



DIVERSIFICATION IN A DEPRESSED ECONOMY: ENTREPRENEURIAL ALTERNATIVE RE-EXAMINED

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ABSTRACT

Entrepreneurship education is very imperative in Nigeria especially now that unemployment rate has reached an alarming proportion. Entrepreneurship education is not a straight-jacketed process in any nation. It is a function of many factors which include good leadership, creation of business-friendly environment, drawing academic curriculum that will inculcate skill acquisition. This study, against this backdrop, focuses on the entrepreneurship education alongside trade subjects. Also, the place of entrepreneurship training, government/institutional support, societal value re-orientation, entrepreneurial career selection was interrogated. The study relied heavily on content analysis technique. The position of the paper is inter alia: provision of financial assistance for self-employment through a properly articulated micro credit scheme that would enable enterprising youths obtain soft loans for the establishment of micro businesses. Beefing up electricity generation. Currently 3,231 MHW generated as against 50,000 MHW calls for serious rethinking by the Federal Government of Nigeria.

KEYWORDS: Entrepreneurship, Training, Government, Enabling environment

INTRODUCTION

Unemployment in Nigeria has reached an alarming proportion. The choice before us today is to think enterprise. Therefore, it becomes imperative to inculcate entrepreneurship education into the school curricula going by the current unemployment imbroglio. Onwe, Dim and Ukeje (2011) contend that entrepreneurship education is the inculcation of skills to recognize, explore and exploit investment opportunities in order to establish and manage a business enterprise successfully. For a successful entrepreneurship education, a conceptual model is developed by experts in the field and strategies for successful entrepreneurship is employed amidst challenges to be overcome by the young entrepreneur. To actualize entrepreneurship education, the following should be put in place:

- (a) Entrepreneurship training
- (b) Government/Institutional support
- (c) Societal value reorientation (change mindset of youths who itch to embark on desperate journeys to Europe and Asia)
- (d) Entrepreneurial skill development
- (e) Entrepreneurial career/selection
- (f) Opportunity recognition and identification

- (g) Business start – up or venture creations
- (h) Entrepreneurship development

Entrepreneurship studies involve giving entrepreneurial education alongside a trade subject. According to the curriculum, there are about thirty -five trade subjects, from which students are to choose one. The trade subjects are as listed below and much more can be added to the list. They are:

- Auto mechanic work
- Auto body repair and spray painting
- Auto electrical work
- Auto part merchandising
- Air conditioner/Refrigerator repair
- Mining
- Welding fabrication engineering craft practice
- Catering and craft practice
- Garment making
- Textile trade
- Leather good manufacturing and repair
- Animal husbandry
- Fisheries
- Plumbing and pipe fitting
- Block laying, brick laying and concrete work
- Tile laying
- Machine woodworking
- Carpentry and joinery
- Furniture making
- Upholstery
- Photography
- Marketing
- Electrical installation and maintenance work
- Radio, TV and electrical work
- GSM hardware and software maintenance
- Computer hardware and software maintenance
- Data Processing
- Store Keeping
- Book Keeping
- Salesmanship
- Printing craft practice
- Painting and decorating
- Horticulture
- Dyeing and bleaching
- Cosmetology
- Keyboarding/music
- Barbing
- Hair plaiting/dressing.

How the European and other civilized industrialized nations created unemployment in Nigeria

Colonization of Nigeria by British oppressors came with myriad of consequences, with the attendant “unequal exchange”. Even though they granted us political independence, it is more theoretical than practice. Hitherto, we are still under the tutelage of the European super powers. To say that Nigeria is neo-colonial nation implies that she has no economic, technological and cultural independence. The worst is that the European nations and other civilized western industrialized nations have used the instrument of the multi-national companies (MNCs) to milk our economy thereby worsening our underdevelopment condition. One of the resultant outcomes of this hegemonistic chauvinistic colonialism has given rise to

unemployment imbroglio in Nigeria. During the past three or four decades, one of the major arguments in the literature on International Political Economy has centered on the role of the multi-national companies in Nigeria and other third world countries. While critics of MNCs see them as the agents of the international economy, their advocates tend to see these corporations as modern St. Georges fighting the dragon of underdevelopment (Chukwuemeka, 2002). Those who view MNCs as engines of development maintain that:

