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ENTREPRENEURSHIP AND JOB CREATION IN RURAL SUB-SAHARAN AFRICA: A CASE STUDY OF SELECTED TONY ELUMELU FOUNDATION ENTREPRENEURS IN NIGERIA AND KENYA

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ABSTRACT

The bulk of the poor in sub-Saharan Africa live in rural areas and Entrepreneurship is often used as a tool to curb poverty across communities. This study investigates the impact of entrepreneurship on employment and economic livelihoods in selected rural communities in Nigeria and Kenya using a Theory of Change framework. A combination of descriptive and exploratory techniques was used to analyze the data gathered from interviews conducted among 40 respondents comprising Tony Elumelu Foundation Entrepreneurs working in rural communities and residents of the selected communities. Findings show that entrepreneurship contributes to the employment of locals in the communities, especially in sectors like Agriculture and Manufacturing. The study recommends that international organisations, government, and the private sector should support the growth and expansion of entrepreneurship which would provide direct employment for rural dwellers and consequently sustain livelihoods.

Keywords: Entrepreneurship, employment, rural area

INTRODUCTION

Poverty has been a challenge to the developing world and in Sub-Saharan Africa in particular. As a result, several programmes such as the millennium development goals launched in 2005 targeted to poverty and other development challenges (MDGs report, 2015). The sustainable development goals launched in 2015 succeeded the millennium development goals in achieving global development goals over fifteen years (Osborn et al, 2015). Despite, global and regional development programmes implemented over the past thirty years, poverty eradication in sub-Saharan Africa has not seen so much improvement as other regions in the world. For instance, while the poverty situation in East Asia and South Asia reduced from 61.35 percent to 24.50 percent and 7.93 respectively, sub-Saharan Africa saw a reduction from 52.71 percent to 46.81 percent from the year 1980 to 2011 (World Bank Report 2015b).

On the other hand, there is a consensus that entrepreneurship is a viable tool for poverty eradication (Asitik, 2016). Since the bulk of the poor lives in sub-Saharan Africa, it is the promotion of entrepreneurship touching urban as well as rural areas that stands as a viable solution to poverty.

Nigeria has over the years taken up entrepreneurship programmes to boost rural development popular through the Small and Medium Enterprises Equity Investment Scheme (SMEEIS) in 2008 and the Rural Financial Institution Building Programme (RUFIN) in 2009. In the same line, Kenya has also adopted similar programmes namely: Micro Small and Medium Enterprise (MSME) Competitiveness Project in 2004 and Assistance to Micro and Small Enterprises Programme (ASMEP) in 2007.

Interestingly, private philanthropic organisations like the Mastercard Foundation and the Tony Elumelu Foundation have also supported the development of entrepreneurship across Africa. In particular, the Tony Elumelu Foundation rolled out her entrepreneurship support programme dubbed the Tony Elumelu Entrepreneurship Programme (TEEP) in 2015 intending to empower 10,000 entrepreneurs across Africa.

The rest of the research includes literature review, methodology, findings, and conclusion.



OBJECTIVES OF THE STUDY

This study investigates the community development impact of a selected number of beneficiary entrepreneurs from the Tony Elumelu Entrepreneurship Programme in rural Nigeria and Kenya. The major objective of this study is to investigate the economic impact of entrepreneurs in creating jobs and wealth in selected rural communities. The objectives are specifically stated below:

1. To ascertain the impact of jobs created by Tony Elumelu Foundation entrepreneurs in selected communities in Nigeria and Kenya.
2. To identify important issues surrounding the employment created by the entrepreneurs.

LITERATURE REVIEW

The Tony Elumelu Entrepreneurship Programme

The Tony Elumelu Foundation Entrepreneurship Programme (TEEP) was initiated in 2015 by the Tony Elumelu Foundation (TEF). As part of the organisation's effort to fight poverty and unemployment in Africa, the programme aims to raise 10,000 entrepreneurs that will create 1,000,000 jobs in Africa and contribute about 10 billion dollars in revenue over ten years. In a bid to make this possible, the programme has committed 100 million dollars to fund startups over a period of ten years.

