Entrepreneurship Education is the Key Contrivance of Poverty Alleviation: An Empirical Review

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Abstract- The principal purpose of this paper is to make evident that the relationship between entrepreneurship education and poverty alleviation constructed on empirical reviews. This study conducted a general search to accumulate empirical literature by the name of entrepreneurship education and poverty alleviation in different online database sources such as Google Scholars, Springer Link, Wiley, Science Direct, JSTOR, Emerald, Scopus, UniMAP Library WorldCat and EBSCO HOST, etc. This study identified the innovation, entrepreneurship training & edification, individual entrepreneurial characteristics, youth empowerment, government support program, a collaboration of government-university-industry is the key tool for entrepreneurship development which is stimulating employment are eventually alleviating poverty.

Keywords: Entrepreneurship Development, Entrepreneurship Education, Poverty Alleviation.

I. INTRODUCTION

Entrepreneurship is the identification of new business opportunities and the mobilization of economic resources to initiate a new business or regenerate an existing business, under the conditions of risks and uncertainties, for the purpose of making profits under private ownership [1-3]. In simple, entrepreneurship is a process which may develop a single entrepreneur or enterprise with the main objective is to making a profit by using of scarce resources most likely under private ownership [1, 4, 5]. Instead, entrepreneurship is concerned with creating long-term value and creates regular cash flow streams on an individual or the group of individuals for the future through the process of imagination, initiative, creativity, professionalism and innovation for the purpose of maximizing profits and minimizing risk with the view of long term expansion [1, 4, 6].

Moreover, entrepreneurship is the key to the growth and development of local industries through the processing of local raw materials into finished and semi-finished goods for the domestic and foreign markets [1, 3, 4]. It also promotes the utilization of improved and cost-effective technology in small and medium-scale enterprises which enhances higher factor productivity at the local level especially in low-income countries where the traditional rural economy is predominant [1, 5]. Consequently, entrepreneurship has been considered as self-employment. Although, there is a consensus among entrepreneurship scholars on that entrepreneurship is not just running a small business that already exists [4, 7]. Rather, it is change management, creative thinking, opportunity seeking, and innovativeness [2, 7].
For developing entrepreneur’s entrepreneurship education has significant roles and experienced which have unprecedented growth over the last twenty years [4, 8]. This can be seen in the growth of positions, organizations, research and publications devoted in the area of entrepreneurship [2, 8]. Among entrepreneurship researchers, the role of entrepreneurship education has been recognized as one of the important factors that help youths to understand and foster an entrepreneurial attitude [8]. Consequently, the impact of education on the formation of future entrepreneurs and the link among university, industry & government have a significant role in the success of the new ventures has been the main discussion in the academic community [6, 8].

Entrepreneurship education pursues students with their knowledge, skills, and motivation to encourage entrepreneurial success in a variety of settings. The most common one is regular entrepreneurship: opening a new organization (e.g. starting a new business through micro, small & medium) [4, 8]. Another approach is to encourage innovation or introduce new products or services or markets in existing firms [2, 8]. This approach is called corporate entrepreneurship or intrapreneurship [2, 8]. On the other hand, a current approach involves creating charitable organizations (or portions of existing charities) which are designed to be community development and self-sustaining in addition to doing their good works and this is usually called social entrepreneurship or social venturing [2, 8].

However, entrepreneurship education is known as a specialized knowledge that inculcates in learners the traits of risk-taking, innovation, arbitrage and co-ordination of factors of production for the purpose of creating new products or services for new and existing users within human communities [9]. This is also one of the more interesting and challenging areas of research for universities, governments, and industrial sectors. Entrepreneurial education is considered central to the economic development of the nations and society. Indeed, the number and diversity of courses offered in entrepreneurship have increased over the past two decades, especially in Organization for Economic Co-Operation and Development (OECD) countries [2, 10].

