Government Assisted Self-Employment a Strategy to Alleviate Poverty in Nigeria

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Abstract: This study used data from 140 National Directorate of Employment (NDE) assisted self-employed entrepreneurs and 104 non-assisted self-employed entrepreneurs to examine the operational mode of self-employment enterprises with a view to highlighting their potentials in poverty alleviation. The study was carried out in Ekiti State, Nigeria. A multi-stage random sampling technique was applied in the survey. Both primary and secondary data were used. Descriptive statistics, multivariate regression analysis and Chow test were employed to analyse the data collected. Regression analysis was used to show the effects of some socio-economic characteristics on the household income, proxy for poverty. Chow test was used to show a possible difference in poverty level between the NDE beneficiaries and non beneficiaries. Descriptive statistics reveals that 53% (majority) of the respondents were into vocational trades while 96% of the non-beneficiaries were able to raise the initial capital from friends and relatives. The majority of the beneficiaries started their businesses with capital between ₦31,000 and ₦70,000 while 53% of the non-beneficiaries commenced operations with the capital base less than ₦10,000. Within 5 years of operation, 76% of the beneficiaries were able to raise their capital base to between ₦101,000 and ₦400,000 while 70%s of the non-beneficiaries were unable to raise theirs to ₦101,000. Seventy five percent of the beneficiaries earned over ₦90,000 per annum while 67% of the other group earned less than ₦71,000 per annum. Regression analysis reveals that the main determinants of poverty in the study area are, initial capital (X_2), household size (X_3), present business value (X_6), number of household member working (X_8), household head educational status (X_9), years of experience (X_{10}) and number of apprentices (X_{11}). The Chow test shows that poverty level among the beneficiaries of the NDE programmes are lower than that of the non-beneficiaries. Some recommendations were made as to how poverty could be alleviated through self-employment enterprises.

Key words: Self-employment, enterprises, initial capital, poverty

INTRODUCTION

Poverty is a plague ravaging people all over the world. People affected are denied of the right to exercise their full potentials. Over a billion people are living on less than US $370 per annum in the world (World Bank, 1996). The most difficult challenge facing the developing countries is poverty reduction, where averagely 67,000 or more and 25 million people are joining the legions of the poor everyday and every year, respectively (Ogwunike, 2000). Poor people live primarily in three regions of the world. South Asia (45%) has the largest proportion of the World poor, followed by Sub-Sahara Africa (24%) and East Asia (22%) (DFID, 2000). The vicious cycle of poverty in Africa has made basics of life a dream to most African. Studies have shown that Africa with about 1.5 billion people living below poverty line, must achieve and sustain a yearly growth rate of 7% till year 2015 in order to achieve the Millennium Development Goals (MDGs) of poverty reduction by half (Batt, 2005). Ricuzero (2002) believes that the level of poverty in the LDCs can be reduced if average household income is doubled and employment is give priority.

Furthermore, in 1993, 40% of the people in Sub-Saharan Africa (SSA) lived on less than one US dollar a day. Not less than half of these people were from five East African countries and Nigeria (Damery and Squire, 1996). Nigeria is regarded as a rich country inhabited by poor people-poverty in the midst of plenty (World Bank, 1996). Researches have shown that conditions of Nigerians have deteriorated resulting from large scale poverty. Nigeria with over 120 million (now over 140 million, 2006 population census) people which is more than 20% of the total Africa population has a GNP per capita of US $260, 48% illiteracy rate with about 50 years life expectancy (Dooran, 2005). Reports show that there is a large income inequality with the top 10% of the income bracket controlling over 90% of the country resources (Okunmadewa, 2001). Forty six years after independence, poverty in Nigeria remains one of the most pressing issues in the country's development. Nigeria with its natural endowment has been classified as one of the poorest countries in the world. The present trend of socio-economic conditions in Nigeria needs to be redressed in order to meet goal 1, target 1 of MDGs.