Four years after its launch, the programme has trained 4,470 entrepreneurs and given out seed capital worth US\$ 5000 to each selected trainee after their training. The programme expects its participants to engage in business ventures capable of growing and generating employment and wealth.

Entrepreneurship, Job Creation, and rural development in sub-Saharan Africa

Driving entrepreneurship for employment creation in rural sub-Saharan Africa is underpinned in rural entrepreneurship. Rural entrepreneurship was described by Okeke and Nwankwo (2017) as the application of the principles of entrepreneurship in a rural (non-urban) setting, which births economic growth and development as evidenced by clear cut indicators such employment, wealth and income generation. This ultimately pulls such rural communities out of the global poverty bracket.

Petrin (1994) highlighted that in various quarters around the world, there is a consensus that the pod of rural entrepreneurship carries the seed of employment generation in rural communities, thus urgent support must be given in the development of rural entrepreneurs by respective agencies and stakeholders alike.

The potential of entrepreneurship for job creation in a rural community in Nigeria was underscored in a study by Okeke and Nwankwo (2017). The study adopted an exploratory research design and involved 200 randomly selected rural entrepreneurs in Umunya, Akwuzu, Nkwelle, Ogbunike and Nteje communities of Oyi local government area of Anambra State. Data were analysed using descriptive statistics and results showed that rural entrepreneurs created employment, wealth and increased income and improved the standard of living for the rural populace.

In South Africa, Oyelana and Adu (2015) investigated the link between SMEs, employment Generation and poverty reduction through a self-administered questionnaire among 50 SME owners in Fort Beaufort, Eastern Cape Province of South Africa. The study revealed that SMEs play a role in creating employment and reducing poverty in the study area. A similar study carried out in Ghana by Asitik (2016) showed that opportunities for entrepreneurship and creativity were available in rural areas in Northern Ghana and could be employed to solve poverty in the communities. The study which employed a multi-case approach also revealed that infrastructure is a challenge that must be attended in other to enhance the growth of rural entrepreneurship.

Another study highlighted employment generation patterns in rural Tanzania through non-farm enterprises shows that MSMEs constitute 75% of enterprises in rural settings, and they contribute significantly to employment generation in Tanzania (Diao, Magalhaes & Mcmillan 2018). In the same line, Page and



Söderbom (2015) studied the employment contribution of SMEs in Kenya and eight African countries. Employing the use of descriptive statistics, the study reveals that small firms have a much higher turnover of employment, however, they paid lower wages compared to large firms. Furthermore, the study recommends government support for small firms to boost employment creation.

This study apart from contributing to the body of literature on entrepreneurship and rural development adopts a qualitative approach namely exploratory analysis in unveiling the impact of jobs created by entrepreneurs supported by an African indigenous entrepreneurship programme-The Tony Elumelu Entrepreneurship Programme (TEEP). The study goes further to provide a detailed overview of the quality of employment provided by entrepreneurs in rural areas and the overall impact of employment on the livelihoods of rural dwellers.

THEORETICAL FRAMEWORK

Theory of Change (Oldsman and Hallberg 2002) - As cited by Robinson, Dassie & Christy (2004), the theory of change postulated by Oldsman & Hallberg (2002) states that entrepreneurship programs that support small-medium sized entrepreneurs are established to improve the socio-economic lives of the rural populace that the enterprise serves. The figure 1 below illustrates this theory