Meanwhile, a review of the literature on entrepreneurial learning indicates that the concept has been defined based on the acquired knowledge and skills in two stages of entrepreneurship process [4, 7]. The first stage is pre-launching where individuals learn pre-requisite knowledge and competencies for new venture creation and leadership [7]. Therefore, entrepreneurial learning in this stage is the cognitive processes of gaining and structuring entrepreneurial knowledge and skills and educators attempt to effectively equip students with theoretical knowledge and practical skills of entrepreneurship [2, 7]. The second stage is post-launching where entrepreneurs learn and develop their competencies through performing different tasks and roles involved in entrepreneurship and facing the challenges and problems of leading entrepreneurial activities [3, 7]. In effect, entrepreneurial learning in post-launching stage reflects the dynamic processes of acquiring, assimilating, and organizing new information and knowledge and incorporating them with pre-existing structures in order to successfully leading entrepreneurial routine and strategic tasks and roles [7].

Therefore, learning encompasses acquiring knowledge from past experiences, combining learning from various resources, and transferring the knowledge and skills to effectively leading entrepreneurial activities [3, 7]. On the other hand, the entrepreneurship training programs at this stage concentrate on equipping entrepreneurs with competencies to analyze their past experiences specifically their failures and transfer the information and knowledge to effectively leading their new businesses [4, 7].
Accordingly, the main objective of this paper is justifying the linkage between entrepreneurship education and poverty alleviation. This paper is divided into five sections. Section one is the introductory part of the paper. It provides a concise overview of the paper. Section two describes the background of the study in order to provide insight into the concepts of alleviating poverty through entrepreneurship education. Section three highlights the methods and materials used for the exploration with justification for its adoption. Section four presents details the empirical reviews with the findings and outcomes of the study. Finally, section five, concludes for effective utilization of entrepreneurship education as tools for poverty reduction, stimulating employment as well as a fast-tracking realization of universal primary education and promoting gender equality.

II. BACKGROUND OF THE STUDY

One of the major challenges facing developing and underdeveloped countries of the world is poverty. It has been so common problem for all is that the high rate of unemployment and that has become the major obstacle of the developing and underdeveloped countries of the world. Although the level and extent of poverty and unemployment have been observed to be different within and across the nations and it still remains the major obstacle to the optimum utilization of human resources for both social and economic development of the nations. The World Bank indicates that poverty is categorized as both absolute and relative [4, 11]. When poverty is said to be absolute, it describes as a lack of resources to meet the physical needs for survival, a lack of basic security, the absence of one or more factors that enable individuals and families to assume basic responsibilities and to enjoy fundamental rights [2, 11]. Conversely, relative poverty can be categorized in relation to particular groups or areas in relation to the economic status of other members of the society which is interpreted as a lack of resources to achieve a standard of living that allows people to play roles, participate in relationships, and live a life that is deemed normative of the society to which they belong [6, 11].

Moreover, poverty results from and even consists of a lack of basic securities, which has not only include financial resources, but also education, employment, housing, health care and other related aspects leading to deprivation [11]. The World Bank also believes that political instability, lack of improvement in infrastructure, the inadequacy of national policy and structural adjustment, lack of investment are among the main causes of poverty [11]. This is widely understood that poverty as the condition of living on an income below a certain minimum threshold. The World Bank also delineates those living on under US$2 a day as living in poverty, and those living on under US$1.25 as living in extreme poverty internationally [12]. Individual countries generally have their own poverty lines, based on a basket of ‘essential’ goods, including the cost in that country of obtaining 2100 calories, a minimum for healthy functioning [12]. Most importantly, poverty also has been relating to other deprivations such as poor health, lack of education, vulnerability, exposure to risk and powerlessness, etc. [12].
III. Alleviating Poverty through Entrepreneurship Education

Entrepreneurship education seeks to provide apprentices with the knowledge, skills, and motivation to encourage entrepreneurial success in a variety of settings [13]. Entrepreneurship education is known as a specialized knowledge that inculcates in learners the traits of risk-taking, innovation, arbitrage and co-ordination of factors of production for the purpose of creating new products or services for new and existing users within human communities [9]. It is considered central to the economic development of nations [10]. However, it has to increases entrepreneurial self-efficacy, self-employment, and risk-taking attitude of the entrepreneur [14].