Moreover, due to the multi-dimensional nature of poverty, there is yet no universally accepted definition for the phenomenon. Thus, poverty is defined as a situation when an individual/household lack the means to meet the basic necessities of life which include, clothing, food, shelter, education, health care and other human development items. Several forms of poverty have been classified and discussed by researchers using different criteria. These are absolute, relative, primary, secondary, rural, urban, chronic and transitory poverty. Omale and Molem (1995) assert that five factors are responsible for poverty among the people of Nigeria, these are; economic, discrimination, culture, political and attitude to work. Also, Obadan (1997) identified unemployment as one of the causes of poverty. The concern about poverty by the government of Nigeria has led to various aid programmes to alleviate its scourge in the country. One of such programmes is National Directorate of Employment (NDE). In Nigeria, the incidence of unemployment is high and today hardly can one find a family in which no one is unemployed. The Federal Government approved the establishment of NDE in November, 1986 following the need for an institution to tackle the problem of unemployment in Nigeria. The law establishing the NDE presents its mandate as follows:

- To design and implement programme to combat mass unemployment
- To articulate policies aimed at developing work programmes with labour intensive potentials.
- To obtain and maintain data bank on unemployment and vacancies in the country with a view to acting as clearing house to link job seekers.

In order to actualise the mandate, on January 1987, the four major NDE programmes were launched. These include; Vocational Skills Development (VSD), Small-Scale Enterprises (SSE), Rural Employment Promotion (REP) and Special Public Work (SPW). In Nigeria, over the years, the NDE has been tackling unemployment through the provision of business training, vocational skills acquisition training and resettlement support. Millions of Nigerians' poverty has been alleviated through the assistance provided in cash or kind by the NDE. After training, majority of the successful participants are provided with soft loans through banks to set up their own businesses. The best solution to unemployment in the country is government assisted self-employment. The importance of government assisted self-employment to poverty alleviation cannot be overemphasised. Apart from reducing unemployment rate, poverty of the employee(s) is also alleviated. In light of this background, this study is focused on alleviating poverty through government assisted self-employment in Nigeria. The specific objectives are to;

- Examine the operational mode of self employment enterprises with a view to highlighting their potentials in alleviating poverty.
- Examine the socio-economic characteristics of National Directorate of Employment (NDE) beneficiaries and non-beneficiaries entrepreneurs in the study area.

In agreement with the above objectives, the following null hypotheses are tested.

- There is no significant relationship between enterprise take-off capital and poverty level.
- There is no significant difference between the poverty level of the NDE programmes beneficiaries and non-beneficiaries.

MATERIALS AND METHODS

The study area: This study was carried out in Ekiti State, Nigeria. The state carved out of Ondo-State was created on 1st October 1996. By 2006 census, Ekiti State population was about 2.34 million while the estimated population on creation was put at 1.75 million. The state is mainly an upland zone, rising above 250 m above the sea level. In the state, tropical climate is enjoyed. The people are hard-working, upright, studious and very articulate. Ekiti State are mostly Christians and Muslims while some are still traditional religionists.

Method of data collection: The targeted population was the employed household heads in Ekiti State while the sampling frame was the self-employed household heads. A multi-stage random sampling technique was applied in the survey. The study used both the primary and secondary data. The main tool used to collect data was a questionnaire. Both structured and semi-structured questions were included to elicit information from a sample of 244 randomly selected self-employed entrepreneurs from three out of the sixteen Local Government Areas (LGAs) in the state. From each three senatorial districts, a Local Government Area was selected randomly. Ado, Ido/Osi and Ise/Orun LGAs were selected. One hundred and forty self-employed beneficiaries of NDE programmes and 104 self-employed non beneficiaries of any organisation programme were sampled. The beneficiaries were randomly selected from the list obtained from the NDE office in Ekiti State while the non-beneficiaries were included as control.

The respondents were the self-employed entrepreneurs in small scale enterprises (soap making); vocational trades (carpentry, fashion designing, hair dressing, welding, etc); agriculture and agricultural related enterprises (food processing, livestock rearing, crop production, etc) and environmental beautification (horticulture). In order to complement the reliability of the data collected, physical observation was also used. Officials of NDE were also interviewed in order to establish their relationships with the beneficiaries. Moreover, information collected from the respondents include: Socio-economic and demographic characteristic such as age, sex, marital status, household size, religion, educational status and state of origin. Others are; age distribution of other personnel, sources of initial capital, initial capital level, present capital level, business nature, business location, characteristics of production (volume and type of product), year established, training potentials of the business, mode of training, employment generation capacity, monthly income (from sales of products or services), wages and salaries paid per annum to workers, other investments (value), etc. Secondary data were obtained from the publications of the Central Bank of Nigeria (CBN), journals and annual reports of the NDE.