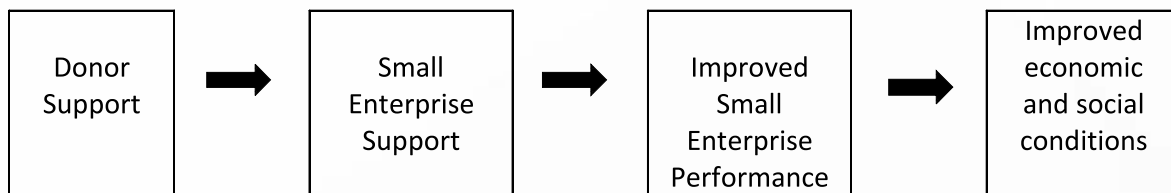


Figure 1: *Theory of Change*

Source: *Robinson, Dassie & Christy (2004)*

In Figure 1, the donor is the Tony Elumelu Foundation (TEF) that runs the annual Tony Elumelu Entrepreneurship Program (TEEP) where a donor support grant of \$ 5000 (NGN 1, 500,000 & KSH 529,989) is awarded annually to selected one thousand micro, small and medium scale entrepreneurs across sub-Saharan Africa. It is expected that the supported enterprises will experience some level of improvement in terms of profits, impact, growth and sustainability in the coming years. This improvement is expected to be translated to improved economic and social conditions in rural communities where the enterprises operate, which can be measured in jobs created and employment

This theory implies that a fundamental principle for building an entrepreneurship program such as the Tony Elumelu Entrepreneurship Program (TEEP) is the notion that supported enterprises positively transform the lives of the rural communities that their enterprises serve.

DATA AND RESEARCH METHODS

This research employs the use of quantitative and qualitative methods and data. Data was collected via interviews guided by a mixture of structured and semi-structured questionnaires.

The interviews were carried out by one of the authors as part of the “Supporting Entrepreneurs in Africa Research Project”.

Study Sample

The study sample comprises 40 respondents as a whole. 10 selected entrepreneurs located in rural communities in Nigeria and another 10 in Kenya. The entrepreneurs were selected from the Tony Elumelu Entrepreneurship Programme database provided by the Tony Elumelu Foundation (TEF) who were part of the research project. Also, interviews were conducted among 10 individuals in the various communities in Nigeria and another 10 in Kenya.



Study Setting

This study has a rural setting. We define a rural setting as a location outside a city with little or no social amenities as compared to an urban metropolis.

Descriptive analysis

This study employs the use of descriptive analysis to present observations that emanate from the field interviews conducted in the course of the research. Descriptive analysis is used to describe the basic features of the data in a study to make it easy to understand. According to Zichmond (2003), descriptive analysis involves both nominal, ordinal and ratio measures of data and provides much information about the group under study.

Exploratory analysis

Also, the study made use of exploratory analysis to supplement the descriptive analysis. Exploratory analysis is exploratory in nature and gives details about variables of interest. According to Sarantakos (2005), the exploratory methodology is useful for the fact that its aims are open and explorative and it involves detailed communication between interviewer and respondents and it is flexible about the choice of research instruments and procedures. Usually, exploratory methodology employs the use of an open-ended or semi-structured questionnaire.

The following table highlights the study areas

Table 1: Table showing interview locations in Nigeria and Kenya

S/N	Nigeria -Interview locations	Kenya- Interview Locations
1	Ugbetulu, Idah, Kogi State,	Taveta, Taiti-Taveta County
2	Iganke, Ikorudu, Lagos state	Mwea, Mwea County (2 interviews)
3	Gbazumu village, Kaduna state, Nigeria	Samburu, Nairobi county
4	Ilorin East Local Government, Kwara State	Nairobi county (2 interviews)
5	Mkar village, Gboko Local government, Benue State.	Kitale, Nakuru County
6	Anpka, Makurdi Local Government, Benue State	Naivasha , Nakuru county
7	Molette, Village, Kwara state	Nakuru, Nakuru Conty
8	Odo ona village, Ado-Ekiti, Ekiti State	Karatina village, Kara -Tina County
9	Ibadan, Oyo state	
10	Lugbe, Abuja	



