

# ANALYSIS OF THE EFFECTS OF ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES ON ASSETS AND SAVINGS; A CASE OF KANO METROPOLIS, NIGERIA

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## ABSTRACT

*This study analyses the effects of Entrepreneurship Development Programmes on assets acquired and savings; a case of Kano metropolis Nigeria. The main objective of the study is to determine the overall effects of entrepreneurial development program on savings and Assets acquired by the beneficiaries. Beneficiaries of Lafiya Jari, Poultry, fisheries and informal sector business operators' were selected from among Kano State EDPs for the study. 558 Questionnaires were distributed and administered to the respondents selected based on a multi-stage sampling frame for the study. It uses descriptive statistics, ordered logit and generalized ordered logit to ascertain the effect of Entrepreneurship Development Programmes on assets acquired and savings by the beneficiaries. The results indicate that: with respect to the Kano State selected EDPs have positive and statistically significant effect on assets acquired and savings. Variables such as age, marital status, education, business location and grant offered by government were important determinants of assets acquired and savings. The level of sustainability of the beneficiaries' businesses was high, given their willingness to carry on with their business activities. Education was found to be the most significant factor that drives business success among the beneficiaries. This study concludes that, the Kano State EDPs have a significant effects in creating savings and asset acquired proxy by perceived financial status and consequently in reducing poverty in the state. The study recommends among others that Kano State government should increase investments in the EDPs in order to reach other potential beneficiaries.*

**Keywords:** *Entrepreneurship Development, Assets, Savings; Kano Metropolis, Nigeria.*

## 1.0 INTRODUCTION

Since independence in 1960, poverty has remained a major concern in Nigeria. However, this is not just a Nigerian phenomenon as the World Bank survey in 2008 indicated that there are about

1.5 billion people living in abject poverty all over the world and about 250 million of these poor people are found in the sub-Saharan Africa. Specifically, the incidence of Poverty in Nigeria is on the high side World Bank (2014) holds that over 70% of the total population of Nigeria lives below the poverty threshold of two dollar per day.

Despite efforts over the years by successive government in Nigeria to tackle the issue of poverty through various poverty alleviation and entrepreneurship development programmes (wealth creation) not much have been achieved, the poverty incidence in the country is still above 66%. This is a paradoxical, given the abundance of human and natural resource endowment in the country. Various entrepreneurship development programmes (EDPs) have been initiated by the Kano state government especially from 2011 which coincide, with the second tenure rule of Governor Rabi'u Musa Kwankwaso. These programmes have been targeted at creating wealth through empowering state indigenes in various trades.

The economic benefits of youth participation in development process are varied. Youth entrepreneurship development and empowerment has multiplier effects on the national economy, including boosting productivity, wealth creation, consumption and tax revenue. The rate of development of a country depends largely on how productive and creative the youths are. Since youths constitute about 70% of Nigeria's population, the nation cannot achieve development when they are mostly idle and unproductive (CBN 2013). This is the basis for their productive engagement in entrepreneurship. However, Entrepreneurship development is an employment strategy that leads to economic self-sufficiency and provides platform to create and manage businesses, thereby stimulating wealth creation. While some of these programmes have produced resounding results among some of the beneficiaries in terms of wealth creation, others have actually failed with the beneficiaries performing very poorly. Thus, there is a need to analyse the effects of entrepreneurship development programmes on assets and savings; a case of Kano metropolis Nigeria in the State.

### **1.1 Statement of the Research Problem**

The incidence of Poverty in Nigeria is on the high side. The World Bank (2014) holds that over 70% of the total population of Nigeria lives below the poverty threshold of two dollar per day. This rate of poverty is justified by the increasing rate of unemployment, high level of illiteracy, corruption and bad governance among others. About 4.5 million out of 41.5 million working Nigerians are in paid employments, Underemployment is estimated to be 70.5%, while unemployment among youths is around 60% (The Guardian Newspaper, May, 20<sup>th</sup>2013). As observed by Oba (2012) lack of marketable skills from unemployed persons have been identified as the greatest obstacle to employment generation and poverty reduction in Nigeria. Sagagi, (2010) as cited in Dandago et al (2014) that Youth in Kano State are said to be confronted with poverty and unemployment for lack of capacity and essential productive skills for both creative employment in existing organizations and for self-employment. Many youth and women are

unemployed because they have not acquired the kind of skills that are frequently demanded or the state government cannot provide adequate jobs opportunities in the environment they operate. Others are unemployed because their skills have been rendered obsolete by technological changes or because they have no skills at all (Kpakol, 2006).