Analytical techniques: Descriptive statistics, multivariate regression analysis and chow test were used to analyse the data collected from the study areas. Descriptive statistics such as tables, percentage and frequencies were employed to summarise and describe the data. Regression analysis was used to show the effects of some socio-economic and demographic characteristics on the respondents' household incomes, a proxy for poverty. Chow test was also used to show a possible difference in poverty level between non-beneficiaries and beneficiaries of NDE programmes.

Model specification: The model is specified implicitly as

$$Y = f(X_1, X_2, X_3, X_4, X_5, X_6, X_7, X_8, X_9, X_{10}, X_{11}, U_i) \quad (1)$$

Where:
Y = Household income (proxy for household poverty)
X_1 = Age of the household head (years)
X_2 = Initial capital (Naira)
X_3 = Household size (people)
X_4 = Value of other Assets Owned (Naira)
X_5 = Salary paid to workers (Naira)
X_6 = Present business value (Naira)
X_7 = Number of workers employed
X_8 = Number of other household members working
X_9 = Household head educational status (years)

X_{10} = Years of experience (years)
X_{11} = Number of apprentices (people)
U_i = Error term

The model specified was subjected to three functional forms and the lead equation was selected based on the economic, econometric and statistical criteria. The forms tried were Cobb-Douglas, exponential and linear.

Explicitly, the three functional forms are show below:

$$Y_i = b_o + b_1 X_1 + b_2 X_2 + \ldots\ldots\ldots + b_{11} X_{11} + e_i \ldots \text{Linear} \quad (2)$$

$$\text{Log } Y_i = \log b_o + b_1 \log X_1 + b_2 \log X_2 + \ldots\ldots + b_{11} \log X_{11} + e_i \ldots\text{Cobb - Douglas} \quad (3)$$

$$\text{Log } Y_i = b_o + b_1 X_1 + b_2 X_2 + \ldots\ldots + b_{11} X_{11} + e_i \ldots\text{Exponential} \quad (4)$$

Where:
b_o = Constant
e_i = Error term
$Y_i, X_1 \ldots\ldots X_{11}$ are as defined earlier.

For chow test, the following equation was used:

$$F^* = \frac{[\Sigma e_p^2 - (\Sigma e_1^2 + \Sigma e_2^2)][n_1 + n_2 - 2k]}{K[\Sigma e_1^2 + \Sigma e_2^2]} \quad (5)$$

Where:
F^* = F-calculated for chow test
Σe_p^2 = The sum of residual deviations for pooled data
Σe_1^2 = The sum of residual deviations for the beneficiaries
Σe_2^2 = The sum of residual deviations for the non-beneficiaries
k = Total number of coefficients including the constant in each sample
n_1 = Total number of beneficiaries
n_2 = Total number of non-beneficiaries.

RESULTS AND DISCUSSION

Socio-economic and demographic characteristics of the respondents
Enterprise distribution: Self-employed entrepreneurs were grouped into four based on operated enterprises. According to Table 1, the distribution shows that 53% of the respondents were into vocational trades such as carpentry, fashion designing, hair dressing, auto mechanic, bricklaying, etc. But 20% were able to establish small-scale enterprises such as tie and dye, soap making,