DEMOGRAPHIC CHARACTERISTICS OF ENTREPRENEURS IN THE STUDY

Table 2: Gender Distribution of Entrepreneurs

<i>Gender</i>	<i>Kenya</i>	<i>Nigeria</i>	<i>Total</i>	<i>Total (Percentage, %)</i>
<i>Male</i>	8	7	15	75
<i>Female</i>	2	3	5	25
<i>Total</i>	10	10	20	100

Source: Fieldwork, 2019

Table 2 shows the gender of the participating entrepreneurs for Kenya and Nigeria. Overall 15 males were interviewed constituting 75% while 5 females constituting 25% of the business owners that were interviewed. This clearly shows that more male entrepreneurs participated in the study. For Kenya, 8 males and 2 females are among the entrepreneurs interviewed. While there are 7 males and 3 males for Nigeria.

Table 3: Age of respondents

<i>Age range</i>	<i>Kenya</i>	<i>Nigeria</i>	<i>Total</i>	<i>Percentage (%)</i>
<i>20 to 30</i>	2	0	2	10
<i>31 to 40</i>	6	7	13	65
<i>41 to 50</i>	2	3	5	25
<i>Total</i>	10	10	20	100

Source: Fieldwork, 2019

Table 5 shows that the majority of the entrepreneurs fell within the age range of 31 to 40 which constitutes 65% of the respondents, followed by the age range of 40 -51 comprising 25% and 21 to 30 comprising 10% of the respondents. For Kenya, 2 business owners fell between the range of 20 to 30, 6 fell into the 31 to 40 range while 2 fell within the 41 to 50 range. In Nigeria, 7 business owners fell within the age range of 31 to 40 while 3 fell within the 41 to 50 range.

Table 4: Educational attainment of Entrepreneurs

	<i>Kenya</i>	<i>Nigeria</i>	<i>Total</i>	<i>Total (percentage)</i>
<i>Secondary school certificate</i>	1	0	1	5
<i>National Diploma</i>	2	0	2	10
<i>HND/ First Degree</i>	6	9	15	75
<i>Postgraduate degree</i>	1	1	2	10

Source: Fieldwork, 2019

Table 4, shows the educational attainment of the business owners. As can be seen, the majority of the respondents in both Kenya and Nigeria have obtained an equivalent of a first degree or Higher National Diploma (HND). 15 respondents comprising 75% of the respondents from both countries fall within this category. This implies that most of the entrepreneurs have attained higher education equivalent to a university degree 2 respondents each have an equivalent of a National Diploma or a Postgraduate degree on the overall, while only 1 respondent (from Kenya) has a secondary school certificate.



DISCUSSION OF FINDINGS

Impact of Jobs Created by Entrepreneurs on Rural Communities

From the survey, a total of 345 jobs have been created in the selected communities by entrepreneurs in both countries.

The availability of jobs is a boost to the livelihoods of community residents. They can afford food and other basic amenities like healthcare and education as well as take care of the needs of dependents.

A certain resident of a particular community who is employed by one of the entrepreneurs visited has this to say:

"I was paid 20,000 naira (US \$ 55) initially but they want to increase it to 25,000 naira (US \$ 69) and yes (I work here full time and I use my salary to take care of my family)."

The above statement reveals how much impact entrepreneurs have on rural communities in rural communities where job opportunities are scarce.

This finding on jobs created by entrepreneurs and its impact on the rural communities is corroborated by the findings of Okeke and Nwankwo (2017), Oyelana and Adu (2015), Asitik (2016) and Diao, Magalhaes & Mcmillan (2018) that shows entrepreneurship significantly created jobs in rural communities. Similarly, Sinxoto (2007), submits that SMEs play an important role in the creation of employment opportunities, and therefore contribute to a large extent to poverty reduction.

Important Issues Surrounding The Employment Created By Entrepreneurs.