However, none of the researchers have addressed whether entrepreneurial development programmes (EDPs) are appropriate in imparting entrepreneurial skills and abilities to youths in Nigeria leading to self-employment, economic self-sufficiency(wealth creation) and employment generation through long-term education or short-term training. Identifying and nurturing entrepreneurial potentials among youth can have long-term implications for economic growth and development.

Kano State is one of the largest States in Nigeria with highest population of over 9 million people (NPC, 2006), as the centre of commerce for over 50 years, but still the State suffers from youth unemployment and poverty over the years, which leads to social and political instability across the state. Previous studies revealed that the rate of youth unemployment rises yearly due to so many religious, cultural, social and economic factors in the state. Therefore there is the need for stake holders to intervene in order to create more opportunities and ensures that every youth and women is committed to doing something with the aim of reducing unemployment and poverty rate thus, increase the level of savings and asset or wealth in the state.

With the return of the country into democratic system of government, Kano state have witnesses various entrepreneurship development programmes with the aim of reducing level of youth unemployment, income and wealth generation which will help in alleviating poverty in the state. EDPs as it is designed to train and developing youth to involve in almost all business activities for self-defence in order to reduce over dependence on government. Entrepreneurship development has for over the time been identified as a means of providing employment and income generation which will in turns stimulate wealth creation in the country, thus a means of alleviating poverty. Considering that chronic poverty in Nigeria is real, and that is aggravated by the high rate of unemployment especially among the youths, the assertion that self-employment and self-reliant initiatives commonly called entrepreneurship that can boost employment and consequently create wealth thus, increase the level of savings and asset needs to be empirically examined.

In order to highlight the rapid growing unemployment particularly among the youth of Kano state, various entrepreneurship development programmes were designed and implemented more especially with the return of the state into democratic system of government. These programmes include DogaroDakai (2003), A DaidaitaSahu (2005) Lafiya Jari (2011), to mention but few. In order to highlight its significance in an economy as a whole, entrepreneurship has been viewed as a “source of Income and employment generation” hence create more wealth. This is because entrepreneurship development programmes (EDPs) have been found to be capable of making

positive impacts on the economy of a nation and the quality of life of the people (Adejumo, 2000). Taken a case of emerging countries like china, India, Singapore, Japan, Brazil etc., entrepreneurship development programme have played a significant vital role in eradicating and alleviating unemployment in their various respective economy (UNCTAD, 2007). Kano state government in 2011 intensified the entrepreneurship programs actually, as the government paid keen attention on this sector, creating and established Entrepreneurship development institutes for this purpose.

To the knowledge of the researcher, the effects of these entrepreneurship development programmes as mention earlier have not been analysed. The motivation of these study is to analyse the role's as well as the impact of both previous and present entrepreneurship development programmes in reducing the rate of unemployment and wealth creation in metropolitan Kano using primary data ordered logit regression as techniques of data analysis.

From the foregoing problem, the following question emerge:

To what extent do the EDPs have significant effects on asset acquired and savings in Kano Metropolis?

The major aim of this work is to determine the overall effects of entrepreneurial development program on savings and Assets acquired by the beneficiaries and Kano State as a whole, since 2011. The specific objective of the study is to ascertain the effects of EDPs on savings and Assets acquired by the beneficiaries.

## **2.0 LITERATURE REVIEW**

### **2.1 Concept of Entrepreneurship development**

Entrepreneurial development programme is an attempt to develop person as entrepreneur through structural training. It involves the process of enhancing motivation, knowledge and skills of the potential entrepreneurs. It also involves equipping a person with the required information and knowledge used for enterprise building and polishing his entrepreneurial skills. The overall aim of entrepreneurial development programme is to stimulate a person for adopting entrepreneurship as a career and to make him able to identify and exploit the opportunities successfully for new ventures.

(Mainoma and Aruwa, 2008), refers to entrepreneurship development as the promotion or growth of entrepreneur activities which aim at empowering youth empowerment towards alleviating poverty in a given society. Entrepreneurial development programme means a programme designed and implemented to help people in strengthening their entrepreneurial motive and in acquiring skill and capabilities required for promoting and running an enterprise efficiently (Onwubiko, 2011).

## 2.2 Concept of wealth and wealth creation

The concept of 'wealth' varies among societies. Therefore, the word wealth means different things to different people. In its most narrow sense, wealth refers to abundance of anything. But generally, wealth refers to abundance possession of object(s) of value (like: gold, clay, water, property, certain skills etc.) and the state of having accumulated of these objects. The Webster Dictionary of English sees wealth among others as: natural resources of a country, whether or not exploited; the product of the economic activity of a nation; anything which can be exchanged for money or barter Yelwaet *al.* (2013).

