



## Women Entrepreneurship Development and Poverty Reduction in Ilaro, Yewa South, Ogun State

Margaret Lawal & Latifat Akindele

Department of Business Administration & Management, Federal Polytechnic, Ilaro, Ogun State, Nigeria  
margaret.lawal@federalpolyilaro.edu.ng; latifat.akindele@federalpolyilaro.edu.ng

### Abstract

The study looked at how women entrepreneurship development can fight poverty in Ilaro, Yewa South, Ogun State, Nigeria. 250 registered women business owners in Ilaro made up the study's population, from which a sample of 130 was taken for investigation. The selection was made through random sampling method and the sample size choice was informed by mujenda-mujenda (1979) assertion that any sample exceeding 10% of the total population is a decent representation of the population. The respondents were asked to complete a self-administered questionnaire using a 4-point Likert scale in order to get the required data. The psychometric properties (validity & reliability) of the instruments were evaluated using Cronbach Alpha and component factor analysis respectively. Multiple linear regression was employed to assess the relationship between women entrepreneurship development and poverty reduction. The study found that employment creation by women entrepreneurs and women empowerment are strongly and positively related to poverty reduction. It was concluded that women entrepreneurship development has strong positive relationship with poverty reduction. The study therefore recommended that government should empower women through entrepreneurship development programs and grant.

**Keywords:** Entrepreneurship, Women Entrepreneurs, Employment Creation, Women Empowerment, Poverty

### Citation

Lawal, M. & Akindele, L (2023). Women Entrepreneurship Development and Poverty Reduction in Ilaro, Yewa South, Ogun State. *International Journal of Women in Technical Education and Employment*, 4(1), 63 – 69.

### ARTICLE HISTORY

Received: May 11, 2023

Revised: May 29, 2023

Accepted: June 10, 2023

### Introduction

Since poverty has been identified as a significant issue, reducing it should be a top goal for any government that has the wellbeing of its population at heart, both globally and at the national levels of many nations, including Nigeria. In addition, poverty is believed to affect women more than men due to disparities in economic, educational, and occupational possibilities. Since women are the mainstay of any domestic front in society, reducing poverty with a focus on them is crucial for any community. Women have a significant role in reducing poverty in their immediate families in developing nations like Nigeria, particularly when the husband or parents' income is insufficient to meet the family's basic necessities. In fact, they contribute in different ways to the effort to end

poverty. (Iyiola & Azhu, 2014). Women are no longer completely marginalized and subordinated in a patriarchal culture dominated by men. The educated women of today do not stay confined to their homes' four walls. They constantly want to do something worthwhile and work to support themselves. They sought to be economically independent to meet their demands, despite being constrained by their reliance on men's income. (MeenuMaheshwari & PriyaSodani, 2015).

In Nor (2021), Simon makes the case that increasing entrepreneurship reduces poverty by generating jobs through the founding of new businesses or the growth of existing ones. This raises social wealth through generating new markets, industries, technologies, institutional structures, jobs, and income that improve the general standard of living



for the public. Entrepreneurship development is the process of enhancing entrepreneurial knowledge and skills through organized training and institutional building programs aimed at persons who desire to start or expand a business (Mwatsika 2015). Women's entrepreneurship is seen as an effective way to empower women and a key instrument for reducing unemployment and poverty. Empowering women is one approach to reduce the poverty rate for women in Nigeria. Women's empowerment is a complex concept that changes with time, from place to place, and from culture to culture (Ntenkeh et al., 2022). In today's competitive society, women can empower themselves in a variety of ways. According to Zulfiqar (2017), Women's empowerment could be aided by a variety of components, including access to education, political involvement, economic opportunity, and microcredit initiatives. Projects for the economic empowerment of women could be launched by individuals, families, organizations, and the government, among other entities. Women's empowerment begins when a woman realizes that she can still help another person while not being completely dependent on someone to meet her fundamental daily requirements.

