

# Exploring the Potentials of Social Enterprises for Poverty Alleviation in Nigeria and Cameroon in the 21<sup>st</sup> Century

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## Abstract

The paper examines a perplexing contrast between Africa's immense wealth statistics and high poverty rate for majority of population. It notes that the persistence of poverty in Africa demonstrate that the traditional government and international organizations development's initiatives to alleviate poverty have failed and the consequence of this scenario on the economy of Africa , most especially in Nigeria and Cameroon is very grievous. The paper therefore recommends the exploration of the new emerging Social Entrepreneurship Organizations (SEOs) as an effective alternative and complementary measure to curb poverty in the region in the 21st Century.

**Keywords:** Public enterprise, Social enterprise, Poverty alleviation

## Introduction

Africa is the world's second largest and second most populous continent in the world after Asia. Geographically, it has a total surface area of 30.3 million km<sup>2</sup>, including several islands (World Bank, 2009). According to World Bank (2012), Africa has a population of 1 billion people in 2010 and an estimated population of 1.033 billion in 2013. According to the World Bank (2013), economic growth in Sub-Saharan Africa (SSA) remains strong with a GDP growth forecasted of 4.9% in 2013, 5.3% in 2014 and 5.5% in 2015 respectively. Almost a third of countries in the region are growing at 6% and more per annum.

Despite this impressive statistics, poverty remains unacceptably high and the pace of reduction seems to be slow. Though poverty is a worldwide phenomenon, it has been observed that Africa is one of the world's second poorest continents in the world after Asia in spite of her huge material and human resources. United Nation (2012) and World Bank (2013) reported that one out of every two Africans lives in extreme poverty and majority of the population live on 1.25 dollars a day or much less. That is why the situation in Africa is worrisome because there is a perplexing contrast between the continent's immense wealth statistics on rapid economic growth and minimal welfare improvements for much of the population.

Porlay (2008) believes that the issue of poverty and unemployment are simultaneously related. That is why urgent step is needful by the African government to alleviate this scenario since poverty and unemployment has concomitant spiral consequences on the economy. Already, the unemployed youths are being indicted in crimes, electoral violence, terrorist activities which now constitute insecurity to the existence of SSA countries already affected by repeated cycles of violence. Some of these countries include Somalia, Ethiopia , Sierra Leone, Sudan, Central African Republic, Niger, Liberia, Mali and Nigeria in recent time.

Despite government's initiated programs, targeted projects and substantial fund allocation to alleviate poverty in Nigeria and Cameroon over the years, poverty still persists. It's the failure of the traditional development initiatives of the government and international organizations to achieve their objectives in reducing poverty that prompt the new emerging social entrepreneurship organizations (SEOs) as an interventionist organization for alleviating poverty. Therefore the paper's aim or focus is on the need to explore the potentials of this emerging social enterprise to alleviate the persistently increasing poverty problems in Africa in the 21<sup>st</sup> century.

## The Concept of Poverty Alleviation and Social Enterprise

Ogwumike (1991) and World Bank (2001) defined poverty as a situation of low income or inadequate income to meet the basic needs of life. Thus poverty portrays a situation of one being in perpetual want of, absence of survival and or inadequacy of one possessing the basic and essential means of survival and or human subsistence .That is why Carto and Miller (2009) stressed that poverty is that point in life when an individual suffer great deprivation due to low purchasing power. Thus poverty alleviation refers to government targeted policies and programs aimed at increasing per capita income level of the poor population and making goods and services available and affordable for the poor population.

Traditional government and international organization's initiatives in terms of increasing per capita income, provision of basic needs, youth employment to alleviate poverty and maximize welfare seems not to improve standard of living of Nigerians and Cameroonians. According to Rooyen, Slewart and Wet ( 2012),these

initiatives instead of maximizing welfare rather increase poverty rate in the developing countries. Thus, coupled with the growing fiscal deficits, declining agricultural output, high inflation rate and mass unemployment, concern people in both the developing and developed countries began to rethink the alternative inward looking approach. It was this thinking that gave rise to the new emerging social enterprise as an alternative to public enterprise failure which became prominent since the 1980s. The Social Enterprise phenomenon, in various forms, seek to empower through education or enlightenment concurrent with mass mobilization, and hands on, soul and spirit on the go to realize fulfillment. SEO has in-built self motivation necessary to drive the economy and the social pace of advancement apart from fundamental transfers that are involved.

