from one part of the locality to another because of the very bad state of the roads. Power supply is the worst. The money spent on acquisition and maintenance of alternative source of power can start a business of its own and employ a lot of people. The World Bank (2008) Doing Business report still argues that the most pressing needs of the Nigerian entrepreneurial environment are physical infrastructure, credit facilities and favourable tax policy. Eboh (2007) had also acknowledged that multiple taxes levied by the three tiers of government have also become a burden because the mode of collection happens to be the worst in the world. Still on the external factors, Vaessen and Keable (1995) have noted that the external environment in more remote rural areas particularly, presents challenges for SMEs, which they need to adapt to if they are to survive and grow. These include the limited scale and scope of local market opportunities which make it necessary for firms to be particularly active in developing non-local markets if they are to grow. Another is severe competition from large firms and urban entrepreneurs. They incur high cost of production due to high input cost. Major problems faced by marketers are the problem of standardization and competition from large scale units. They face the problem in fixing the standards and sticking to them. Competition from large scale units also creates difficulty, for the survival of new ventures. New ventures have limited financial resources and hence cannot afford to spend more on sales promotion. These units don't have any standard brand name under which they can sell their products. Therefore, it becomes necessary for them to come up with new advert strategies which the rural people can easily understand. But there is also the problem of illiteracy. The literacy rate among the rural consumers is very low. So there is a problem of communication also (Vaessen & Keable, 1995). Other problems, though internal to the firms, are the lack of IT knowledge. Information technology is not very common in rural areas. Entrepreneurs rely on internal linkages that encourage flow of goods and services, information and ideas. The intensity of family and personal relationships in rural communities can sometimes be helpful but may also present obstacles to effective business relationships. Business deals may receive less than rigorous objectivity and intercommunity rivalries may reduce the scope for regional cooperation. Decision making process and lines of authority are mostly blurred by local politics in rural areas (RUPRS, 2005). Also, rural entrepreneurs find it extremely difficult in complying with various legal formalities in obtaining licenses due to illiteracy and ignorance. Procurement of raw materials may also face the problem of storage and warehousing. They also suffer a severe problem of lack of technical knowledge. Lack of training facilities and extension services create hurdle for the development of rural entrepreneurship. Another serious problem that hinders the growth of rural entrepreneurship is the interior quality of products produced due to lack of availability of standard tools and equipment and poor quality of raw materials. It has equally been found that low skill level of workers and the lure of urban amenities are serious draw backs for the entrepreneurs in the rural areas. According to Zimet *et al.* (2009), most of the entrepreneurs of rural areas are unable to find workers with high skills. Turnover rates are also high in this case as a result of the lure of urban social

amenities. The workers have to be provided with on the job training and their training is generally a serious problem for entrepreneur as they are mostly uneducated and they have to be taught in local language which they understand easily. The industries in rural areas are not only established just to take advantage of cheap labor but also to bring about an integrated rural development. Another crucial factor against entrepreneurship in the rural areas is the negative attitude. The environment in the family, society and support system is not conducive to encourage rural people to take up entrepreneurship as a career. It may be due to lack of awareness and knowledge of entrepreneurial opportunities. The young and well educated mostly tend to leave. As per circumstances, rural people by force may be more self-sufficient than their urban counterparts, but the culture of entrepreneurship tends to be weak. Continuous motivation is needed in case of rural employee which is sometimes difficult for an entrepreneur to impart with (Apata *et al.*, 2010).

2.4 Theoretical Framework

Two theories from different backgrounds both in authorship and discipline were used to analyze this work. The first is a psychological theory of a renowned management scientist, David McClelland who in 1965 showed the functionality of strong relationship between need for achievement, economic development and entrepreneurial activities (EAs). He opined that the entrepreneurship activity is the potent process by which the need of achievement leads to economic growth. According to him, one would expect a relatively greater amount of entrepreneurial activities in the society if the average level of needs achievement is relatively high among the people. Nigerians have zeal and enthusiasm for achievement and are poised to follow ideas to logical success judging by outstanding performances in all spheres of life, but on account of lack of enabling environment, an average Nigerian is disillusioned and developed hatred for the state (Raimi, 2010). The second theory that provides foundation for entrepreneurship education or development is the risk-taking theory of Richard Cantillon and John Stuart Mill. The theory sees entrepreneurship as a mental education that stimulates individuals to take moderate or calculated risk for which they stand to enjoy stream of benefits, and also people taking big risk have to contend with a great responsibility (Alan & Hossan, 2003). The traits of creativity, risk-loving, innovation, strategic thinking and constructive engagement against the government by discontented Nigerians could a well be directed to entrepreneurship development (Raimi, 2010). The import of this theory is that entrepreneurship development or education improves the ability, capacity and potentials of the individuals from any given communities to undertake risks for which they stand to benefit immensely.