Economists and statisticians often refer to wealth as the net value of marketable assets, including physical assets such as houses, land, and equipment, as well as financial assets. More recently, some economists have defined and sought to measure broader wealth concepts. However, Wealth creation looks at health, education, savings, investments of individuals, nations and the world at large. It is concerned with the potentials to generate sustainable income by an identified group.

## 2.3 Empirical literature Review

Entrepreneurship Development Programme is increasingly recognized as important driver of economic growth, generating employment, fostering innovation and poverty reduction through the empowerment of young men and women (UNCTAD, 2010). Afolabi A. (2015) reported that a studies by UNIDO-Nigeria, 2012 show that Micro, Small and Medium Enterprises (MSMEs) has the propensity to drive the Nigerian Economy, and data reveal that there are currently over 17 million MSMEs employing over 31 million Nigerians. MSMEs account for over 80% of enterprises that employ about 75 % of the Nigeria's total workforce, and therefore formulating and effectively implementing MSMEs friendly policies represents innovative ways of building the capacity to engage in entrepreneurial activities and creating job opportunities thus, playing a central and invaluable role in helping Nigeria realize its quantity advantage.

## 3.0 METHODOLOGY

This study is basically relies on information for its analysis which is predominantly from field surveys. Mindful that the study seeks to ascertain the effects of entrepreneurship development programmes on assets acquired and savings; a case of Kano Metropolis, Nigeria; the data was obtained from the beneficiaries of four EDPs. The study involves drawing conclusions on the effects of entrepreneurship development programmes on assets acquired and savings; a case of Kano Metropolis, Nigeria;

In this study the multi-staged technique employed to identify the respondents covers the Population of the study and stratified into beneficiaries and non-beneficiaries of entrepreneurship development programmes (EDPs), on which the survey instruments were administered. This

technique is parametric oriented and minimizes subjectivity in the selection of samples (respondents). The collections of data were through a structured questionnaire. Five (5) points Likert summated scale were employed scaling the mode of questions in the questionnaire administered to the beneficiaries of the Four EDPs in Kano Metropolis.

The questions in the instrument are design to obtain data from the beneficial Subjects on: Subject's bio-data, family size, Nature of training and entrepreneurship skills benefitted and the time of the benefit, present and past income brackets, present level of activities, business gains, changes in economic status since receiving the benefit, employment profile of the activities, savings level, household schooling and health status, beneficiary's zeal towards the activities, areas of commendation as well as challenges faced, among others. As such the questionnaires are both opened and closed ended. Where the Subjects are not able to read and write, the same questionnaires would be interpreted to them and their answers recorded appropriately. No sophisticated statistical method except inferential analysis which was conducted to the effects of entrepreneurship development programmes on assets acquired and savings and conclusions will be drawn primarily from descriptive data analysis. A through interpretation and analysis of the data was carried out to draw the inferences, the details of which are in the following Section.

### 3.1 Model Specification

Let us assume that there is a relationship between the index  $y^*$  and a set of covariates  $X$ . For the purpose of simplicity if we consider that the relationship can be expressed by a simple linear regression model with no intercept, then the model can be expressed mathematically as

$$y^* = \beta_1 x_i + \varepsilon_i \quad (1)$$

Thus, the relationship between  $y_{ij}^*$  and  $X$  can be expressed as

$$y_{ij}^* = X\beta + \varepsilon_i$$

More explicitly, if we assume  $X$  to be a set of socioeconomic characteristics including program's status of the beneficiaries, then equation (2) can be written as

$$y_{ij}^* = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + \beta_6 x_6 + \beta_7 x_7 + \beta_8 x_8 + \beta_9 x_9 + \beta_{10} x_{10} + \beta_{11} x_{11} + \varepsilon_i$$

$y_{ij}^*$  is linked to the observed financial status  $y_{ij}$  through the following function

$$y_{ij} = 1 = \text{Strongly improved if } -\infty < y_{ij}^* < \tau_1$$

$$y_{ij} = 2 = \text{Slightly improved if } \tau_1 \leq y_{ij}^* < \tau_2$$

$$y_{ij} = 3 = \text{Remained the same if } \tau_2 \leq y_{ij}^* < \tau_3$$

$$y_{ij} = 4 = \text{Slightly deteriorated if } \tau_3 \leq y_{ij}^* < \tau_4$$

$$y_{ij} = 5 = \text{Slightly deteriorated if } \tau_4 \leq y_{ij}^* < +\infty$$

Where  $\beta_0$  is the intercept,  $\beta_1$  through  $\beta_{11}$  are the partial effects of the covariates on the propensity of wealth creation and  $\tau_1$  through  $\tau_4$  are threshold values to be estimated.