Table 1: Distribution of entrepreneurs by their socio-economic characteristics

Variables	Beneficiaries Frequency	(%)	Non-beneficiaries Frequency	(%)
Enterprises				
Small-scale	29	21	21	20
Vocational	71	50	58	56
Environmental beautification	4	3	-	-
Agriculture	36	26	25	24
Sources of initial capital				
Personal savings	50	36	40	39
Gift	10	7	20	19
Cooperative society	-		10	9
Bank loan	-		-	-
Friends and relative loan	-		100	96
Bank loan through NDE	140	100	-	-
Initial capital (₦'000)				
≤10	11	8	55	53
11-30	23	16	27	26
31-50	64	46	13	12
51-70	21	15	4	4
71-90	12	9	3	3
>90	9	6	2	2
Present capital (₦'000)				
≤100	15	11	73	70
101-200	61	44	14	13
201-300	21	15	8	8
301-400	24	17	5	5
401-500	13	9	4	4
>500	6	4	-	-
Income (₦'000)				
≤50	6	4	17	16
51-70	9	6	53	51
71-90	21	15	28	27
91-110	27	20	4	4
111-130	45	32	1	1
>130	32	23	1	1
Age (years)				
≤20	25	18	12	12
21-30	63	45	21	20
31-40	24	17	24	23
41-50	20	14	21	20
51-60	5	4	18	17
>60	3	2	8	8
Education				
None	12	8	36	35
Primary	48	34	51	49
Secondary	67	49	16	15
Tertiary	13	9	1	1
Entrepreneurship generation				
Small-scale	149	10	65	10
Vocational	1070	74	543	82
Environmental beautification	34	2	-	-
Agriculture	201	14	56	8
Household size				
1-5	69	49	8	8
6-10	38	27	76	73
11-15	33	24	20	19

Sources: Field survey 2006

food processing, etc. Also, 2% of the respondents were involved in the environmental beautification business, like raising of ornamental plants and tree seedlings. In addition, 25% were into agricultural production such as planting of maize, yam, cassava, etc and rearing of livestock. Other enterprises were dominated by those engaged in vocational trades. The reasons for the

distribution may not be unconnected with the fact that to establish and operate vocational trades, small amount of capital is needed. The NDE programmes beneficiaries emphasised that, the training, stipends and initial capital given to them by the organisation have helped them to fulfil the dream of owning an enterprise.

Sources of initial capital: Moreover, in order to establish any business outfit, the source of initial capital is of importance. From Table 1, multiple responses were allowed, 100% of the NDE beneficiaries, as expected, started their business ventures mainly with loan (in cash and kind) collected through the NDE from the bank such as Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB). In addition, about 36 and 7% of the beneficiaries added what they got from personal savings and gift, respectively to the loan obtained. At present, participants of the programmes are encouraged to form cooperative societies after training. This makes it easy for the participants to pay back the loan when due. Also, majority (96%) of the non-beneficiaries of NDE programmes took off with loan from friends and relatives while 39 and 9% were able to raise the initial capital through personal savings and cooperative societies respectively. Some of the respondents were unable to obtain loan from banks directly due to lack of collateral security. The survey conducted showed that informal sources maintained a lead in the regular sources of initial capital for the entrepreneurs while the formal sources lagged behind. This shows that the importance of informal sources of credit to people in order to alleviate poverty cannot be overemphasised.

Amount of initial capital: Furthermore, the size of any business enterprise is completely dependent upon the amount of capital available for its establishment. Capital includes building, money, equipment and other intermediate products that businesses use to make other goods or services. The beneficiaries of NDE programmes were given loan at 9% interest rate and they were expected to repay this within 5 years with a year moratorium. The initial capital of the respondents varied between ₦8, 000 and ₦125, 000. From Table 1, 61% (majority) of the beneficiaries started their businesses with capital between ₦31,000 and ₦70, 000, while 9% used between ₦71,000 and ₦90, 000 to start their enterprises. 6% established their business ventures with over ₦90, 000. Also, over half (53%) of the non-beneficiaries commenced operations with the capital base less than or equal to ₦10, 000 while 26% of the entrepreneurs in this category used between ₦11, 000 and ₦30, 000 to commence operation. Two percent of the

non-beneficiaries started their businesses with over ₦90, 000. This reveals that the beneficiaries of NDE programmes used more capital to start their businesses than the non-beneficiaries. This might not be unconnected with the loan made available to the beneficiaries by the NDE through collaborations with other stakeholders such as states and local governments, Non-Governmental Organisation (NGOs) and International agencies such as ILO, UNDP, etc. During such collaborations some of the participants of NDE programmes are directly linked to banks (NACRDB) with which NDE has signed memoranda of understanding.

