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SOCIAL ENTREPRENEURSHIP AS A CATALYST FOR YOUTH EMPOWERMENT IN ILARO, OGUN STATE

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Abstract

The rising level of youth unemployment in Nigeria is an issue of national interest that should be taken-on by its horns. This challenge facing the economy can be tackled through entrepreneurship programmes. This study thus seek to investigate how social entrepreneurship can act as a catalyst for youth empowerment in Ilaro, Ogun state, Nigeria. Descriptive survey design was adopted for the study which allowed for the collection of relevant data from 120 unemployed youths who were conveniently selected by the researcher in the study area. A structured questionnaire was utilized as the instrument for data collection. All the copies of questionnaire administered were fully retrieved from the participants in this study. The data collected was analyzed using E-view statistical package and the hypotheses synthesized for this study were tested using simple regression analysis. The findings of the study revealed that Social innovation has a positive significance on employment opportunity in the study area ($p=.000$). Similarly, the findings of the study revealed that Financial Access Provision has a positive significance on entrepreneurship commitment among youths in the study area ($p=.000$). Based on the findings of the study, it was recommended that government should encourage youths in the country to adopt social entrepreneurship as a panacea to the rising unemployment level in the country.

Keywords: Social Innovation, Financial Access Provision, Unemployment, Entrepreneurship, Social Entrepreneurship

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1. Introduction

Social entrepreneurship involves pursuing highly innovative approaches to addressing social problems and doing so in an opportunistic, persistent and accountable manner, either for profit or non-profit. Social entrepreneurs are social investors who utilize the resources and capital at their disposal to manage business activities with the aim of solving societal problems and creating a source of income to the employed.

The level of youth unemployment in Nigeria is a concern for all stakeholders; majorly the government institution. This has a negative effect on the rate of economic growth of the country because youths who are supposed to be engaged in productive activities are laying idle in the economic landscape. This situation is caused by unavailability of adequate jobs to cater for the unemployed youths in the country.

Most youths in higher institutions of learning crave for a “white collar” job before their graduation, but in reality, these so called “white collar” jobs are insufficient to cater for the mammoth of graduates being churned out by higher institutions of learning every year. Hence, there is a need to look into other areas of engagement.

It is against this background that the current study set out to investigate the impact of social entrepreneurship on youth empowerment.

In order to pursue this broad objective, the following null hypothetical statements are developed:

H₀₁: Social innovation has no effect on employment opportunity for youths in Ilaro.

H₀₂: Financial access provision has no effect on entrepreneurship commitment among youths in Ilaro

2. Literature Review

2.1. Conceptual Framework

Concept of Entrepreneurship

The word entrepreneurship is coined from the French word “entrepreneur” which means someone who takes risks in a production process. Hill and McGowan (2016) defined entrepreneurship as the willingness and the ability of an individual to seek out investment opportunities in an environment and be able to establish and run an enterprise successfully based on the identified opportunities.

Entrepreneurs are self-confident, result oriented, risk-takers, leaders, authentic and extrapolators. They bring about economic progress by virtue of their productive activities.

There are different types of entrepreneurship, but for the purpose of this study, social entrepreneurship will be considered.



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Social Entrepreneurship

Social entrepreneurship has been defined by Rosdiana (2015) as a profit-oriented enterprise with a dual goal of achieving profitability and attaining beneficial social returns. In the same vein, some scholars see social entrepreneurship as a non-profit venture in search of alternative funding strategies or management approaches to create social value or impact.

Unlike traditional corporate businesses, social entrepreneurship ventures focus on maximizing gains in social satisfaction rather than maximizing profit gains. Social entrepreneurship in modern society offers an altruistic form of entrepreneurship that focuses on the benefits that society may reap.

Social entrepreneurs recognize immediate social problems, but also seek to understand the broader context of an issue that crosses disciplines, fields and theories. As such, gaining a larger understanding of how an issue relates to society allows social entrepreneurs to develop innovative solutions and mobilize available resources to affect the greater global society (Mohammed & Ndulue, 2017).

Social enterprise has potential benefits to the unemployed youths and the society at large. The following conditions must be present for the viability of social entrepreneurship.

Social Innovation

Innovation is crucial in social entrepreneurship. Social innovation refers to innovative activities and services which are carried out by social-mission organizations to fulfil unmet social needs in the society (Rosdiana, 2015). Social entrepreneurship is a process of economic innovation that occurs with a variety of characteristics of institutions based on the creation of values in which the approach used is generally suitable and appropriate to address problems in modern society. Social innovation is also seen as social changes which refers to the process and results of those changes.