Seasonality and Temporary Jobs

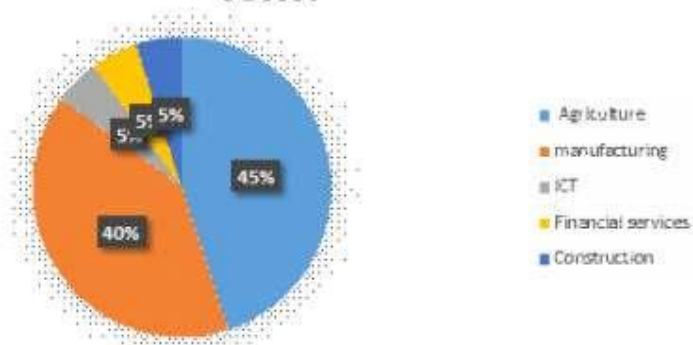
Majority of the jobs created are temporary in nature due to seasonality in production. Sectors like agriculture are the most affected in this category as the rains and dry season determine when crops will be harvested and processed. Entrepreneurs in a bid to save costs often dismiss workers whose services are not required during a season, with the hope of calling them back. This creates job uncertainty for the rural dwellers who have a limited scope of jobs to choose from. During fieldwork, it was observed that some of the temporarily dismissed workers stay around business premises in the hope that they will be asked to resume soon. Some others choose to work for free as against staying idle. For instance, one entrepreneur has this to say:

"When we have work to do we call them like you see we are working at the moment we call them. Some of them still stay behind because they do not have other jobs"

The above statement reveals that once temporary workers are paid and laid off pending when work resumes, they often hang around company premises in the hope of being called back. Due to the lack of intense economic activities in rural communities, such workers may remain unemployed for a considerable period.

Employment by Sector

Figure 4.1 Employment Contribution by Sector



Source: Fieldwork, 2019



Agriculture is the highest employer of labour in Africa and the findings from this study confirm it to be so. Likewise, the manufacturing sector also appears to provide a sizeable number of jobs in this study as is shown in the chart above. The two sectors often require a lot of hands in their production activities hence they can employ so much labour compared to other sectors in the communities. One of the entrepreneurs speaks further on the employment potential of her firm which is in the agricultural sector.

“At the moment we have about 50(workers). Some of them are scattered in various forms to look at the performance of the farm. How are the produce doing did we achieve what we wanted to do. Some of them are around and we are getting ready for full-scaled production. This is agriculture so the number of workers has to be much,. So we are about 50 for now. by the time we begin full scale, we will have even more people around, we will have a lot of unskilled labourir.

These findings support previous studies that have argued that agriculture has the potential to provide reasonable employment for Africans (Sunberg et al, 2017).

CONCLUSION AND RECOMMENDATION

This study investigates the impact of entrepreneurship on job creation in Nigeria and Kenya, with a focus on rural communities in both countries. It employs among 20 respondents in each country comprising Tony Elumelu Foundation Entrepreneurs and individuals in rural communities. Concerning selected rural communities in Kenya and Nigeria, the study finds that entrepreneurs are an important source of employment and livelihood in communities in both Kenya and Nigeria. Entrepreneurs employ more temporary workers than full-time workers due to cost considerations by Entrepreneurs. Entrepreneurs in Agriculture and manufacturing employ more workers than in other sectors.

Arising from the findings of this study, the following recommendations are made for policy action:

- The government should support the growth and expansion of Entrepreneurs which will provide direct employment for rural dwellers, and indirectly engage others in economic activities such as the provision of raw materials for the Entrepreneurs.
- The Tony Elumelu Entrepreneurship Programme (TEEP), other private philanthropic organisations and the government should give priority support to Entrepreneurs in Manufacturing and Agriculture because of their high employment potential to provide adequate employment for the unemployed in rural communities.
- Local investors should consider moving into rural markets to meet the demand for certain raw materials and inputs that are not sold in such markets.
- Entrepreneurs can serve rural communities better by producing finished goods that can be used by consumed by rural communities.

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