#### 4.0 DATA INTERPRETATION, ANALYSIS AND DISCUSSION

A total of 568 copies were randomly administered in line with specifications indicated in section two. The questionnaire contained 42 questions each representing a variable. As such there are 42 variables as a whole for the various models used in the study. After due follow up, 549 questionnaires were returned. This indicates that 96.7% success was recorded in the administration of the questionnaire, thereby giving the process credibility. The analysis that follows is thus based on the 549 returned questionnaires. This implies that the total number of observations used in this study is 549.

##### 4.1 Effects of Entrepreneurship Development Programmes on assets acquired and savings by the beneficiaries: a case of Kano metropolis Nigeria.

The effects of the programme can be defined as the change in the outcome of interest for a change in the policy or treatment variable due to intervention. In this study as already seen, there are four policy or treatment variables (*LJ*, Poultry, Fisheries and IBO) and this section is concerned in assessing their effects on wealth creation which can be measured by wealth's indicators such as savings and assets. In carrying out this investigation, two levels of analysis were conducted. Firstly, a descriptive analysis of the effects of the four programmes was performed and secondly an inferential analysis was conducted to assess the effects of the four entrepreneurship development programmes on wealth creation proxy by perceived financial status (assets acquired and savings).

##### Descriptive Analysis of The effects of EDPs on assets acquired and savings by the beneficiaries' proxy by Perceived Financial Status, Assets and Savings

Table 1: Effect of Entrepreneurship Development Programmes on assets acquired and savings

Wealth creation	P r o g r a m m e					
	L	J	Poultry	Fisheries	I B O	P o o l e d
<b>S a v i n g s</b>						
0 - 1 0 , 0 0 0	167 (86.53)	140 (64.81)	13 (59.09)	66 (82.5)	386 (75.54)	
1 1 , 0 0 0 - 2 0 , 0 0 0	17 (8.81)	69 (31.94)	7 (31.82)	9 (11.25)	102 (19.96)	
2 1 , 0 0 0 - 3 0 , 0 0 0	8 (4.15)	4 (1.85)	2 (9.09)	4 (5)	18 (3.52)	
> 3 0 , 0 0 0	1 (0.52)	3 (1.39)	0	1 (1.25)	5 (0.98)	
<b>A s s e t s a c q u i r e d</b>						
L a n d	0	2 (0.88)	0	1 (1.22)	3 (0.57)	

H o u s e	100 (51.55)	130 (57.02)	18 (78.26)	39 (47.56)	287 (54.46)
F u r n i t u r e	54 (27.84)	35 (15.35)	4 (17.39)	15 (18.29)	108 (20.49)
F a r m	9 (4.64)	46 (20.18)	1 (4.35)	10 (12.2)	66 (12.52)
Further education	2 (1.03)	5 (2.19)	0	7 (8.54)	14 (2.66)
C a r	11 (5.67)	5 (2.19)	0	5 (6.1)	21 (3.98)
B i k e	6 (3.09)	0 (0)	0	2 (2.44)	8 (1.52)
B i c y c l e	10 (5.15)	3 (1.32)	0	2 (2.44)	15 (2.85)
More business	1 (0.52)	2 (0.88)	0	0	3 (0.57)
O t h e r s	1 (0.52)	0	0	1 (1.22)	2 (0.38)
<b>F i n a n c i a l p e r c e p t i o n</b>					
Strongly improved	73 (36.5)	36 (16.07)	10 (43.48)	22 (26.51)	141 (26.6)
Slightly improved	113 (56.5)	135 (60.27)	5 (21.74)	38 (45.78)	291 (54.91)
Remain the same	8 (4)	12 (5.36)	6 (26.09)	12 (14.46)	38 (7.17)
Slightly deteriorated	4 (2)	30 (13.39)	1 (4.35)	0	35 (6.6)
Strongly deteriorated	2 (1)	11 (4.91)	1 (4.35)	11 (13.25)	25 (4.72)

**Savings:** The results in Table 1 above, show that, since the intervention some notable changes have taken place among the beneficiaries in terms of savings and assets. In the pooled data, all the beneficiaries can now consume and save part of their income. However, the distribution of the beneficiaries' level of savings varies from one programme to the other. Four levels of savings were retained in the distribution of savings and it was found in the pooled data that, about 75 percent of the beneficiaries' level of savings varied between N1, 000 to ₦10, 000 per week; the second largest proportion (19. 96%) of beneficiaries' savings' level varied between ₦11, 000 to ₦20, 000 per week, while less than 1 percent was able to save over ₦30, 000 on a weekly basis. Across the selected Entrepreneurship Development Programmes, most of the beneficiaries' savings were within N1, 000 to N10, 000 weekly. Poultry programme, had the highest percentage of beneficiaries having savings between ₦11, 000 to ₦20, 000 weekly while none of the beneficiaries in Fisheries programme could save over ₦30, 000 on a weekly basis. Prior to the intervention, a survey was conducted to assess the wealth status of the targeted beneficiaries. It was observed that, the majority was unemployed and could barely afford a balanced food diet daily. However, during the intervention, the majority of targeted beneficiaries were empowered with training and capital both in cash and in facilities especially in *LJ* and Poultry programme while some beneficiaries exclusively received either cash or facilities.