2.5 Empirical Review

Adofu and Ocheja (2013) carried out a study on alleviating poverty through the use of entrepreneurship skill acquisition in Kogi State, Nigeria. The result of the study showed 65% of the respondents accepted that lack of entrepreneurship skill among the youth, especially in the rural areas is responsible for the high rate of poverty in Nigeria. The result showed also that at least 60% of the people that benefited from skills acquisition programme can now afford the basic necessity of life. In a related development, Amadi and Abdullahi (2012) reported from their study that a greater percentage of the

sampled youth in the rural areas reported high and moderate levels of their capacity-building when they were subjected to capacity building training for self-reliance. Also, Akpana, Ezang, Asor and Osang (2011), found that acquisition of vocational skills towards entrepreneurial activities led to a significant reduction of poverty among young adults. On entrepreneurship as a tool for rural developments in a study done by Mansi and Acgla (2013) it was found that maximum innovations are in field of agriculture, rural energy and technology based. They notes that rural entrepreneurs have successfully diversified into or stated new business in markets as diverse as agro-food, crafts, recycling, leisure and health. Diversification into non-agriculture uses of available resources such as catering for tourists, black smiting and carpentry also fit into rural entrepreneurship (Nanda-War, 2011). Ibrahim (2010) conducted a study on the role of rural entrepreneurship in employment generation. The findings show that rural entrepreneurship has high potential for creating new jobs considering the vast resources abound in the rural areas. It further shows that it has the ability to generate more employment considering the fact that it employs more labour-intensive mode of production. However, the noted that one of the constraint that has hindered the performance of rural entrepreneurs greatly was near absence of electricity. This has given room for use of alternative sources which are very costly to operate thereby making their products uncompetitive in the market. Avurakoghene (2006) usually found that cost of doing business generally is too high for the rural environment to cope with. Various business obligations to government in the form of registration, tax, custom duties excise duties are great of burden for entrepreneurs in the rural areas. Although, several studies have been recorded on this subject of study, a gap in research has been identified. Previous study conducted by Adofu and Ocheja (2013) adopted chi-square approach in data analysis using quantitative research approach. However, this study analyses data using Analysis of Variance (ANOVA) and hypothesis is test at 5 % significant level using SPSS version 20 software to compare different population of mean existing within the groups and between the groups or determine the existence of differences among several population means. Finally, study is restricted to only geographical region of rural communities in Edo State, Nigeria to generalize findings.

3.0 Research method and Materials

In investigating the importance of entrepreneurship on rural communities in Esan West Local Government Area, the method and procedure adopted are stated below under the following sub-leading; population of the study, instrument of the study, method of data collection and method of data

.0 Presentation of Data Analysis

analysis.

3.1 Population of the Study

The population for the study consists of 153 owner-managers and 62 paid managers, identified from the directory of industries in the ministry of commerce and industry, Edo State. Given the level of study, and the size of the population, the researcher considered it appropriate to study all the units of the population in the LGA. Thus the 215 small businesses across the LGA was the target population of the study.

3.2 Instrument of the Study

The researcher developed an item structured instrument designed to reflect such options on five point-likert scale with weight assigned to; strongly agree (SA) = 5 points; Agree (A) = 4 points; Disagree (D) = 3 points; strongly disagree (SD) = 2 points and Undecided (UND) = 1 point, usually referred to as the modified five (5) points likert scale.

3.3 Method of Data Collection

The researchers adopted direct questionnaire distribution approach in collecting the data. Choice of this method was informed by the need to reduce the rate of non-response often associated with surveys of this nature. This method also helped the researchers with the opportunity of making clarifications where necessary. Out of the 215 questionnaire distributed to the respondents, only 211 were completed and returned, thus showing total response rate of 98.1%. That is, 148 owner managers and 63 paid managers. Again, this study adopts stratified random sampling to ensure greater representativeness of the sample relative to the population and guarantees that minority constituents of the population are represented in the sample as proposed by (Nworgu, 2006).