Bornstein and Davis (2010) see social enterprise as a process by which alternate individuals build or transform institutions to advance solutions to the unmet needs of the people where market and state-led democratic development strategies failed. Also Barney (2007), traditionally defines social enterprise as any business formulation with social objectives whose surpluses are reinvested either in the business or community geared towards improving the welfare of the society. Thus social entrepreneurship pursues sustainable solutions to neglected problems with positive externalities.

**According to Daria (2014)**, the primary objective of social enterprise is social goal or social benefit maximization of the people unlike the private or business enterprise that are profit oriented. Essentially, social entrepreneurs identify public social problems and apply market based strategies that could help a community solve or overcome social established obstacles like poverty and the related unemployment problems. By implication therefore, social enterprises are social mission driven organizations which apply market-based strategies to achieve social purpose.

The summary goal is that of maximum mass empowerment of the populace into efficient producers and consumers. Furthermore, the populace also need be empowered to put their demand across to the leadership. Even the **World Bank (1994)** stressed that the users of utility services in Nigeria are not well positioned to make their demand felt on the leadership. This indeed is a manifestation of the majority of the citizens' helplessness, which the SEOs is strongly poised to address. The inability of the masses to make their demand felt, accounts significantly for high rate of corruption with impunity. Who is strong enough to bear the cat?

The use of social enterprise became widely recognized since the 1980 in the developed countries and some parts of the developing countries as a potent microeconomic solution for maximizing welfare where market and state-led democratic development strategies failed. Kerlin (2006) observed generally that social enterprise has its features in today's voluntary organizations, Non-Governmental Organizations (NGOs) or Civil Society Organizations (CSOs), Human Rights (HR) etc. that take on problems that are ideally in the domain of government concern. So that instead of waiting for the government to solve social challenge, SEOs see them as opportunities to impact positive livelihood changes which is the focus of this paper.

### **Social Enterprise in the Global Economy**

In recent decades, awareness that economic growth alone cannot bring prosperity to all citizens of a country has been growing. The current economic crisis in many EU countries has further strengthened trends for consideration of alternative models of economic development. World Bank (1980) believes that social entrepreneurship has potential to maximize welfare of the deprived population. Alvarez and Barney (2007) noted that one of the key features of entrepreneurship lies in the discovery, definition and exploration of opportunities. Like business enterprise, social enterprise find gaps and create ventures to service the unreached markets. Thus the existence of numerous unmet social challenges in the developing and developed countries indicates an important opportunity space for social enterprises to operate.

According to Carlo, Giulia and Rocio (2008), studies conducted in Bangladesh, Central and Eastern Europe and Common Wealth of Independent States (CIS) revealed that SEOs possess the potentials to track the persistence poverty and unemployment challenges. According to Kerlin (2006) and Carto and miller (2009) social entrepreneurs who made extraordinary contributions in shaping the modern world in the 19<sup>th</sup> Century United States include Susan B. Anthony who led the fight for woman's suffrage and helped establish equal rights for them. Also, Italian physician Maria Montessori (1970 - 1952) determined deficiencies in the early educational system and developed a new approach that continues to be relevant across the world today. Before her, Florence Nightingale helped establish the first school for nurses and fought to improve hospital conditions. Equally, Margaret Sanger, encouraged family planning around the world with her planned parenthood federation of America.

Anantha (2013) observed collectively that social enterprise organization have improved the lives of millions of people in developing Asia by creating livelihood opportunities and expanding access to affordable services. Today, India, the Philippines and Singapore are among the Asian countries with a thriving social enterprise sector. For example, in India SELCO powered the poor and disadvantaged communities at the bottom of the socio-economic ladder in Malaysia to enjoy affordable solar energy and foster sustainable enterprise. Thus SEOs and civil society initiatives framework in Malaysia has an impressive track record of poverty reduction

from 50% of household in the 1980s to 5% in 2007.

### **Social Entrepreneurship Organizations and Poverty Alleviation in Nigeria and Cameroon**

Development of social entrepreneurship in Nigeria and Cameroon is very slow. Though government legislation does not recognize social entrepreneurship, legislation does not prohibit social enterprises management either. In the past ten years, there has been a gradual and steady growth of activities of social enterprise as an alternative for reducing poverty and the related unemployment in Nigeria and Cameroon respectively. Today, a lot of SEOs are fast emerging in Nigeria and Cameroon and now exist in various parts of Africa that have made positive change through innovative solutions.

One of the most active participants in the field of social entrepreneurship in Cameroon is the **Association Pour Le Soutien et al' Appui a la Femme Entrepreneur (ASAFE) founded in 1987** by a Cameroonian, Gisele Yitamben. ASAFE has since 1987 been promoting development of women entrepreneurship. This has made them to shift focus from poverty reduction to wealth creation in urban and rural Africa. ASAFE had made remarkable impact in Cameroon, Chad, Democratic Republic of Congo and Guinea. Beneficiaries of this initiative have stimulated national development and are no longer relying on their country's government and international aid for funding their small and local enterprise. They are now being self driven.