Furthermore, entrepreneurship education creates enormous business opportunities and trains people with innovative enterprise skills to grasp the opportunities for starting new entrepreneurial activities [2, 14]. However, this is one way of addressing poverty reduction, as there is strong empirical evidence suggesting that economic growth over time is necessary for poverty reduction. Entrepreneurship boosts economic growth, enhances educational attainment and increases the rate of economic growth [6, 15]. The World Economic Forum (2009) claims that the three relationships are suggestive of productive outcomes emanating from education provision [15]. For example, in eradicating extreme hunger and poverty even if developing countries focus on innovation, creativity, talent and resources to overcome poverty, they lack the infrastructure and the expertise to support such an objective [6, 15]. These deficiencies could be overcome through capacity building through entrepreneurship education to transform these assets into products and services, thereby creating more jobs, enhancing global trade opportunities, increase productivity and reducing the incidence of poverty [15].

IV. METHODOLOGY OF THE STUDY

This is the review study, which has examined the determinants of entrepreneurship education and poverty alleviation from the flow of existing literature. In this study, the authors conducted a general search by the name of entrepreneurship development, entrepreneurship education and poverty alleviation in different online database sources such as Google Scholars, Springer Link, Wiley, Science Direct, JSTOR, Emerald, Scopus, UniMAP Library WorldCat and EBSCO HOST etc. After this search, it has been identified that a number of journal articles, conference papers and other types of generic works. Considering said issues it has been declaring to determine which apprenticeships need to be included in the review of this paper. After reading thoroughly most relevant articles have collected those were found as the best fit within the objectives of the present issues about entrepreneurship education as well as poverty alleviation. The review examined on the basis of objectives, methods, and findings accordingly of the all collected empirical studies.

V. EMPIRICAL FINDINGS REGARDING ENTREPRENEURSHIP EDUCATION AND POVERTY ALLEVIATION

More than two decades, several academicians try to find out the solution regarding poverty alleviation through entrepreneurship education for developing entrepreneur. In 1991, R. E. Goldsmith and J. R. Kerr tested Kirton’s Adaption-Innovation (KAI) Theory into 34 business students in a class at the beginning and end of the semester which have described deep-seated differences in styles of creativity, decision making, and problem-solving that appear to be relevant to entrepreneurship.
They found that students in a class in entrepreneurship and small business would have KAI scores higher than those of the general population and the control group [16]. Again, McMullan and Gillin in 1998 surveys the activities and performance of graduates’ students who were passed from the Swinburne University of Technology in Melbourne, Australia. They found that near about eighty-seven percent students have started their own ventures, either independently or under the supports from the corporations [17].

Conversely, C. K. Wang and P. K. Wong in 2004 examined the level and determinants of interest in entrepreneurship among university undergraduate students in Singapore. They applied historical regression for measuring the student’s self-perceived knowledge in starting a business and knowledge in managing the business. They found that three background factors significantly affect the interest to starting a new business such as gender, family business experience, and education level. While they found little effect about ethnicity, citizenship, and family income status for became an entrepreneur. Moreover, they found female university students were less entrepreneurship knowledge and influenced by traditional social role [18].

As well, V. Sriram, et al. in 2007 develops a model and set a research framework for their further research regarding entrepreneurship development based on African-American regions. They identified that motivation and skills are the important driver of the entrepreneurial behavior. The entrepreneur needs a certain skill to sustain. The impact of culture is a considerable matter for entrepreneurship development [19]. However, Robson, P. J., H. M. Haugh, et al. in 2009 has been adopting a multi-level theoretical framework to examine data from 496 entrepreneurs in Ghana. They accumulate seven types of innovation activity against three categories of variables these are the characteristics of the entrepreneur, the internal competencies of the firm, and firm location. They found that the level of innovation was related to the educational level of the entrepreneur; moreover, the firm size and involvement were positively related to innovation. They also found that entrepreneurs have introduced innovations in a range of products, services, production processes, work practices, and marketing which have brought benefits to their firm [20].