**Assets Acquired:** The beneficiaries were also able to acquire a number of assets such lands, houses, furniture, farms, education, cars, bikes, bicycles, shops, etc. Broadly, the three most important assets acquired by the beneficiaries were houses (54.46%), furniture (20.49%) and farms (12.52%) while the least acquired assets were lands (1.52%), bikes (0.57%) and shops

(0.57%). The assets' acquisition varied across programmes: in *LJ* programme, the most important assets acquired were houses (51.55%), furniture (27.84%) and cars (5.67%); in Poultry programme, the most important assets acquired were houses (57.02%), farm (20.18%) and furniture (15.35%); in Fisheries programme, only three assets were acquired namely, houses (78.26%), furniture (17.29%) and farm (4.35%); in IBO programme, the most important assets acquired were houses (47.56%), furniture (18.29%) and farms (12.2%).

**Financial Perception:** The beneficiaries' perception of their financial status since they benefited from the programme is quite informative in terms of the wealth creation effect of the entrepreneurship development programmes. Overall, the beneficiaries had a positive perception in terms of improvement in their financial status since they benefited from the programme. This is evident from the data as over 80 percent of the respondents stated that their financial status has strongly or slightly improved. Across the four entrepreneurship development programmes it was observed that at least 65 percent agreed that their financial status has improved since they benefited from their respective programmes. However, the perception varied substantially within and without the four programmes. For instance, in *Lafiya Jari*, while the majority (56.5%) of the beneficiary agreed their financial status has improved at various levels, only 3 percent disagree while the remaining 4 percent perceived that there was no change in their financial status since they benefited from the programme. But, it can also be noted that while *Lafiya Jari*'s beneficiaries had the highest percentage of beneficiaries who agreed that their financial status has improved, Poultry's beneficiaries had the highest percentage of beneficiaries who agreed that their financial status has deteriorated since they benefited from the programme.

#### 4.2 Choice of the Effect Model

Table 2: Tests of Model adequacy of asset acquired and savings Proxy by Perception of Financial Status

Variable	<i>F i n a n c i a l s t a t u s</i>			L	R	HOL (OGLM)
	1 vs. 2 and 3	1 and 2 vs. 3				
Poultry ( $x_1$ )	0 . 9 1 *	0 . 5 3	0 . 0 2	0 . 7 1	( 0 . 6 3 )	
Fisheries ( $x_2$ )	2 . 2 4 * * *	- 0 . 0 3	2 . 6	2 . 1 2 * *	( 0 . 9 )	
I B O ( $x_3$ )	1 . 1 9 * * *	0 . 4 7	0 . 5 6	1 . 2 * *	( 0 . 5 7 )	
M a l e ( $x_4$ )	0 . 3	- 0 . 4 1	0 . 0 4	0 . 1 2	( 0 . 5 9 )	
A g e ( $x_5$ )	0 . 2 3	- 1 . 0 7 * *	16.48***	- 0 . 3 6	( 0 . 5 9 )	

Married ( $x_6$ )	- 1 . 0 7 * * *	- 0 . 6 2 . 7 3	-1.47***
	( 0 . 2 9 )	( 0 . 4 4 )	( 0 . 4 9 )
Primary ( $x_7$ )	2 . 2 4 * * *	1 . 9 6 * * *	1 . 1 4 2 . 9 * * *
	( 0 . 3 2 )	( 0 . 4 )	( 0 . 7 6 )
School ( $x_8$ )	- 0 . 0 7 0 . 6 4	5.19***	- 0 . 3 4
	( 0 . 3 )	( 0 . 4 1 )	( 0 . 4 9 )
Location ( $x_9$ )	- 1 . 1 8 * * *	- 1 . 2 1 * * *	0 -1.44***
	( 0 . 2 9 )	( 0 . 4 )	( 0 . 4 2 )
Willing ( $x_{10}$ )	- 0 . 0 3 0 . 9 5 0 . 5 0 . 1 3		
	( 0 . 5 )	( 0 . 8 6 )	( 0 . 5 8 )
Grant ( $x_{11}$ )	- 0 . 0 7 0 . 9 1 * * *	1 . 9 5 0 . 2 6	
	( 0 . 3 )	( 0 . 4 1 )	( 0 . 3 8 )
Constant	- 1 . 7 8 - 2 . 9 2 * * *		
	( 0 . 7 7 )	- 1 . 0 4	
<b>V a r i a n c e m o d e l</b>			
Age ( $x_5$ )			0 . 0 2 ( 0 . 2 3 )
School ( $x_8$ )			0 . 3 2 ( 0 . 2 1 )
Cutpoint 1			1 . 4 6 ( 0 . 9 )
Cutpoint 2			2.47*** ( 0 . 9 1 )
Brant test	4 0 . 8 8 * * *		
LR test	3 4 . 7 3 * * *		145.83***
Pseudo R <sup>2</sup>	0 . 2 8		0 . 2 3