Similarly, **Oliva Mukam founded Harambe-Cameroon in 2007** assisted by an alliance of young Cameroonians in the Diaspora from UK, USA, France and Asia. *Harmbe-Cameroon* promotes entrepreneurship talents among the youth from the five regions in Cameroon to start up business in their communities. According to Oliva (2013), this initiative has not only reduced rural poverty but strengthen youth employment, democracy and economic development in Cameroon over the years.

In Nigeria notable SEO according to **Ridley (2011)** and **Deborah (2014)** include **Durojaye Mobile Toilet (DMT)** established in Lagos in 1999. DTM is a SEO that seek to transform the economic and environmental health of Nigerian. Nick named '*Mr Shit*', Durojaiye is transforming public hygiene in Africa in no small way. This social enterprise produces, hires out and maintains portable toilets, promoting sanitation and creating job opportunities for the unemployed youths. In 2010 and 2013, it became abundantly clear that shit business has become a big business in Nigeria and extending to other poor African countries ([www.smallstartr.com...](http://www.smallstartr.com...))

Besides, **Rural Africa Water Development Project (RAWDP)** is another social enterprise that provides and improves access to portable water infrastructure across the oil rich Niger Delta region in Nigeria and other remote Nigerian communities. The aim is to reduce poverty while empowering the citizenry for gainful employment.

**Ada Onyejike launched the Girl Child Art Foundation (GCAF)** in 2000 which promotes education and social change by empowering young women between the age group of 8-25 through performance Arts and creative writing. GCAF focus on issues like child marriage, trafficking and polygamy through art, music and dance in an effort to engineer poverty reduction.

**Paradigm Initiative Nigeria (PIN)** was launched in 2007 in Ajegunle , Lagos- Nigeria. In doing this, PIN connects Nigerian youth to learn how to use computer for economic empowerment. Since establishment it has provided ICT entrepreneurship training programs for the unemployed youths in Nigeria. PIN collaborates with the government, civil society organizations, private institutions and international organizations around the world for improving social conditions of the people as well as reducing graduate unemployment and poverty level in rural communities in Nigeria.

**Gbenga Uriel Ogunjimi in 2007 established and runs Landmark Inter ship International (LII)** to promote employment opportunities for Nigerian youths. LII uses the internet to connect with other social enterprises around the world in need of talents, as a means to curb the persistence poverty and unemployment challenges in Nigeria.

However, Deborah (2014) stressed that even though much is yet to be done; however, after six decades of failed development initiatives in Africa, SEO is fast filling the gaps left by the African governments in terms of civil societies and Non-Governmental Organization (NGO)-led development strategies.

### **Conclusion**

Africa is a rich continent with impressive growth statistics. However, it has worrisome high poverty and related unemployment levels. Despite government and Non-governmental development strategies to curb these challenges, they still persist. Recently, it has been recognized that government can track these social challenges by giving the new emerging SEOs effective and functional support. These will no doubt enable them succeed where government had failed in the 21<sup>st</sup> century.

### **Recommendations**

As a way forward, the following recommendations are proffered to strengthen the new emerging social

entrepreneurship organizations in Africa, more importantly Nigeria and Cameroon.

1. Government and Non-Governmental organizations (NGOS) should design technical and material supportive programs to make social innovations of SEOs for the community effective and functional.
2. Government should devote a certain percentage of annual budgetary allocation for the SEOs operating in Nigeria and Cameroon. This is indeed a desired critical social investment if not politically abused.
3. Private entrepreneurs and firms operating in Africa should be encouraged to participate and/or reinvest at least 10% of their profit into social innovation in their country of domain. This will no doubt reduce poverty and improve the living standard of the people. In order to eliminate any iota of doubt, such organizations should be free to choose any legitimate area of social investment. Nevertheless, the organizations need periodic audit by relevant Agency to verify claims.
4. Government and Non-Government Organizations should make effort to sponsor foreign trips for social entrepreneurs to interact with similar missions in other parts of the world to cross examine ideas. This is healthy for the economy as there is a future pay-back implication.
5. Similarly, higher educational institution should design courses on corporate social responsibility as done in Europe for their students. This could form a foundation to adjust model in use in the domestic economy where necessary.
6. The existing SEOs should embark on social mobilization strategies to market their vision or product. In this respect, private and electronic media should be employed as effective means for raising awareness that could change people's behaviors towards the services they offer.

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