On the other hand, M. Y. Cheng, W. S. Chan, et al. in 2009 evaluated effectiveness and limitations of the development of entrepreneurship education in Malaysia. They collected primary data to reveal students’ perceptions of the effectiveness of the entrepreneurship teaching and their knowledge about entrepreneurship. They found that entrepreneurship education in Malaysia is not matching students’ skill expectations with skill acquisition [14]. Furthermore, Mensah, S.-A. and E. Benedict in 2010 conducted desk research and quantitative analysis from the poorest regions of South Africa and found out the impact of a government initiative for alleviating poverty through entrepreneurship development. They found out that the training in entrepreneurship and provision of other facilities could give poor owners of micro and small enterprises opportunities to grow their businesses and get themselves and other out of poverty [21].

Behind this, A. Bagheri and Z. A. L. Pihie in 2010 tried to identify the processes of entrepreneurial learning that contribute to university students’ entrepreneurial leadership learning and development. They used qualitative research method for analyzing the data collected from selected fourteen undergraduates’ students by using semi-structured interviews. They originate that social interactions played a significant role in students’ entrepreneurial leadership learning, students had the opportunity to learn from direct observation, and the students have been learned entrepreneurial leadership competencies through individual and collective reflection [7]. Yet again, Kobia and Sikalieh in 2010 tried to search the meaning of entrepreneurship through literature review by focusing on the trait, behavioral and opportunity identification approaches.
They found a direct correlation between the small & medium entrepreneur with the economic growth and poverty. They recommended that researchers and educators need to study the entrepreneur before, during and after the entrepreneurial process [22].

Nasution, H. N., F. T. Mavondo, et al. in 2011 have been examining effects of entrepreneurship with learning orientation, integrated market orientation, human resource practices on innovation and customer value. They collected data from small and medium size hotels in Indonesia and analyzed by using the structural equation model. They identified that interaction of entrepreneurship and integrated market orientation, as well as human resource practices, has a significant impact on customer value and innovation respectively [23]. Conversely, J. Mitra, Y. Abubakar, et al. in 2011 by using an illustrative case study, they examined the participation of graduate entrepreneurship in the perspective of human capital development – education, training and research to meet the Millennium Development Goals (MDGs) in Nigeria. They identified that knowledge creation lies at the heart of entrepreneurship development in developing economies is based on human capital development [15].

Moreover, Z. Mohamed, G. Rezai, et al. in 2011 assessed the state and effectiveness of informal entrepreneurship extension education among Malaysian farmers especially the members of Farmers’ Organization Authority (FOA). They interviewed four hundred farmers who were the members of FOA with a structured questionnaire. They reviled that informal entrepreneurship education is not able to provide the entrepreneurship skills acquisition as expected. They also identified that the level of understanding on “what is entrepreneurship” is still low among the FOA members [24]. On the other hand, C. Jones and H. Matlay in 2011 developed a conceptual framework based on Gartner’s 1985 framework for understanding the complexity of entrepreneurship education. Also, they tried to ascertain two questions that were why entrepreneurship education is important and how such importance can be prolonged. They proposed an alternative framework based on the logic of Gartner’s framework to advance the understanding of entrepreneurship education where dialogic relationships exist between students, educators, educational process, institutions and the communities they exist in [25].

O. Ogundele, W. A. Akingbade, et al. in 2012 tried to investigate the intensity of entrepreneurship training and education as strategic tools for poverty alleviation in Nigeria. They select 250 entrepreneurs from five recognized local government areas Lagos state of South Western Nigeria. They used stratified random sampling technique through a self-monitored questionnaire survey and simple regression analysis was used to test the relationship between the entrepreneurship training and education and poverty alleviation. They found that entrepreneurship training and education were significantly related to the youth empowerment and social welfare services. They also found that youth empowerment was influenced by their acquired technical skill. They recommend that effective technical education, youth empowerment, and social welfare service as a catalyst for poverty alleviation [26].