- (a) That MNCs contribute resources that are generally not available or insufficiently available, namely: capital, technology, managerial and marketing skills and
- (b) That MNCs create jobs and alleviate balance of payment deficits of their host-states through import substitution industrialization (Asogwa 1999).

Critics of MNCs operation in Nigeria have three general complaints. First, they claim that MNC operation generally, have had an adverse impact on the economies of their host states. While not denying the claim that MNCs transfer capital resources from a capital rich country of the North to a capital poor country of the South through such devices as transfer pricing, over-invoicing of imports, under-invoicing of exports and over-pricing of technology. Although critics admit that MNCs may well have created jobs, they contend that multi-nationals, on the balance and when compared with domestic firms, do in fact destroy jobs because they employ capital-intensive technologies. The so-called technology the MNCs transfer to host third world countries is obsolete, over-priced, inappropriate and inconsistent with the factor endowment of host states. In the actual sense technology is not transferred but can only be stolen. More fundamental, MNCs create enclave economies, namely they have few backward and forward linkages with the host economies. MNCs operating in Nigeria offer bribes and make improper payments in order to circumvent local regulations, they also engage in illegal political activity (Chukwuemeka and Obingene, 2002).

Nigeria foreign policy encouraged alien investment. Alien investors were offered various incentives which include a ten-year tax holidays for pioneer industries, generous depreciation allowances, income tax-relief, some market protection, exemption from import duties and the creation of a more competitive business environment. The Nigerian constitution also guaranteed alien investors the payment of adequate compensation in the event of compulsory acquisition or arbitration in cases of disputes over the quantum of compensation. In order to guarantee the safety of direct foreign investments, the Nigerian Government concluded bilateral and multi-lateral agreements on the protection of capital investments.

- (a) Investment guarantee agreement with the United States
- (b) World Bank convention on the settlement of investment

Consequences of the operation of MNCs

- (a) The interest of these companies is not tied with the nation they are operating. They are therefore not in a position to assist Nigeria in solving her economic problems.
- (b) They encourage more of commercial activities than productive activities. Therefore, Nigeria is turned into trading output.
- (c) They discourage local production activities
- (d) They blackmail government into giving them concession enabling them to repatriate huge sums of profits.
- (e) They shift and take control of the more profitable sector of the economy (e.g. communications – MTN, GLO, Airtel, 9-mobile etc)
- (f) They compound the development problems of Nigeria by sending us over-priced obsolete equipment in the name of “Belgium/tokumbo” materials.
- (g) They retard the progressive government of Nigeria through blackmail and sabotage

Concept of Development and Underdevelopment

Development refers to man’s progressive qualitative and continued improvement of human labor. It is first and foremost a phenomenon associated with changes in man’s creative energies. Development does not lie on products of the efforts of people to apply their creative energy to the transformation of local physical, biological and social cultural developments. The issue of development or underdevelopment has been explained by three basic schools of thought: - the modernization theory, dependency and Marxian models.

Modernization theory

This theory is championed by liberal scholars. They argue that underdevelopment is a natural stage. They attribute underdevelopment, especially in third world countries to lack of skilled manpower, high incidence of corruption, politicization of ethnicity, absence of adequate institutional structures, non-availability of modern technology, inability of Nigeria to explore its natural resources, absence of effective leadership. In the opinion of the school, the only way to overcome this, will be for Nigeria to adopt open door policy, which will enable Western technology and values to be transferred. In the final analysis, development will come through diffusion of capitalism and value. This mode of thinking has influenced Nigeria's development strategies since independence. This theory has been widely criticized by many. The argument is, after several years of pursuing an open-door policy, the Nigeria society for instance seems to be degenerating continuously to the state of nature where life becomes brutish and short. Therefore, the school has failed to provide answer to Nigeria's economic predicament and that of other third world nations.