\*\*\*<0.01, \*\*<0.05, \*<0.1. LR = Likelihood Ratio, 1= deteriorated, 2=constant and 3=improved. HOL = Heteroscedasticity Ordered Logit. Standard errors in parentheses

The table 2 above, presents the test of the Parallel-Lines Assumption which was conducted using the Brant and the Likelihood Ratio tests. It is worth pointing out that for the sake of simplicity and to facilitate understanding, the dependent variable was recoded so that, 1 signifies that, the beneficiaries' financial status has deteriorated (strongly or slightly deteriorated); 2 signifies that, the beneficiaries' financial status has remained the same and 3 signifies that the beneficiaries' financial status has improved (slightly or strongly improved). The result of the tests shows that, the parallel-lines assumption (PLA) was violated as the all the parameters were not statistically equal across the two equations of the two logit regression models. In the first equation (1 vs. 2

and 3), the dependent variable is coded as 1 if we observe the second or third alternative and 0 otherwise; that is, the dependent variable is coded as 1 if a beneficiary says that his or her financial status has remained the same or improved and 0 if the beneficiary says that his or her financial status has deteriorated since benefiting from a particular programme. In the second equation (1 and 2 vs. 3), the dependent variable is coded as 1 if we observe the third alternative (improved) and 0 otherwise; that is, the dependent variable takes on the value 1 if the beneficiary says that his or her financial status has improved and 0 otherwise since benefiting from the programmes.

According to the results in the Table above, it can be said that, the *Lafiya Jari*, Poultry, Fisheries and IBO EDPs had a significant effect on wealth creation but with varying contribution across the four programmes after removing the effect of the socioeconomic characteristics included in the model. Specifically, fisheries programme had the highest effect on wealth creation given the parameter estimate of 2.24 followed by IBO. The significance of the three programmes variables included in the model also reveals that *Lafiya Jari* had the smallest effect on wealth creation. But the parameters' estimates were found to be incorrect given that the PLA was violated. The tests shows that the PLA was violated as all the coefficients were not constant across the two equations. Specifically, the age of the beneficiaries as well as whether the beneficiaries are sending their children to school were responsible of the violation of the test since the differences in the parameters' estimates across the two equations were statistically significant at 1 percent level of probability based on the LR estimates. Moreover, under the null hypothesis that all the coefficients were jointly parallel (constant) across the two equations, the Brant and LR estimates were statistically significant at 1 percent level of probability. The implication of this finding is that, although Ordered Logit (OLOGIT) regression model is a parsimonious and simple to interpret, it does not fit well the data. In other words, the OLOGIT was found to be too restrictive and therefore inappropriate to fit the data adequately. There was need to consider a partial odds model that will allow both age and school ( $x_8$ ) to vary freely across alternatives. But, the failure of the PLA can be attributed to the fact that, young beneficiaries vary significantly from their counterparts in terms of their perception of financial status; that is, the differential effect of age across the alternatives could technically be attributed to the failure to adequately account for heteroscedasticity in the model's error. Moreover, the difference between beneficiaries who send their children to school and those that do not could be due to heteroscedasticity.

**4.4 Effects of EDPs on asset acquired and savings proxy by Perceived Financial Status**Table 3: Maximum likelihood estimates of the Generalized Partial Odds Model  
For the effect of EDPs on asset acquired and savingsProxy by Financial Status