3.4 Method of Data Analysis

The result of this study is analyzed using Analysis of Variance (ANOVA) in accordance with the work of Fisher in 1923. Again, it is also called F-test. This is limited to only one-way analysis of variance. Justification for this, is due to ANOVA is predominantly used to compare different population of mean existing within the groups and between the groups or determine the existence of differences among several population means. Similarly, both the null and alternate hypothesis is tested at 5% level of significance and decision rule also applies to either reject/accept the null or alternate hypothesis at a point where F-tabulated value/F-calculated value is greater than or less than the other.

4

Table 1: Tabulation of Questionnaire Response on Relationship Between Entrepreneurships Development and Poverty Reduction in Rural Communities in Edo State.

S/N	Item	Alternative Response					Total
		SA	AG	DA	SD	UN	
1	Rural entrepreneurship is synonymous with rural industrialization	70	97	20	14	10	211
2	Rural entrepreneurship provides opportunity for rural dwellers thereby reducing dismissed unemployment.	85	93	18	10	5	211

3	Economic boom of any area is a direct function of number entrepreneurs and entrepreneurial demand by creating jobs at least in rural areas.	81	101	15	10	4	211
4	SMEs are thought of as well poised to respond to increased demand by creating jobs at least in rural areas.	91	100	10	5	5	211
5	The economic goals of an entrepreneur and the social goals of rural development are more strongly interlinked than in the urban areas.	83	90	18	14	6	211
6	To accelerate the rate of development in an area, it necessary to increase the supply of entrepreneurs.	79	93	25	10	4	211
7	Rural entrepreneurship attracts infrastructures like power and water supply, roads, bridges, and other social amenities.	87	89	20	10	5	211
8	Rural entrepreneurship has the capacity to dispel the concentration of industrial units in urban areas and promotes regional development in a balanced.	90	100	10	6	5	211
9	Rural entrepreneurship can awaken the rural youth and expose them to various avenues to adopt entrepreneurship and promote it as a career to stem rural urban drift.	83	90	18	12	8	211
10	Rural entrepreneurs are more likely to succeed because they used more of labor intensive production mode.	90	101	9	7	4	211

Source: (Field Survey, 2014).

Table 2: Tabulation of Questionnaire (Weighted Responses) on Relationship Between Entrepreneurships Development and Poverty Reduction in Rural Communities in Edo State

S/N	Item	Alternative Response				
		SA	AG	DA	SD	UN
1	Rural entrepreneurship is synonymous with rural industrialization	350	388	60	28	10
2	Rural entrepreneurship provides opportunity for rural dwellers thereby reducing dismissed unemployment.	425	372	54	20	5
3	Economic boom of any area is a direct function of number entrepreneurs and entrepreneurial demand by creating jobs at least in rural areas.	405	404	45	20	4
4	SMEs are thought of as well poised to respond to increased demand by creating jobs at least in rural areas.	455	400	30	10	5
5	The economic goals of an entrepreneur and the social goals of rural development are more strongly interlinked than in the urban areas.	415	360	54	28	6
6	To accelerate the rate of development in an area, it necessary to increase the supply of entrepreneurs.	395	372	75	20	4
7	Rural entrepreneurship attracts infrastructures like power and water supply, roads, bridges, and other social amenities.	435	356	60	20	5
8	Rural entrepreneurship has the capacity to dispel the concentration of industrial units in urban areas and promotes regional	450	400	30	12	5

	development in a balanced.					
9	Rural entrepreneurship can awaken the rural youth and expose them to various avenues to adopt entrepreneurship and promote it as a career to stem rural urban drift.	415	360	54	24	8
10	Rural entrepreneurs are more likely to succeed because they used more of labor intensive production mode.	450	404	27	14	4

Source: (Field Survey, 2014).

To get the weighted value in Table 2 above, strongly agree (SA) was given the value of = 5; Agree (AG) = 4; Undecided (UN) =3; Disagree (DA) = 2; Strongly Agree (SA) = 1.

4.1 Method of Data Collection

- Ho: There is no significant relationship between entrepreneurship development initiative and poverty reduction in the rural areas.
- H₁: There is significant relationship between entrepreneurship development initiative and poverty reduction in the rural areas.

Table 3: One Way ANOVA

X

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1712105.320	4	428026.330	1270.644	.000
Within Groups	15158.600	45	336.858		
Total	1727263.920	49			

Source: (SPSS Software Version 20).