Consequently, Tende, S. B. A. in 2013 has been examined government initiatives toward entrepreneurship development in Nigeria and evaluates the job creation capacity of the entrepreneurship development programs on Nigerians. Random samples of 1,159 beneficiaries were selected from the six geopolitical zones and structured questionnaires were used to obtain information from the selected beneficiaries.
The author recognized that government credit policies have no significant effect on the development of entrepreneurial activities in the country and mostly the beneficiaries do not derive maximum satisfaction from government programs and policies [27]. Therefore, Adofu, I. and O. Akoji in 2013 was assessed the impact of entrepreneurship skill acquisition on poverty in the Kogi State of Nigeria. They used to structure questioners for collecting primary data from six Local Government Area of the state and used descriptive statistics like frequencies and percentages. They found that 65% of the respondents accepted that lack of entrepreneurship skills among youth is responsible for the high rate of poverty in Nigeria. The result also revealed that at least 60% of the people that benefitted from the skill acquisition program can afford the basic necessity of life [28].

Additionally, Ali, D. A. H. and A. Y. S. Ali in 2013 identified the relationship between entrepreneurship Development and poverty reduction at Benadir region in Somalia. They use Correlation research design comprised of 80 participants of micro and small enterprises in Benadir region. The study found that Sig. or P-value was less enough, suggesting that the two variables indicated that the computed R-value was -0.195; this indicates that there was a weak positive correlation between entrepreneurship development and poverty reduction [29]. On the other hand, A. A. Ndedi in 2013 investigated the South African Government support to youth entrepreneurship program through various agencies. They conducted desk research on the impact made by the various Sector Education Training Authorities in the area of entrepreneurship education and training. They found that there were no inter-disciplinary approaches in entrepreneurship training that make entrepreneurship education accessible to all students, and where appropriate, create teams for the development and exploitation of business ideas. They also found that business or engineering students with different backgrounds are not connected [30].

Likewise, I. Akhuemonkhan, L. Raimi, et al. in 2013 examined the plausibility of deploying entrepreneurship education as a mechanism for employment stimulation in Nigeria. They adopt a quantitative research method, specifically linear multiple regression models (LMRM) for analyzing the data. They found that entrepreneurship development is a key tool for poverty reduction; stimulating employment as well as a fast-tracking realization of universal primary education and promoting gender equality. They recommended that institutions must intensify the integration of entrepreneurship in education systems [9].

However, T. J. Bae, et. al. in 2014 conducted a research on entrepreneurship education and entrepreneurial intentions. They identified mixed results. Their meta-analyzed 73 studies with a total sample size of 37,285 individuals and found a significant, but a small correlation between entrepreneurship education and entrepreneurial intentions. This correlation is also greater than that of business education and entrepreneurial intentions. However, after controlling for pre-education entrepreneurial intentions, the relationship between entrepreneurship education and post-education entrepreneurial intentions was not significant. They also analyzed moderators, such as the attributes of entrepreneurship education, students' differences, and cultural values. Finally, the results have implications for entrepreneurship education scholars, program evaluators, and policymakers [3].

Besides their study, P. Piperopoulos, & D. Dimov in 2014 contextualized the relationship between student's self-efficacy beliefs and entrepreneurial intentions in the content and pedagogy of the entrepreneurship course. Using the logic of regulatory focus theory, the authors argued that the nature of the entrepreneurship course—whether theoretically or practically oriented—creates a distinct motivational frame for entrepreneurship in promotion or prevention terms.
When coupled with students' self-efficacy beliefs, this frame can strengthen or weaken their intentions for future entrepreneurial efforts. They test the hypothesis through a survey of 114 students enrolled in different entrepreneurship courses at a major British university. Their results showed that higher self-efficacy is associated with lower entrepreneurial intentions in the theoretically oriented courses and higher entrepreneurial intentions in the practically oriented courses [6].