V a r i a b l e	F i n a n c i a l s t a t u s			
	D e t e r i o r a t e d		C o n s t a n t	
	Coefficient	O d d s	Coefficient	O d d s
P o u l t r y ( x <sub>1</sub> )	0 . 9 1 * ( 0 . 5 3 )	2 . 5 * ( 1 . 3 2 )	0 . 5 3 ( 0 . 9 5 )	2 . 5 * ( 1 . 3 2 )
F i s h e r i e s ( x <sub>2</sub> )	2 . 2 4 * * * ( 0 . 6 9 )	6 . 8 3 * * * ( 4 . 6 )	- 0 . 0 3 ( 1 . 2 4 )	6 . 8 3 * * * ( 4 . 6 )
I B O ( x <sub>3</sub> )	1 . 1 9 * * * ( 0 . 4 3 )	2 . 9 2 * * * ( 1 . 2 2 )	0 . 4 7 ( 0 . 6 4 )	2 . 9 2 * * * ( 1 . 2 2 )
M a l e ( x <sub>4</sub> )	0 . 3 ( 0 . 5 )	1 . 3 1 ( 0 . 6 4 )	- 0 . 4 1 ( 0 . 9 8 )	1 . 3 1 ( 0 . 6 4 )
A g e ( x <sub>5</sub> )	0 . 2 3 ( 0 . 3 5 )	1 . 1 6 ( 0 . 3 8 )	- 1 . 0 7 * * ( 0 . 4 6 )	0 . 3 9 * * * ( 0 . 1 4 )
M a r r i e d ( x <sub>6</sub> )	- 1 . 0 7 * * * ( 0 . 2 9 )	0 . 3 5 * * * ( 0 . 1 )	- 0 . 6 ( 0 . 4 4 )	0 . 3 5 * * * ( 0 . 1 )
P r i m a r y ( x <sub>7</sub> )	2 . 2 4 * * * ( 0 . 3 2 )	9 . 4 1 * * * ( 2 . 8 6 )	1 . 9 6 * * * ( 0 . 4 )	9 . 4 1 * * * ( 2 . 8 6 )
S c h o o l ( x <sub>8</sub> )	- 0 . 0 7 ( 0 . 3 )	0 . 9 3 ( 0 . 2 7 )	0 . 6 4 ( 0 . 4 1 )	2 . 0 5 * ( 0 . 7 6 )
L o c a t i o n ( x <sub>9</sub> )	- 1 . 1 8 * * * ( 0 . 2 9 )	0 . 3 * * * ( 0 . 0 8 )	- 1 . 2 1 * * * ( 0 . 4 )	0 . 3 * * * ( 0 . 0 8 )
W i l l i n g ( x <sub>10</sub> )	- 0 . 0 3 ( 0 . 5 )	1 . 0 6 ( 0 . 5 2 )	0 . 9 5 ( 0 . 8 6 )	1 . 0 6 ( 0 . 5 2 )
G r a n t ( x <sub>11</sub> )	- 0 . 0 7 ( 0 . 3 )	1 ( 0 . 2 9 )	0 . 9 1 * * ( 0 . 4 1 )	2 . 1 * * ( 0 . 7 5 )
C o n s t a n t	- 1 . 7 8 ( 0 . 7 7 )	0 . 1 7 * * ( 0 . 1 3 )	- 2 . 9 2 * * * ( 1 . 0 4 )	0 . 0 6 * * * ( 0 . 0 5 )
W a l d t e s t	115.27***			
P s e u d o R <sup>2</sup>	0 . 2 6			

\*\*\*&lt;0.01, \*\*&lt;0.05, \*&lt;0.1. LR = Likelihood Ratio. Standard errors in parentheses

The results in Table 3, present the maximum likelihood estimates of the GOLOGIT model for the effect of EDPs. It is important to note that only age and school were not constrained to the

PLA based on our previous findings. This implies that other variables in the model are to be interpreted as though they were in an OLOGIT model. Overall, the model was statistically significant at 1 percent level of probability based on the Wald test estimate of 115.27. This implies that all the independent variables in the model were jointly important in explaining variation in the beneficiaries' perception of their financial status since they benefited from the EDPs.

The Pseudo  $R^2$  is 0.26 which implies that the model had the ability to predict 26 percent of the observe outcome correctly. Individually, only the gender of the beneficiaries and their willingness to continue in the business were not statistically significant determinants of the perception of financial status. A positive coefficient implies that a change from 0 to 1 given the binary nature of the independent variables in the model implies that there is a positive likelihood to observe a higher alternative while a negative sign means that there is positive likelihood to observe a lower alternative.

The positive and significant coefficients of all the EDPs in the model shows that the beneficiaries of the four EDPs were more supportive of the opinion of improvement in financial status but with varying effect across in *Lafiya Jari*, Poultry, Fisheries and IBO EDPs. Specifically, the Fisheries EDPs had the greatest effect in moving the beneficiaries from the perception of deteriorated financial status to the perception of either constant or improved financial status since they benefited from their respective EDPs followed by IBO EDPs. The positive coefficients of all the EDPs also show that *Lafiya Jari* EDP had the smallest effect in moving the beneficiaries from their perception of deteriorated financial status to the perception of either constant or improved financial status since they benefited from the entrepreneurship development programmes. The significance of other socioeconomic characteristics in the model is also indicative of the importance of those factors in explaining the difference in perception of financial status among the respondents. For instance all things being equal, married beneficiaries were less supportive of the perception of an improved financial status since they benefited from the EDPs than their unmarried counterparts. Moreover, the odd estimate of married beneficiaries was 0.35 which implies that the chance to be supportive of the perception of improved financial status among the married beneficiaries is lower among the unmarried beneficiaries. This could be attributed to the fact that unmarried beneficiaries acquired more assets such as land, car and bike. Moreover, the unmarried surprisingly belonged to larger family size which implies that they may have taken advantage of family labour to improve their production which in turn may have brought about difference in performance and income.