Dependency school

This school is led by dependency scholars, which is a critic of liberal theory. The theory argues that Nigeria underdevelopment can only be attributed to her continuous interaction with international capitalism. The interaction, which is, based on unequal relationship has distorted Nigerian development and at the same time stagnated the development of its productive force. This relationship only helps the center to develop and the periphery to under develop. It is the view of this school that even after independence, this relationship has continued to exist in form of neo-colonialism. This is exploitative because the periphery constitutes into the production of raw materials and consumes manufactured products. This type of relationship has been maintained and encouraged by the ruling class who are the agents of international capital. The school therefore recommends that for Nigeria and other third world nations of Africa to develop, it should delink from the world capitalist system, since her interaction with international capitalism is causing her underdevelopment.

- 1) This theory has been criticized because it lays much emphasis on external forces and ignores internal problems.
- 2) It also ignores class formation and class struggle which is very vital in understanding underdevelopment.
- 3) It ignores relations of production (who owns the means of production).
- 4) The policy recommendation is vague – after delink, what next?

However, despite the above defense, the theory helps us to identify the particular pattern of development experienced by Nigeria, which has continued to reproduce underdevelopment today.

Marxian theory

This school agrees specifically with dependency school by saying that Nigeria's underdevelopment is as a result of her incorporation into the world capitalist system. It argues that although external factors are important, other factors such as relations of production and class formation help in understanding Nigeria's underdevelopment. It recommends that for Nigeria to develop, there must be a fundamental structural transformation of the society. Nigeria should not delink, but transform that relation of production. Therefore, Nigeria can only develop by adopting socialist Party as a mode of production.

Features of development

- 1) Self – reliance i.e. self – generating growth a linkage between agriculture and industry must exist.
- 2) Independent control of the economy to include nationalization of finance houses and monitoring the movement of money.
- 3) Equalization of economic opportunities i.e. the re-organization of production relation in agriculture and industries and socialization of the means of production, which runs counter to privatization.
- 4) A developed country must have ability to solve internal problems
- 5) A developed country must be able to supply the basic necessities of life to its citizens i.e. food, clothes, employment and shelter. So, in discussing development, we don't use the indices of Gross National Production (GNP), per capita income because this explains only the growth rate.

The Concept of Underdevelopment

By underdevelopment we mean a situation in which the institution of a country in the periphery of international capital maintains a dependent relationship with one or several countries at the center of international economy. Underdevelopment does not mean absence of growth, but it is characterized by unequal distribution, slow growth and the sub-ordination of internal economics and political institutions to the influence from the center. It therefore means the loss of real autonomy. It is characterized by a high incidence of poverty and a distorted economy.

Features of Underdevelopment

- 1) Dependence – an Underdeveloped country is dependent in terms of its economy, technology, and cultural domination, i.e. all-round dependent relationship.
- 2) Lots of Import substitutions industries e.g. assembly plants (Peugeot, breweries, automobile generally (ANAMCO, INNOSON Motors etc., i.e. an extension of parent company which depends on external resources.
- 3) Marginalization of the peasantry
- 4) Pre-dominance of a comprador bourgeoisie over the national bourgeoisies' capital and collaborate with the international capital in the exploitation of third world social formations (totality of third world society). The compradors don't have a national interest but international interest while the national bourgeoisie have their interest in the national economy.
- 5) Monopoly capitalism i.e. absence of competition because the industries are dominated by the MNCs leaving no room for new industries to spring. Though this obtains in development, but are more in underdevelopment. Coke does not want Pepsi to exist and vice versa, MTN does not want GLO, Airtel and others to exist and vice versa etc.
- 6) Mono-cultural economy – i.e. dependent on mineral or one item for economic survival therefore making it susceptible to uncertainties in international economy. Any change seriously affects them.
- 7) Enclave Economy: Suppliers of raw materials. The materials are unrefined and most of its labor forces are engaged here.
- 8) There is a divorce between resource and need i.e. most underdeveloped third world countries are very wealthy in terms of natural resources endowment but poorest in the type of good and services provided for their citizens.
- 9) Poverty of ideology: - unidentified ideological interest. Underdeveloped country wallow in ideological confusion in the pursuit of development strategies. From Parliamentary system to presidential system, benevolent capitalism to absolute capitalism etc.
- 10) Unemployment
- 11) Inability to diversify the economy