Enterprise present level of capital: In the conventional theory of the firm, the principal objective of an enterprise is profit maximization. This enables the enterprise to expand and hence be able to assist in poverty alleviation. According to Table 1, within 5 years of operation 76% (majority) of the beneficiaries were able to increase their enterprises level of capital to between ₦101, 000 and ₦400, 000 while 13% increased theirs to over ₦400, 000. But the majority (70%) of the non-beneficiaries were unable to raise the level of capital to ₦100, 000. Also, none of them was able to raise the level beyond ₦500, 000. The differences may be due to the skills acquired by the beneficiaries from the NDE training programmes and the huge initial capital (in cash and/or in kind) made available to them. This shows that, the beneficiaries of NDE programmes are better off and have low level of poverty.

Enterprises income structure: The importance of income as a determinant of household expenditure cannot be over-emphasised. It serves as the budget constraints to the amount that can be spent within a given period of time. There is correlation between income and household poverty level. Table 1 also shows the income structure per annum of both the beneficiaries and non-beneficiaries. Sixty seven percent of the non-beneficiaries earned less than ₦71,000 per annum while 75% of the beneficiaries earned over ₦90,000 per annum (note that currently, ₦134 = US $1). When the average household size was considered, majority of the sampled households were living below the poverty line of US $1 per person per day. But the income structure of the NDE beneficiaries was better and poverty should be better more alleviated among them.

Entrepreneurs age distribution: Analysis of the respondents' age structure in Table 1 reveals that the majority of the respondents were within the age bracket of 21-40 years. This constitutes an active labour force.

The modal age groups for beneficiaries and non-beneficiaries were 21-30 years and 31-40 years respectively. Sixty three percent (majority) of the beneficiaries were in the age bracket of 17-30 years while the majority (68%) of the non-beneficiaries were over 30 years. This shows that the non-beneficiaries were older than the beneficiaries. This is in line with one of the aims of establishing the NDE. The skills acquisition and self-employment programmes of the organisation are targeted at millions of school leavers and hundreds of thousands of graduates of higher institutions between the ages of 13 and 25 years.

Educational status of the entrepreneurs: An educated and well-trained entrepreneur is more efficient than an uneducated and untrained entrepreneur because the former understands the intricacies of his job in a better way than the latter. In Table 1, educational level of the respondents revealed that most of them were educated. However, the level of education varied from primary to secondary and tertiary institutions. Eight and 35% of the beneficiaries and non-beneficiaries respectively had no formal education. About 92% of the beneficiaries compared with 65% of the non-beneficiaries could read and write. This shows that literate people are more aware of useful programmes around them.

Generation of new entrepreneurship through apprenticeship training: Apart from providing employment opportunities, self-employment enterprises through apprenticeship system have contributed significantly to the generation of more entrepreneurship. According to Table 1, not less than 1454 and 664 apprentices were undergoing training under the beneficiaries and non-beneficiaries respectively during the time this research was conducted in the study area. The NDE assisted self-employment enterprises were able to generate more entrepreneurship through apprentice-ship system than the non NDA assisted self-employment ventures. This may not be unconnected with the fact that, apprentices attached to the NDE master trainers receive monthly stipends. This incentive attracts potential apprentices and hence more entrepreneurships generation. Also, Table 1 reveals that in the beneficiaries category, 74% (majority) of the apprentices were undergoing training in vocational trades while under the non-beneficiaries, 82% (majority) of the apprentices were trained in vocational trades. On average, about 10 and 6 apprentices per enterprise were trained by the beneficiaries and non-beneficiaries, respectively. This reveals that, poverty of people is more alleviated by the NDE assisted self-employment enterprises.