In terms of education, beneficiaries with primary level of education were more supportive of the perception of an improvement in financial status than those with higher level of education. The finding is unexpected as education has the ability to develop one's skills and improvement in productivity. But, the data show that the beneficiaries with primary level of education and those with higher level of education were different in a number of socioeconomic characteristics.

First of all, the beneficiaries with primary level of education were younger than those with higher level of education and the implication is that beneficiaries with primary level of education could be more committed in their businesses than those with higher level of education. In effect, the beneficiaries with primary level spent more hours working on their businesses than those with higher education. Moreover, the beneficiaries with primary level of education made more savings than their counterparts. Furthermore, it was found that greater proportion of beneficiaries with primary level of education were able to pay for water and electricity than those with more educational level. Younger beneficiaries were more supportive of the perception that their financial status has improved than the older ones given negative sign of the coefficient and the odd estimate that was less than 1.

The finding could be associated to the fact that, they had more access to credit than their counterparts which eventually increase their level of investments and income. Operating business with the Local Government (LGA) of origin appeared not to be favourable for certain beneficiary since they were less supportive of the perception that their business improved since they benefitted from the programmes. Operating within the LGA of origin could be related to the low access to credit compare to those who operated theirs outside of their LGA of origin. As expected, the significance of grant shows that government support is important lifting in improving the financial status of the beneficiaries. Specifically, the chance beneficiaries who obtained less than or equal to ₦50, 000 grant were less supportive of the perception of an improvement in financial status than those with more grant. Although the odds ratio interpretation is making the results more understandable, the use of marginal effect will give a better understanding.

## 5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

This study mainly aimed at estimating the effects of *Lafiya Jari*, Poultry, Fisheries and Informal Business Operators (IBO). Entrepreneurship Development Programmes on assets acquired and savings by the beneficiaries in Kano Metropolis. Specifically, the study was interested in estimating the effect of EDPs on assets acquired and savings by the beneficiaries in the study area. To this effect, a multi-stage sampling technique was used to select 558 beneficiaries of the EDPs, from eight Local Government Areas (LGAs). The data used for the study were collected in 2016 using well-structured questionnaires on various aspects of the respondents' socioeconomic characteristics including variables related to their participation in the EDPs. The tools of analysis involved descriptive statistics, ordered logit regression model and ordered generalized linear model.

The generalized ordered logit model was found to be the most suitable model to estimate the effects of EDP on assets acquired and savings by the beneficiaries' proxy by perception of financial status. The effect of EDP on assets acquired and savings by the beneficiaries was positive and statistically significant. Variables such as age, marital status, education, business'

location and grant offered by government were important determinants of assets acquired and savings by the beneficiaries.

Education was equally found to be the single significant factors of business success despite some differences in socioeconomic characteristics between successful and non-successful beneficiaries.

### **5.3 Conclusion**

This study can be concluded by asserting that based on the empirical results generated from the data, it is evident that the various entrepreneurship development programmes initiated by the Kano state government to create wealth (asset acquired and savings) for its citizens and reduce poverty in the State are significant. In other words, the EDPs have a significant effect in creating wealth (asset acquired and savings) and consequently in reducing poverty in State. It can therefore be generalized that EDPs in Kano Metropolis are significantly increases of asset acquired and savings in the state.

### **5.4 Recommendations**

Given the findings of this study, the following recommendations can be suggested

1. EDPs has a positive and significant effect on asset acquired and savings, therefore government should increase investments in order to reach other potential beneficiaries. While Fisheries EDP should be remodeled.
2. That effective monitoring, evaluation and engagement of the private sectors should be employed so as to support the EDPs through informal systems. Also Government should consider plans for making the programmes sustainable by integrating all the stakeholders from the initial stage commencement of the programmes for desired outcomes at the policy level.
3. Grants between ₦20, 000 and ₦50, 000 offered by government were found to have greater effects in improving financial status more than grants beyond ₦50, 000. Thus, government should sustain their efforts in offering more grants to the EDP's.
4. Government should integrate credit as a key component of entrepreneurial skills development as the majority (88.4%) of the beneficiaries reported being successful in their businesses based on the whole sample.

Therefore, implementation of the above recommendations will go a long way in creating more asset acquired and savings in Kano State and thereby reducing poverty to a very low level.

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