Social entrepreneurs bring and use ideas and innovative solutions to overcome social problems (Hoogendoorn, Penning & Thurik, 2011). Social entrepreneurs create social values by exploiting innovation such as establishing new activities or organizations (Rosdiana, 2015).

Financial Access Provision

Efforts to encourage entrepreneurial intention among youths should be emphasized by expanding access to financial resources. There is ample evidence that a lack of access to formal financial institutions is a great obstacle encountered by youths who have intentions to go entrepreneurial.

Support from institutions in the society such as microfinance banks, government-aid agencies or private firms may catalyze innovative ideas to reach a larger audience.

Research has shown that ease of access to financial aids promotes the desire of youths to be involved in entrepreneurial activities. It therefore follows that financial



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institutions need to partner with government to provide low-cost loan facility to youths who may desire to be involved in social entrepreneurship.

Empowerment

Empowerment is a process whereby those who have been denied the ability to make strategic life choices acquire such an ability (Rosdiana, 2015). In the social work literature, empowerment is defined as a process and a goal. As a process, it refers to helping individuals, groups and communities regain power to have control over their own lives and their affairs and reduce people's feelings of powerlessness (Chandra & Liang, 2017).

As a goal, empowerment is a result of gaining power in political or personal aspects. The reallocation of power resulting from changes in social structures leads to the empowerment of people (Haugh & Talwar, 2016).

Empowerment is an essential aspect of social entrepreneurship. According to Santos (2012), empowerment refers to the asset and capability development of individuals or groups necessary to conduct certain actions in their lives. Empowerment is a significant aspect of social entrepreneurship because social entrepreneurs have limited access to resources when addressing social problems.

Through social entrepreneurship, job creation is made possible in literature, the labour market is believed to work as a competitive mechanism, meaning that individuals who get jobs in the market are those with the required skills. Therefore, it follows that individuals lacking the skills will not get the job. Poverty then sets in because individuals who do not have jobs are unable to earn regular income. Therefore, the best possible way to reduce unemployment and poverty among youths is to create jobs and integrate the unemployed youths into available jobs outside the competitive labour market.

2.2 Theories of Social Entrepreneurship

Employment theory of Social Entrepreneurship posited by Hammond (2014) holds the view that employment opportunities and job training should be targeted towards people with high barriers to employment such as unemployed youths, ex-offenders, disabled and homeless people. The organization operates an enterprise employing its clients and sells its products or services in the open market.

Similarly, the Market Intermediary theory of Social Entrepreneurship by Spector and Kitsuse (1997) asserts that social entrepreneurship services add value to client-made products. Typically, these services include: product development, production and marketing assistance, and credit. The market intermediary either purchases the client-made products outrightly or takes them on consignment, and then sells the products in high margin markets at a mark-up.

The employment theory of social entrepreneurship is more apt for this study because it addresses the objectives sought after by the current study.

2.3 Empirical studies



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Kim and Lim (2017) conducted a study on social enterprise as a catalyst for sustainable local and regional development. The study presented an integrated theoretical framework of sustainable local and regional development with an emphasis on social economy theory. The study concluded that social enterprises are the core components of a social economy which reflects local and regional needs and pursues complex goals.

Mohammed and Ndulue (2017) studied the impact of social entrepreneurship on poverty reduction in Nigeria using Wecyclers social entrepreneurship ltd as a study. The study adopted a survey design and data was obtained using the secondary source. The data was analyzed using Ordinary Least Square (OLS) through E-view statistical package. The findings of the study revealed a positive significant relationship between social entrepreneurship and poverty reduction. The study recommended that the management of Wecyclers Social Entrepreneurship Ltd and Social Entrepreneurs as a whole should use the low-cost waste collection infrastructure, Recycling waste for Environmental sustainability and provision of social welfare as a way of tackling poverty by providing employment opportunities in the society.

Rosdiana (2015) investigated the role of Social entrepreneurship in enabling economic opportunities for the poor through a synthesis of literature and empirical works. The study found that social entrepreneurship has broadened access to financial sources, promoted the use of social innovations in reducing social problems, granted people empowerment and social inclusion, and created jobs. The study recommended that more empirical studies be undertaken to validate the comprehensive contributions of social entrepreneurship in enabling economic opportunities for the poor.

3. Methodology

Research paradigm

The positivist paradigm was utilized for this study. The decision to adopt the positivist approach was due to the need to test a conceptual framework which called for the testing of hypotheses and analysing data to arrive at a logical conclusion.

Research design

A descriptive survey design was adopted for this study which allows for the collection of relevant data from the chosen participants of this study.

Population

The population of the study comprises of unemployed youths in Ilaro township area of Ogun state.

Sample and Sampling technique

The total estimate of unemployed youths in the study area could not be accurately estimated as such, was considered indefinite. However, the researcher adopted an accidental sampling technique where 120 unemployed youths were randomly selected in the study area.