According to Pareek (2020), a woman entrepreneur is a lady who plays an alluring role in society by frequently interacting and attentively adapting herself with the financial, socioeconomic, and support spheres. A woman entrepreneur is a self-assured, creative, and innovative woman who can achieve economic independence on her own or through collaboration, creates job opportunities for others, and manages her business while juggling her personal, family, and social obligations (Elo, 2019). In the opinion of Okafor and Mordi (2021), women who embark on full-scale business endeavors are those who are prepared to take on the risk of combining assets in an unconventional manner in order to develop goods and services that capitalize on opportunities in their immediate environment.

Poverty is mostly caused by underemployment and unemployment. When those who are qualified, able, and willing to work are unable to find sufficient paid employment, unemployment results. Nigeria's unemployment problem is one of its most pressing

issues because it has fueled the nation's crime, insecurity, and banditry (Emeaghalu, 2021). According to the 2011 World Development Report (WDR), donors and governments in many fragile states place a high focus on employment creation (World Bank 2011). The idea that employment has a favorable effect on stability and poverty alleviation underlies the emphasis of employment creation. It is believed that the development of jobs both directly lowers poverty by raising household incomes and indirectly stimulates the economy by generating demand. Often, the only resource the impoverished have to improve their standard of living is labor. Therefore, in order to combat poverty and achieve long-term economic and social growth, opportunities for meaningful employment must be created. The need to give the poor, especially women and young people, legitimate jobs that will allow them to influence others and make money cannot be overstated. The various interventions that can be used to create jobs include direct, long-term, or short-term job creation by state or non-state actors; self-employment policies, such as those that support the creation of micro, small, and medium-sized businesses; and macro-level policy initiatives that promote employment growth.

Wei, et al., (2021) looked into the impact of women's empowerment on lowering poverty in Bangladesh's rural districts. They arrived at the following conclusion after studying primary data: a percentage point improvement in women's empowerment will lower income poverty by 0.1% and the income gap by 0.01%. Women's empowerment has a direct impact on multidimensional poverty, reducing it by 0.10% and its intensity by 0.57% for every percentage point increase in women's empowerment. Elo (2019) looked into the contributions made by female business owners to the socioeconomic growth of Niger State. Survey design was the methodology employed for data collecting. The target market included all legally recognized enterprises run by women in Niger State. On the basis of a purposive sampling, 75 female business owners were involved. Face-to-face administration of a structured questionnaire with a summarized rating scale from 1 to 5 was done on the selected sample.



According to the report, women business owners are crucial to Niger State's economic development, employment possibilities, and elimination of poverty. In order to lower the cost of conducting business in the state, the paper recommends that the Niger State government vigorously seek the supply of infrastructure such as power, water, roads and and protection for individual's lives and their belongings.

In their descriptive analysis of the relationship between women's empowerment and poverty reduction in the Ho municipality of metropolitan Ghana, Yeboah, Teye, and Opoku (2018) showed how providing women with employment opportunities lowers household poverty. With an emphasis on village development programs, a qualitative inquiry on how women's empowerment affects poverty reduction in rural Bangladesh was carried out by Nadim & Nurlukam in 2017. They discovered that almost 63% of women agreed that empowering women is essential for eradicating poverty in their study of self-assessment questions. Additionally, the correlation analysis's findings revealed a substantial positive correlation coefficient of 0.52 between the empowerment of women and the decline in poverty. Nkemnyi, et al., (2017) used questionnaires in Cameroon to evaluate the contribution of women to development and the reduction of poverty. Their findings showed a substantial relationship between the formal occupation of women and household income. In Nigeria, Uzoamaka, *et al.*, (2016) investigated the role of women's empowerment in eradicating poverty and fostering economic growth. They came to the conclusion that, with a correlation coefficient of 0.73, the empowerment of women and poverty are closely associated. This suggests that empowering more women will significantly lessen poverty.