What is capacity building?

Capacity building often refers to assistance that is provided to entities, usually societies in developing countries, which have a need to develop a certain skill or competence, or for general upgrading of performance ability. Most capacity is built by societies themselves, sometimes in the public, sometimes in the non-governmental and sometimes in the private sector. Many international organizations, often of the UN family, have provided capacity building as a part of their programs of technical cooperation with their member countries. Bilaterally funded entities and private sector consulting firms or non-governmental organizations, called NGOs, Professional bodies, have also offered capacity building services. Sometimes NGOs in developing countries are themselves recipients of capacity building. Capacity building is, however, not limited to international aid work. More recently, capacity building is being used by government to transform community and industry approaches to social and environmental problems.'

Capacity building is much more than training and includes the following

- (a) Human resource development, the process of equipping individuals with the understanding, skills and access to information, knowledge and training that enables them to perform effectively.,
- (b) Organization development, the elaboration of management structures, processes and procedures, not only within organizations but also the management of relationships between the different organizations and sectors (public, private and community).
- (c) Institutional and legal framework development, making legal and regulatory changes to enable organizations, institutions and agencies at all levels and in all sectors to enhance their capacities (Wiki, 2012)
- (d) Capacity building is the elements that give fluidity, flexibility and function ability of a program /organization to adapt to changing needs of the population that is served.
- (e) It increases the capacity of any developed or developing society to improve trade, employment, economic development and quality of life. It is also true that where institutional capacity is limited, infrastructure development is probably constrained.

The Enabling Environment

The Government has a great role to play in creating enabling environment for survival of the unemployed youths. The Government should among other things give at least 5 years tax holiday for young entrepreneurs, ensure that the young entrepreneurs are exempted from Local government, state business premises and Sanitation Agency and Board of Internal Revenue collections. Steady power supply has to be ensured to reduce the use of “I pass my neighbor” generating sets. For the youth to develop a responsible citizen, patriotic and forward looking, certain conditions or requirements must be in place. Good education is the sum total of such requirements, good or sound education is the development of the whole man or woman, body, psyche, mind and spirit. Any educational policy that neglects any one of these constituents of the human personality is doomed to failure. The policy should be tailored towards producing human beings who would be anything but what man was meant to be:

- (a) The body is developed through physical education, health-care, good food and water, cleanliness, good housing and ventilation etc.
- (b) The psychic life is developed through good social interaction in the family, in the school or age-grade, in the religious gathering, in the wider society. The emotions are controlled and channeled along the avenues approved by culture and custom.
- (c) The mind is trained through formal and informal education. The arts and science disputation and argumentation, more elaborate training in scientific and other research programs – all these help the mind grow and expand.
- (d) Spiritual Training is more complex and very often neglected. That man is a spiritual being is evident in his ability to conceive of and possess abstract ideas or concepts like beauty, infinity, patriotism, originality etc. Such ideas are in-tangible, non-material, abstract. They are as such spiritual. They exist beyond the ability of sense perception. That faculty or power in us, which produces and harbours or keeps such abstract concepts or ideas, must have the part of that which is perceived and harbored. An Igbo adage has it that ‘*agwo adi amu ife di nkeke*’ (the snake’s offspring cannot be short). A spiritual or abstract concept in man’s mind is proof that man is spiritual at the core of his being. This aspect of man’s nature is very often neglected in educational policies and the so-called educated man ends up parading himself as a glorified animal. He or she does not aspire for happiness above what the senses can enjoy. Outside eating, drinking, sleeping and mating, like any other beast or bird, there is nothing higher to aim at.