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Research Instrument

A structured questionnaire was adopted as the appropriate research instrument for this kind of study.

Validity and Reliability Test

Validity of the questionnaire was achieved through content validity. The questionnaire was drafted by the researcher and given to a research expert to adjudge the viability of the instrument to capture the objectives sought by the study.

In the same vein, a pilot study was conducted on 10 respondents at an interval of 2 weeks to ascertain the reliability of the research instrument. Fortunately, the pilot study turned out with a positive result and as such, the research instrument was adjudged okay.

Method of Data Analysis

The data obtained was analysed using Ordinary Least Square method (OLS) and the hypotheses were tested using simple linear regression analysis through E-view statistical package.

Model Specification

The model specification for this study is given as:

$$Y = f(X_n)$$

$$Y = f(X_1, X_2, X_3, \dots, X_n)$$

$$YEMP = f(SCI, FAP) \dots \dots \dots \text{equ (1)}$$

$$YEMP = \beta_0 + \beta_1 SCI + \beta_2 FAP + \mu \dots \dots \dots \text{equ (2)}$$

Where:

- YEMP= Youth Empowerment
- SCI = Social Innovation
- FAP= Financial Access Provision
- β_0 = Constant term
- β_1, β_2 = Coefficients of Explanatory variables
- μ = Error term

4 Data Presentation

H₀₂: Financial access provision has no effect on entrepreneurship commitment among youths in Ilaro

Table 1: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	76.523	40.879		1.872	.131



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Social Innovation	3.526	.143	.963	24.657	.000
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a. Dependent Variable: Employment opportunity

From the result in table 1, the coefficient result shows that social innovation has a positive relationship with employment opportunity with the value of 3.526. The significance value of social innovation standing at 0.000 indicates that social innovation is statistically significant at 5% level of significance. This shows that social innovation has a significant impact on employment opportunity in the study area.

Table 2: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	30532.321	74128.083		.412	.221
Financial access provision	79.421	18.822	.774	7.129	.000

a. dependent variable: entrepreneurship commitment

The coefficient result in table 2 shows that financial access provision has a positive relationship with entrepreneurship commitment by youths with the value of 79.421. This indicates that there is strong positive relationship between financial access provision and entrepreneurship commitment. The significance value of financial access provision standing at .000 shows that financial access provision is statistically significant at 5% level of significance. This shows that financial access provision has a significant relationship with entrepreneurship commitment in the study area.

4.2 Test of Hypotheses

Hypothesis One:

H₀₁: Social Innovation has no significant effect on Employment Opportunity

The decision rule is to reject the null hypothesis at 5% level of significance.

However, from table 1, the result indicates a p-value of 0.000 which translates that the predictor (Social Innovation) is significant on the dependent variable (Employment opportunity). Hence, the study rejects the null hypothesis and concludes that Social Innovation has a positive significant effect on Employment opportunity in the study area.



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Hypothesis Two:

H₀₂: Financial Access has no effect on Entrepreneurship Commitment

The decision rule is to reject the null hypothesis at 5% level of significance.

However, from table 2, the result indicates Financial Access Provision has a significant impact on entrepreneurship commitment of youths in the study with a p-value of 0.000. Hence, the study rejects the null hypothesis and concludes that Financial Access Provision has a positive significant effect on Entrepreneurship Commitment among youths in the study area.

5.0 Conclusion

The study was carried out to investigate the impact of social entrepreneurship on youth empowerment in Ilaro township area of Ogun state, Nigeria. Social entrepreneurship being the exogenous variable was decomposed into Social Innovation and Financial Access Provision while youth empowerment as the endogenous variable was also considered from two perspectives vis-à-vis Employment opportunity and entrepreneurship commitment. The findings of the study revealed that the proxies for social entrepreneurship have a positive significant relationships on the proxies for youth empowerment.

Consequently, the study concludes that social entrepreneurship is a catalyst for youth empowerment in Ilaro, Ogun state and Nigeria as a whole.

6.0 Recommendations

Based on the findings of this study, the following were recommended:

- i. There should be more awareness about the potentials of social entrepreneurship in reducing the level of unemployment in the country.
- ii. Unemployed youths should be encouraged to consider entrepreneurship as a bailout for them instead of waiting for a white collar job which is not abundant to cater for all.
- iii. There should be a provision of low-cost loan schemes to encourage youths who may desire to pursue some entrepreneurial adventures.

7.0 Suggestion for further studies

Future studies should consider looking into other aspects of social entrepreneurship other than the ones investigated in this study. Also, a larger population should be taken-on by further studies in order to achieve effective generalisation of this kind of study.



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