Table 2: Distribution of respondents by the number of employed personnel

	Beneficiaries		Non-beneficiaries	
Variable	Before	Later	Before	Later
Enterprises				
Small-scale	145	230	63	82
Vocational	284	564	117	173
Environmental beautification	24	32		-
Agriculture	144	289	74	130
Total	597	1115	254	385

Source: Field survey 2006

Table 3: Poverty regression (exponential) for household in the study area

	Beneficiaries			Non-Beneficiaries		
Variables	Coefficients	Standard error	t-statistics	Coefficients	Standard error	t-statistics
Constant	2.341			- 1.634		
Age (X_1)	0.032	0.021	1.520	-0.140	0.103	-1.359
Initial capital (X_2)	0.213***	0.089	2.393	0.243**	0.109	2.229
Household size (X_3)	0.424*	0.245	1.731	-0.177***	0.048	-3.688
Other assets value (X_4)	-0.156	0.108	-1.444	-0.581	0.431	-1.348
Workers salary (X_5)	0.391	0.285	1.372	0.336	0.214	1.570
Present business value (X_6)	0.511**	0.254	2.012	0.039*	0.021	1.857
Number of workers (X_7)	0.723***	0.300	2.411	-0.148	0.197	-0.751
Other household members working (X_8)	0.801**	0.401	1.997	0.010**	0.005	2.000
Educational qualification (X_9)	0.234***	0.063	3.714	0.341**	0.163	2.092
Years of experience (X_{10})	0.364**	0.171	2.129	0.108*	0.063	1.714
Number of apprentices (X_{11})	0.437***	0.099	4.414	0.038**	0.017	2.235
R^2	70			64		
F-statistics	16.31			14.12		

Source: Computed from field survey, 2006, *** indicates significance at the 1% level, ** at the 5% level and * at the 10% level

Table 4: Test of household poverty level equity between the beneficiaries and non-beneficiaries of NDE programmes

		Degree of freedom			Theoretical value F ratio levels of significance	
NDE programme	No. of respondents	V_1 K	V_2 n_1+n_2-2k	F-ratio calculated	1%	5%
Beneficiaries	140					
Non-beneficiaries	104	12	244	12.13	2.18	1.75

Sources: Computed from field survey, 2006

Respondents household size: Household size tends to affect per capita expenditure of a given household. This generates differences in the well-being at a given period of time. The poverty level of a particular household depends on the distribution of household between adult and children and also whether such adult is working or not. It has also been found out that incidence of poverty is high among the household with large household size. Table 1 shows that the average household sizes were 6.7 and 8.6 for beneficiaries and non-beneficiaries, respectively. This reveals that the non-beneficiaries have larger household size compared with the beneficiaries. Generally, the distribution indicates that household size among the respondents is fairly large.

Employment generating capacity of the enterprises: A large pool of the unemployed who have very good ideas could be helped to realise those ideas for the benefit of themselves and the country if employment opportunities

are generated. Table 2 shows the distribution of personnel when the businesses were first established and when the survey was carried out. The enterprises that benefited from the NDE programmes were able to employ a total of 597 workers when established while 254 personnel were employed by the non-beneficiaries. The former number of workers rose to 1115 workers while the latter number rose to 385 workers. This shows an average of 8 workers per enterprise for beneficiaries and 4 workers per enterprise for non-beneficiaries. The result reveals that, more employment opportunities were generated by the beneficiaries. This might be due to the fact that occasionally, some of the beneficiaries were chosen as master trainers. These trainers were given loan to upgrade their equipment. This paved the way for expansion and employment of more personnel. One of the determinants of poverty is unemployment. When this is solved through generation of employment opportunities poverty is alleviated.

Regression analysis for determinants of poverty: A multivariate regression analysis was employed to examine the relationship between household income (Proxy for household poverty) and some socio-economic variables. Data collected were fitted into three functional forms (Linear, Cobb-Douglas and exponential). The lead equation, exponential function, was selected because it has the highest value of coefficient of determination (R^2), better-signed coefficients and more significant explanatory variables. From the analysis, one can infer the likely determinants of poverty in the study area.

There are eleven independent variables including characteristics of the head of household that are entrepreneurs (age, years of experience and education), the size of the household, number of other household member working, number of workers employed, value of other assets owned, take off capital, salary paid to workers (per month), value of business now and number of apprentices (trainees).