Furthermore, Y. Zhang, G. Duysters, & M. Cloudt in 2014 by using Ajzen’s theory of planned behavior and Shapero’s entrepreneurial event model as well as entrepreneurial cognition theory, attempted to identify the relationship between entrepreneurship education, prior entrepreneurial exposure, perceived desirability and feasibility, and entrepreneurial intentions (EI) for university students. The data were collected from a survey of ten universities and received 494 effective responses. The authors used probit estimation to show that perceived desirability significantly impacts EI whereas there is no significant impact on perceived feasibility. There is a significant negative impact from exposure (which is surprising) and a significant positive impact on entrepreneurship education. Males and people from technological universities and/or backgrounds have higher EI than females and people from other universities and backgrounds. They also identified significant positive interactive effects by gender, university type, and study major on the relationship between entrepreneurship education and EI [5].

Presently, A. Fayolle, & B. Gailly (2015) analyzed the impact of entrepreneurship education on entrepreneurial attitudes and intention. The authors also tried to identify following questions, such as, Do entrepreneurship education programs (EEPs) really influence participants’ attitudes and intention toward entrepreneurship? How is this influence related to past experience and how does it persist? However, the researchers and entrepreneurship education stakeholders alike have been looking into this question for quite a while, with a view to validating the efficacy of such programs. The authors of this paper propose to operationalize the concept of entrepreneurial intention and its antecedents in an attempt to address those issues. In particular, they proposed an original research design where measure the initial state and persistence of the impact and not only short-term effects, deal with a compulsory program, allowing to avoid self-selection biases; and deal with a homogeneous “compact” program rather than programs combining multiple teaching components whose effects cannot be disentangled. Their main research results show that the positive effects of an EEP are all the more marked when previous entrepreneurial exposure has been weak or inconsistent. Conversely, for those students who had previously significantly been exposed to entrepreneurship, the results highlight significant counter effects of the EEP on those participants [4].

Finally, Man, T. W. Y., & Farquharson, M. (2015) explored psychological ownership during team-based projects as part of entrepreneurship education. They applied critical incident technique by using semi-structured interviews and was adopted on a sample of 20 participants involved in team-based entrepreneurship education activities. The authors identified that different forms of collective and individual levels, PO exists as an important element in the context of team-based entrepreneurship education activities. The authors also identified that the form of PO changes at junctures during different stages of team-based entrepreneurship education activity. Moreover, PO is heavily influenced by a range of individual and group-based factors, specifically the social interaction at the start of such projects and self-reflection towards the end [2].
VI. CONCLUSION

From the above empirical reviews, it has been identified that the entrepreneurship education works for developing new knowledge, establishing basic skills, generate motivation, and help for new innovation, which is important for the successful entrepreneurs’ development of an extremely unpromising and constrained environment. Moreover, Motivation and skills are the important drivers of the entrepreneurial behavior and the entrepreneur needs a certain skill to sustain. On the other hand, the impact of culture is a considerable matter for entrepreneurship development. Most importantly, the level of innovation was related to the educational level of the entrepreneur; moreover, the firm size and involvement were positively related to innovation. The entrepreneurs have introduced innovations in a range of products, services, production processes, work practices, and marketing which have brought benefits to their firm. Entrepreneurship and human resource management were shown to be the most significant drivers of innovation and customer value. Interaction of entrepreneurship and integrated market orientation, as well as human resource practices, has a significant impact on customer value and innovation respectively.

This study also identified that students in entrepreneurship and small business would have KAI scores higher than those of the general population and the control group. About eighty-seven percent students were started ventures, either independently or under the supports of the corporations. However, student’s business knowledge was insufficient and they were not enough prepared for taken the risk to realize their visions. On the other hand, social interactions played a significant role in students’ entrepreneurial leadership learning, students had the opportunity to learn from direct observation, and the students have been learning entrepreneurial leadership competencies through individual and collective reflection.

Most importantly, entrepreneurship development is a key tool for poverty reduction; stimulating employment, as well as fast-tracking realization of universal primary education and entrepreneurs, played a major role in poverty reduction in the Globe. Finally, this study has been stated that innovation, family background, government support program, entrepreneurship training & education, individual entrepreneurial characteristics, youth empowerment, a collaboration of government-university-industry are the key tool for entrepreneurship development which is stimulating employment are eventually alleviating poverty.

REFERENCES