Youth Unemployment in Nigeria

The Nigerian society is facing all forms of social disorder as a result of many atrocities like youth unemployment. Every day, there are reports of robbery burglary, car snatching, forgery, impersonation, rape, kidnapping, boko haram activities and other vices. There is a general belief that most of the acts are carried out by unemployed youths and youths that are not stable in their employment. In most of our streets and public places, the unemployed youths wonder about. This is mostly because they find themselves without any means of livelihood. In the circumstances, the alternative is to devise some means to survive. The problem of youth unemployment in Nigeria has become a herculean task. According to Ude (2010) the quest for white collar jobs has also led to unemployment. Owing to societal expectations, many jobs are looked down upon.

Imagine a situation where undergraduates in the various facets of education would vow never to hold a piece of chalk, Kingsley (2004), Chukwuemeka, (2010) are of the view that unemployed graduates sometimes indulge in drug abuse because they want to be far removed from society. They want to visit fantasy land where there is no gnashing of teeth. It could still force a graduate to contemplate suicide and actually go ahead to commit it. The basic problem is how to create or provide adequate employment opportunities that will create employment for the millions of unemployed youths, so as to fend for themselves, and ensure that the youths accept to adjust with the available employment opportunities instead of pressing on or desiring a particular type of employment.

Youth Empowerment

According to Eze (2010), youth development is the process of continuous improvement of the youth development, structures, institutions and programs in order to create a social condition, the rights of the youth are advanced and protected, their welfare enhanced, and their effective functioning and self-actualization ensured. Youth development is a sine-quo-non to youth empowerment. car snatching, forgery, impersonation, rape, murder, kidnapping other vices, there is a general belief that most of the acts are carried out by unemployed youths and youths that are not stable in their employment. In most of our streets and public places, the unemployed youths wonder about. This is because they are idle.

Components of Youth Development and Empowerment

- (1) Youth employment –employment opportunities should be provided by the ruling elites to gainfully employ and empower the youths who incidentally are the future leaders. Where there is insufficient paid employment, the ruling petit-bourgeoisies should create enabling environment to sustain entrepreneurship and operation of small- scale ventures.
- (2) Youth education and training – education is power, it is one of the major indicators of development. Therefore, youth training programs including vocational training through talent/skill assessment inventory.
- (3) Entrepreneurship skill acquisition should be inculcated in the educational curriculum to cut across all specter of educational system in order to position the youths in act of management, analysis and effective operation of business.
- (4) Research, evaluation and publication of such researches, especially those that relate to skill acquisition would foster youth development.
- (5) Liaising with state youth departments and international organizations
- (6) national Youth Award scheme
- (7) International youth exchange program
- (8) Youth holiday program
- (9) National youth camps and
- (10) Coordinating activities of national voluntary youth organizations.
- (11) Youth mobilization – Political and social mobilization agencies should be set up and their services should be complemented by non-governmental organizations. They will handle youth mobilization , business and political education. Funds should be made available for effective running of such outfits.
- (12) Establishment of coordinating bodies to monitor and evaluate government programs and policies as they relate to the youth.

What do we do when there is no paid employment?

First and foremost, we should think enterprise. Entrepreneurship is a career and not an event, like any other career, it has a process (Okezie, 2007).