F- Tabulated value = F 0.05, 4, 45, = 2.53 (at 5% level of significance); F- Calculated= 1270.644

4.1 METHOD OF DATA COLLECTION

Ho: There is no significant relationship

4.2.3 Decision Rule 1

Given the information in table 3 (one way Anova) , when F-calculated (1270.644) is greater than F- tabulated (2.53), study rejects the null hypothesis and accepts the alternative hypothesis that, there is significant relationship between entrepreneurship development initiative and poverty reduction in the rural areas in Edo State, Nigeria.

4.3 Analysis and Discussion of Research Results

The result of findings in Anova table 3 above has shown that the value of F- calculated (1270.644) is greater than F- tabulated (2.53) value at 5% significant level. Given this situation, decision rule was applied to reject the null hypothesis which states that, there is no significant relationship between entrepreneurship development initiative and poverty reduction in the rural areas and accept the alternative hypothesis, that there is strong relationship existing between entrepreneurship development initiative and poverty reduction in the rural areas in Edo State, Nigeria. Furthermore, the result of study also show that entrepreneurship initiative has translated positively towards poverty reduction in rural communities through jobs creation, establishment of small and medium size enterprises, youth empowerment through soft loan provided by federal government through President Good Luck Jonathan's You-Win Program among others. Reflecting on the literature, it was very obvious that findings of this research represent the views of the literature proposed by

different scholars. With regards to this, Ibrahim (2010) also noted that rural entrepreneurship has high potential for creating new jobs due to vast resources abound in the rural areas. On the other hand, recent studies by Adofu and Ocheja (2013) have shown that about 65% of youths in the rural area without entrepreneurial skills suffer high rate of poverty. They authors further highlight that about 60% of the youths who benefited from entrepreneurial orientation were relief from poverty trap and can afford the basic necessities of life. Furthermore, the analysis also shows that the development of entrepreneurship has the potential to affect life positively in the rural communities especially in Edo State, Nigeria. Apart from impacting life of people, small and medium enterprise (SME's) have indeed developed rural communities in many ways such as attracting more investors, increasing rural population, and halting of rural urban drifts. These have significant effects on the development of rural communities and economic growth.

5.0 CONCLUSION

From the above research findings discussed, there is positive relationship existing between entrepreneurship development initiative and poverty reduction. Therefore, findings agree with study objective and hypothesis. Both internal and external factors such as; entrepreneurship programs, provision of loan and subsidy, tax reduction, access to microfinance projects, among others have contributed positively towards the performance of entrepreneurs in Edo State, Nigeria and rural development. Given the above incentive, the rate of doing business have increased to great extent and most SME's have thrives in the rural areas which is in line with president

Goodluck Jonathan vision 2020 quest for excellence. On the contrary, it is expected that most people living in rural communities suffers a lot due to high rate of poverty and poor living standard because greater number of people living there depends extremely on agriculture to sustain their means of livelihood according to publication by (IFAD, 2005). This is the major problem identified in this study. However, this study has identified that a lot of measures have been put in place to eradicate poor living conditions in both urban and rural communities due to numerous federal government programmes put in place to enhance entrepreneurship development which aimed at reducing the rate of unemployment and poverty index. Although, due to poor macroeconomic conditions in the country, small number of entrepreneurs have suffered in getting access to credit and other government incentives to promote SME's due to government bureaucratic bottlenecks, high interest rate, lack of continuity of government abandoned projects and high corruption in government in giving bribes before getting anything. To address these problems, the following recommendations are made.

5.1 Recommendations

1. Based on the above conclusions, recommendations are made in the followings;
2. The government of Nigeria should strengthen macroeconomic policies such as judiciary to prosecute corrupt government officials that loot government treasury.
3. Most government abandoned project should be recycled and resuscitated to avoid huge waste of resources and time wasted.
4. Again, there should be need for both government and private sector to partner through Private-Partnership Project (PPP) to complete most abandoned government projects such as skills and acquisition centres. This will help to achieve greater sustainability and economic growth.
5. Establishment of monitoring team should be mandated in every state of the federation to monitor the beneficiaries of most government funds through You-Win programs. The entrepreneurs should be visited at their business locations to evaluate the state of their businesses to ensure government funds are not diverted for Jumbo projects that are not feasible and objective.
6. More establishments of entrepreneurial centres in most universities and polytechnics in the country to help in training and discovering of young talented entrepreneurs to be able to own and manage SME's in the future.
7. Finally, the above recommendations if properly harnessed would reduce to the bareness minimum the problems of entrepreneurship development and vice-versa.

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