In Kogi State Nigeria, Adofu & Ocheja (2013) evaluated how gaining entrepreneurial skills by women affected poverty. A well-trained enumerator randomly chose recipients of entrepreneurship acquisition skills from six Local Government Areas of the state and administered a well-structured questionnaire to them. This data was used in the study. Descriptive statistics like frequencies and

percentages were utilized to assess the data collected from the questionnaire. According to the results, 65% of respondents agreed that women's lack of entrepreneurship abilities is to blame for Nigeria's high poverty rate. As a result of the skill acquisition program, at least 60% of the women who benefited from it can now afford to buy necessities of life. The study consequently suggested that the government start considering how to develop the program to the level of poverty eradication program since the majority of the beneficiaries of the program could afford the basic necessities of life. Although this study advised that the government get involved in eradicating poverty in the study area, it never assessed the effects of any existing government programs or incentives on doing so in the state.

Resource-based Entrepreneurship Theory by Jay Barney and Feminist Theory by Mary Wollstonecraft in 1797 were two theories that were thought to be pertinent to the study. The study's foundation, however, was Mary Wollstonecraft's feminist theory from 1797.

#### **Resource-based Entrepreneurship theory**

The resource-based theory was originally proposed by Birger Wernerfelt (1984) and later developed and refined by Jay B. Barney (1991) and other scholars, the resource-based view of the firm has found considerable support in the business literature. A major premise of the resource-based theory is that competitive advantage is a function of the resources and capabilities of the firm (Wernerfelt, 1984; Conner, 1991; Peteraf, 1993). According to this view, entrepreneurs require resources in order to launch and maintain their firms. Since time and money alone are insufficient for a successful business, entrepreneurs need resources to make their work effective. The theory's primary goal is to highlight the value of human, social, and financial resources while simultaneously enhancing a person's abilities.

#### **Feminist Theory**

Feminist theory began with the works of Mary Wollstonecraft (1759–1797), one of the first feminist writers in the liberal tradition. The foundation of this theory is the idea that female-

owned businesses would be much more impacted by circumstances than male-owned businesses would be. The liberal and social feminist ideologies serve as the foundation of this argument. Liberal feminist theory is based on liberal political philosophy, which holds that all people are created equal and that people are rational, self-interested beings by nature. The liberal feminist viewpoint holds that the structural positions that male and female hold in community; this means, the differences in power and opportunity between men and women are to blame for gender-based differences (Beasley, 2019). Thus, discrepancies between men and women's achievements are attributed to women's inability to reach their full potential as a result of their lack of equal access to resources and employment opportunities. As a result, it has been difficult for women to develop the knowledge and abilities required to compete on an equal footing with males. According to liberal feminist theory, gender inequalities in performance appear to vanish as equal access to resources is ensured (Carter, 2017).

The study examined the following the impact of employment creation by women entrepreneurs on poverty reduction and the impact of women empowerment on poverty reduction.

These hypotheses were formulated for the study:

**H0<sub>1</sub>:** Employment creation by women entrepreneurs has no significant impact on poverty reduction in Ilaro, Ogun State, Nigeria.

**H0<sub>2</sub>:** Women empowerment has no significant impact on poverty reduction in Ilaro, Ogun State, Nigeria.

## Methodology

Ilaro, Yewa South, Ogun State served as the study's location. The study espoused a questionnaire survey research design. 250 women in Ilaro who own small businesses make up the study's population, from

which 130 were chosen as a sample. For the investigation, an easy random sample method was used. The mujenda-mujenda (1979) which claims that any sample exceeding 10% of the total population is a decent depiction of the population was used to select the sample size of 130. The sample size of 130 was chosen in agreement with the mujenda-mujenda (1979) hypothesis, which states that any sample size greater than 10% of the entire population is a good representation of the population. To collect the necessary data, a self-administered survey using a 4-point Likert scale was given to the respondents. Cronbach's Alpha and component factor analysis were adopted respectively to gauge the validity and reliability of the instrument's psychometric properties (validity & reliability). With the help of SPSS, multiple linear regression was used to evaluate the acquired data. In the analysis, women's entrepreneurship was represented by employment creation and women's empowerment. The analysis's model is defined thus:

$$PR = f(WED)$$

$$f(EC, WEP)$$

$$PR = \beta_0 + \beta_1 EC + \beta_2 WEP + e_t$$

Where;

PR = Poverty Reduction

WED = Women Entrepreneurship Development

EC = Employment Creation

WEP = Women Empowerment

$e_t$  = Error Term

$\beta_0$  = Constant

$\beta_1, \beta_2$  = Co-efficient of the Variables

## Results and Discussion

According to Table I, the reliability statistics, which are judged to be  $\alpha=.79$ , it means that the measurement tool utilized in this study is trustworthy.