From Table 3, one could notice that, although most of these variables are statistically significant but they explain only 64-70% variations in the poverty of the respondents. This shows that there are still some idiosyncratic characteristics of households not included in the model that affect household income (proxy for household poverty). Also, in order to know whatever or not all the partial regression coefficients are equal to zero, F-statistics computed (i.e., 16.31 and 14.12) are more than the F-theoretical. This makes one to infer that every partial regression coefficient in the model formulated is relevant.

Moreover, in the beneficiaries category, Table 3 shows that all the independent variables included in the model are positively correlated to the household income (proxy for household poverty) (Y) with exception of other assets value (X_4) which is negatively related. The negative relationship between household income (proxy for poverty) and other assets value (X_4) is worth noting. The sign of this variable tends to suggest that the more the other assets value (X_4), the less the household income (Y) and the more the poverty among the beneficiaries of the NDE programmes. Contrary to expectation, this reveals that assets ownership reduces the chances of household having more income and hence increase the level of poverty. This relationship may be so if the money needed for the business expansion are spent in the acquisition of fixed assets which yield income for the owners in the distant future. But the more the X_1, X_2, X_3, X_5, X_6, X_7, X_8, X_9, X_{10} and X_{11}, the more likely the household income and the less the household poverty level.

In addition, for the beneficiaries, all the explanatory variables included in the model are statistically different from zero except the household head age (X_1), other assets value (X_4) and workers salary (X_5). This connotes that X_1, X_4 and X_5 are not determinants of poverty. Initial capital (X_2), number of workers employed (X_7), educational status of the household head (X_9) and number of apprentices (X_{11}) are statistically different from zero at the 1% level of significance while the present business value (X_6), number of household members working (X_8) and years of experience (X_{10}) are statistically significant at 5% level. But, the household size (X_3) is different from zero at 10% significance level. The educational status of the household head (X_9) is positively and significantly related to the household income, confirming the expectation that education is the way to a number of different economic activities. This is because apart from enhancing learning about new self-employment opportunities, it is needed for wage-earning position.

Furthermore, the results also show that household size (X_3) has effect on the household income. More income is expected to be generated by a large household with a small proportion of children and aged people (dependants). Researches have shown that households with large proportion of working age adults are able to improve their living conditions. The number of apprentices (trainees) (X_{11}) is also strongly and positively associated with the household income, highlighting the importance of trainees to self-employed enterprises in ability to generate income for their masters. In the category of those who benefited not from the NDE programmes, 7 of the eleven independent variables postulated as the determinants of poverty were statistically significant from zero. Also, 7 explanatory variables were positively signed while 4 were negative. Those statistically significant include initial capital (X_2), household size (X_3), present business value (X_6), number of household member working (X_8), educational status of the household head (X_9) years of experience (X_{10}) and number of apprentices (X_{11}).

Surprisingly, age of the household head (X_1), other assets value (X_4) and workers salary (X_5) are not statistically significant from zero for both beneficiaries and non-beneficiaries. A look at the Table 3 suggests that the factors that most consistently influence the household poverty among the respondent in Ekiti State are: initial capital (X_2), household size (X_3), present business value (X_6), number of other household member working (X_8), educational status of the household head (X_9), years of experience (X_{10}) and number of apprentices

(X_{11}). The findings from the regression analysis do not support the null hypothesis one which states that there is no significant relationship between enterprise take-off capital (initial capital) and poverty level. It has been revealed that initial capital is an important determinant of poverty because it raises household income or reduces household poverty. Therefore, the null hypothesis one is rejected.

Chow test result: This test was used to examine the different in poverty level among the beneficiaries of NDE programmes and the non-beneficiaries. The regression coefficients obtained for the two groups were subjected to Chow test. Table 4 reveals that F-calculated is greater than the F-tabulated at both 1 and 5% levels of significance. This shows that poverty levels between the beneficiaries and non-beneficiaries of the NDE programmes are not the same. In addition, the constant coefficient for the regression of non-beneficiaries household is negative and the addition of the coefficients for beneficiaries and non-beneficiaries are 3.974 and 2.161, respectively. This connotes that poverty level among the beneficiaries is lower than that of non-beneficiaries. This study agreed with Adeyeye (2003). The null hypothesis two which states that, there is no significant difference between the poverty level of the NDE programmes beneficiaries and non-beneficiaries is rejected.