Entrepreneurial process

- Develop an enterprise mindset - survey the business environment
- Generate business ideas
- Identify the idea that gives you a business opportunity
- Create a vision of the business you plan to start
- Ask for business development and support services help
- Prepare your business plan
- Handle legal/regulatory issues
- Source fund and assemble other resources
- Start up

Business Idea Generation

Many people march past business opportunities daily and ignore them, Reasons being that they lack the knowledge and enterprise mindset. You can generate wonderful business ideas in the following ways:

- Innovation
- Keying into the fast growing industry
- Identifying service gaps
- Taking advantage of government policies
- Identifying possible needs of a business cluster
- Playing with possibilities
- Creative thinking – thinking out of the box
- Identifying product/service needs of women
- Identifying product/service needs of youths
- Identifying product/service needs of children
- Acquired skills
- Studying the problems of the economy to find marketable solution.

Typical examples of some business ideas that were formulated and executed by some people and they are living big today are:

- (1) Computer ‘maka ndi afia’
- (2) The Ore Express toilet facilities
- (3) The palm kernel oil extraction cluster equipment fabricator
- (4) The Aba Garment Makers cluster accessories suppliers
- (5) The Abakaliki Rice millers de-stoning machine service provider
- (6) Book keeping services for micro, small and medium scale enterprises

Environmental Scanning

- Business operating environment is risky, harsh and unpredictable; you need therefore to scan the environment before packaging your business plan.
- - Critical questions you need to address are:
 - (a) How promising is the industry I am going into?
 - (b) What is the level of competition there?
 - (c) Who are my competitors?
 - (d) What opportunities do I have in the market place?
 - (e) Are there possible threats to the planed business?
 - (f) What are the key success factors in this type of business?
 - (g) What is the state of infrastructure in your planned location?

Other self-motivated alternatives

- a. Youths should embark on bank savings no matter how little.
- b. Youths should form “isusu” group contribution which could be done on monthly basis. 10,15 , 30, 35 or more people can come together and form one. Funds generated from such contribution should be lodged in the bank en-bloc or put into productive investment or loaned out on interest basis.
- c. Engage in trades, steady farm, poultry or other micro businesses as identified above to enable them generate capital for large scale business.
- d. Should also form cooperative combines. It could be agricultural, production or trade based.
- e. Youths should also avail themselves of agricultural loans. Such loans should be judiciously utilized for fruitful ventures towards capital mobilization.
- f. Spare time should be used to learn soap and detergent making, meat pie making etc.
- g. Establishment of home steady fish production
- h. Establishment of low acreage vegetable production farm for easy management.
- i. Plantain chips, pea nut, cashew nut processing etc

CONCLUSION AND RECOMMENDATIONS

Curbing youth unemployment requires a multi-dimensional approach, where the Government and the people have to partner. Therefore, a number of strategies should be put in place:

- (a) Ability of the Government to implement effective monetary and fiscal policies and at the same time formulate and execute a policy of self-employment by creating entrepreneurial-friendly environment.
- (b) Creating a stable political and economic system that could attract investment both domestic and foreign.
- (c) The Government should provide financial assistance for self-employment through a properly articulated micro-credit scheme that would enable enterprising youths obtain soft loans for establishment of micro businesses.
- (d) Electricity generation should be stabilized. Thus, when formulating power/energy policies, all the stakeholders ought to come together to ensure that areas of problems are addressed and those involved in the implementation need to have the technical know-how required. The Obasanjo’s led administration sunk whooping sums of money into the energy sector, and yet no improvement is recorded in the sector till date. About 3,231 MHW currently generated as against 50,000MHW recommended minimum MHW calls for serious rethinking by the Federal Government of Nigeria.
- (e) Youths should pursue employment where they have the flair, skill or calling
- (f) A change and a critical evaluation of our educational system are indeed needed.
Education that will make its graduates not to rely on white collar jobs or on only work provided by Government of the day. Education that will be able to inculcate in its graduates the skills needed to be self-reliant, Education that will instill into the minds of its graduates the ability to forecast the business world and be able to discern what the need of the society would be and work towards it. Education that offers its owners self-confidence, self-ego and other qualities.

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