**Table 1: Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
.798	.797	12

**Field Survey, 2023**

Table 2 provides a quick summary of the study's sample. The respective standard deviations ensure that there are no outlandish values in the sample and, as a result, lessen the likelihood of obtaining an erroneous regression. Poverty Reduction (PR) has a mean value of 10.3231 and a standard deviation of 2.20716; Women Empowerment (WEP) has a mean

value of 10.3308 and a standard deviation of 2.32075; and Employment Creation (EC) has a mean value of 10.2385 and a standard deviation of 2.27832. The appropriate standard deviation ensures that the sample does not contain any ludicrously high values, hence lowering the likelihood of an erroneous regression.

**Table 2: Descriptive Statistics**

	Mean	Std. Deviation	N
<b>PR</b>	10.3231	2.20716	130
<b>WEP</b>	10.3308	2.32075	130
<b>EC</b>	10.2385	2.27832	130

**Field Survey, 2023**

The strength of the correlations between the variables is shown in Table III. For example, Poverty Reduction (PR) has a correlation coefficient with Women Empowerment (WEP) of .822 ( $r = .822$ )

and with Employment Creation (EC) of .794 ( $r = .794$ ). This suggests that every independent variable is an extremely potent positive correlation of the dependent variable.

**Table 3: Correlations Matrix**

Pearson Correlation	PR	WEP	EC
PR	1.000		
WEP	.822	1.000	
EC	.794	.835	1.000

**Field Survey, 2023**

According to Table 4, the R Square estimate is 85% ( $R^2 = .845$ ), meaning that the independent variables Women Empowerment (WEP) and Employment Creation (EC) together account for around 85% of the variance in the dependent variable Poverty Reduction (PR).

**Table 4: Model Summary<sup>b</sup>**

	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.845 <sup>a</sup>	.714	.709	1.19031	1.932

**Field Survey, 2023**

Table 5 demonstrates the significant association between the independent and dependent variables. According to the probability value of the F-Statistics, which denotes a P-Value of less than 5% ( $2/127 = 179.939$ ),  $P < 0.05$ , the alternative hypothesis is accepted at a 95% confidence level,

and the null hypothesis that there is no significant relationship between the dependent variable Poverty Reduction (PR) and the independent variable Women Entrepreneurship Development (WED) is rejected at a 5% significant level.

**Table 5: ANOVA<sup>a</sup>**

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	<b>Regression</b>	448.492	2	224.246	158.271	.000 <sup>b</sup>
	<b>Residual</b>	179.939	127	1.417		
	<b>Total</b>	628.431	129			

**Field Survey, 2023**

**Conclusion**

Based on the data, the study examined how women entrepreneurs create jobs and how women are empowered as indicators of the growth of women's entrepreneurship for the objective of reducing poverty. The study's foundation is the feminist theory put forth by Mary Wollstonecraft in 1797, which contends that female-owned businesses would be substantially more affected by circumstances than male-owned businesses would be. Because women do not have equal access to resources and work opportunities, they are unable to realize their full potential, which contributes to the achievement gaps between men and women. Because of this, it has been challenging for women to acquire the skills and information necessary to compete on an equal footing with men. When women are empowered, poverty reduces significantly. This suggests that the growth of female entrepreneurs and poverty reduction are positively correlated.

**Recommendations**

The recommendation suggested to reduce poverty in Ilaro, Yewa South, Ogun State are that, women entrepreneurs in Ilaro should create employment for both indigenes and residents of Ilaro to reduce poverty in Ilaro. Also, to lessen poverty in Ilaro, women in Ilaro should be empowered by the government and NGOs and government should embark on women entrepreneurship development programs in which training and grants are given.

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