CONCLUSION

This study has mainly examined the efforts of the government assisted self-employment enterprises in poverty alleviation in Nigeria. This study was carried out in Ekiti State, Nigeria. A multi-stage random sampling technique was used to select 244 respondents from 3 Local Government Areas (LGAs) of the state. In the survey, both the primary and secondary data were used. Data were collected with the aid of a questionnaire. The LGAs selected were Ado, Ido/Osi and Ise/Orun LGAs. Out of the 244 respondents, 140 respondents were selected among the self-employed entrepreneurs who had benefited from NDE programmes while the remaining 104 respondents were those who had not benefited from any programme. This was done in order to see the impact, if any, of the NDE programmes on household poverty in the study area. Simple descriptive statistical techniques such as frequency counts and percentages were used to summarize the operational mode and socio-economic features of the self-employed entrepreneurs. In addition, multivariate regression analysis was used to find out the determinants of poverty among the respondents in the study area. Also Chow test was employed to show whether there is a significant difference between the

poverty levels of the beneficiaries and non-beneficiaries. Based on the findings, the two formulated null hypotheses were rejected.

The simple descriptive statistical techniques reveal that 53% of the self-employed entrepreneurs were into vocational trades while just 2% were involved in the environmental beautification. One hundred percent of the NDE programmes beneficiaries, as expected, started their business with loan in kind and / or cash obtained through the NDE from banks such as NACRDB. Also personal savings and gift were other sources of initial capital. Also, the initial capital of the respondents varied between ₦8, 000 and ₦125, 000. The majority (61%) of the beneficiaries started their businesses with capital between ₦31, 000 and ₦70, 000 while 53% of the non-beneficiaries commenced operations with the capital base less than ₦10, 000. In addition, most (76%) of the beneficiaries were able to increase their enterprises level of capital to between ₦101,000 and ₦400,000 while 70% (majority) of the non-beneficiaries found it difficult to raise the level of capital to just ₦101,000. Employment generating capacity of the beneficiaries was higher than that of the non-beneficiaries. Beneficiaries could employ 8 persons per enterprise while the non-beneficiaries employed 4 workers per enterprise.

The income structure shows that 67% of the non-beneficiaries earned less than ₦71, 000 per annum while 75% of the beneficiaries earned over ₦90,000 per annum. Also, majority of the respondents were within the age bracket of 21-40 years. Ninty two and 65% of the beneficiaries and non-beneficiaries, respectively were educated. More apprentices were found with the beneficiaries compared with the non-beneficiaries. The respondents have a fairly large family. The multivariate regression analysis revealed that 70% variance in the household income for beneficiaries (proxy for poverty) were explained by the 11 independent variables, while 64% variations in household income for non-beneficiaries were explained by the postulated independent variable. Also the main determinants of poverty in the study area are; initial capital (X_2), household size (X_3), present business value (X_6), number of other household member working (X_8), household head educational status (X_9) years of experience (X_{10}) and number of apprentices (X_{11}).

The first null hypothesis formulated was rejected because initial capital was determined as one of the major determinants of poverty among the self-employed entrepreneurs. Also, the Chow test showed that the poverty levels between beneficiaries and non-beneficiaries were not the same. This led to the rejection of the second null hypothesis. Based on the major findings and conclusions of this study, the following recommendations are made in order to alleviate poverty in the state through self-employment enterprises.

- Provisions should be made for adequate infrastructural facilities like water, electricity, access roads for ease take off of more small, medium and large scale enterprises.
- In order to develop the industrial base of the state and alleviate poverty, self- employed entrepreneurs should be galvanized into action by mobilizing the idle capital in their hand through formation of cooperative societies.
- The government should set up committee charged with the responsibility of interviewing people with creative ideas with a view to financing such idea.
- The government should compel financial institutions to set a side certain percentage of their annual profit after tax for idea financing.
- People should suppress unnecessary fear of the unknown and learn to be creative.

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