ENTREPRENEURSHIP: A SINE QUA NON TO THE CURRENT ECONOMIC MELTDOWN IN NIGERIA

Akpan, Nsini Asuquo, Ph.D
Department of Vocational Education
University of Uyo, Uyo

Abstract
The biting effect of the global economic meltdown on the Nigerian economy and its implications on employment has been very devastating. From the banking sector to the manufacturing, oil and gas, and the informal sectors, none is insulated from the problem. Most companies trying to find a way out, or around the logjam, have tried outright retrenchment, downsizing, rightsizing, outsourcing etc. New statements and jargons have set in due to the state of poverty and helplessness. The jargons such as recession, depression and now “meltdown” have been deployed to fully describe the extent and the nature of existing state of poverty. This paper therefore looked into how the present problem of economic meltdown in Nigeria can be overcome with the help of entrepreneurship education seeing that entrepreneurship has been labeled an engine for economic growth.

Keyword: Entrepreneurship, Economic Meltdown

Introduction
The current economic meltdown is not the making of the underdeveloped countries to which Nigeria belongs. The meltdown started as a US-mortgaged backed security crisis which degenerated into a full blown financial challenge. This resulted into a credit crisis with the refusal of banks to lend to generate production. Economic activities declined and unemployment grew. This local crisis adversely impacted on the global economy which triggered off a spiraling recession. Nigeria was affected just like other developing countries. The most interesting thing about this economic meltdown is that, the United State of America (USA) that serves as origin of the global economic meltdown with other developed countries had immediately pulled their strength together to overcome the situation, and they have succeeded while the developing countries are still wallowing in the mud of the economic meltdown.

When the economic meltdown started, former governor of the Central Bank of Nigeria (CBN), Prof. Chukwuma Soludo, assured Nigerians that our economy and that of the banking or financial sectors were immune to the crisis. The story has now changed and the truth is out of the bag. Now that the country is in the mud of economic meltdown and sinking deeper every day, what Nigerians are now asking for is good and strategic actions from the government to tackle this challenge of economic crisis which it may be overcome through entrepreneurship. The role of entrepreneurship cannot be overemphasized given its relevance in resource mobilization, utilization and overall
contribution to gross domestic product (GDP) of a nation. It serves as the engine of rapid economic growth and development as it responds to the macro economic problems militating against developing nations like Nigeria.

Akpan (2015), pointed out that even in the face of reduced revenue from oil, the nation can be strengthened with incursions into the numerous resources lying untapped in Nigeria-tapping the abundant human resources for export, encouraging entrepreneurship, installation of a convenient tax regime and making capital available to the generality of Nigerians, especially in the informal sector. Hence, the impact and potential contribution of entrepreneurs’ businesses on a broad and diverse base as well as their accelerated effect in achieving macroeconomic objectives pertaining to full employment, income distribution and the development of local technology, makes the existence most inevitable. Therefore, the importance of entrepreneurship in relation to cushioning the effect of the general economic meltdown of any nation especially developing ones like Nigeria cannot be overemphasized.

**Concept of Entrepreneurship**

Owoicho (2012) viewed entrepreneurship as the ability to identify opportunities or ideas and mobilize the needed resources to turn such opportunities into viable ventures that satisfy people’s needs and wants. Entrepreneurship is all about identification of business opportunities, conversion of such opportunities into business ideas and the transformation of business ideas into viable ventures. Entrepreneurship is the willingness and ability of an individual to seek for investment opportunities, to establish and to run an enterprise successfully (Suleiman, 2006). The entrepreneurship spirit is a pre-requisite to an entrepreneurship society and culture. This spirit is required for the overall economic growth of any nation especially developing ones like Nigeria. This is in line with the view of Akpan (2007) that entrepreneurship is the willingness and the ability of an individual or firm or an organization to identify an environmental change and exploit such an opportunity to produce goods and services for public consumption. In the words of Dangote in Kayode (2001) entrepreneurship is built on vision, focus and determination.

The concept of entrepreneurship is associated with a number of activities including the following: (a) the ability to create and build something from nothing; (b) the ability of having a vision matched with focus and determination of building an enterprise; (c) the skill for seeing an opportunity where others fail to do so; (d) the ability to build a working team to complement one’s own talents and efforts; (e) the ability to aggregate, marshal and control resources judiciously; (f) the willingness and ability of innovativeness and creativity; (g) the willingness to undertake personal and financial
risks; (h) the ability to engage in activities despite all odds and in fact surmounting these odds and possibly turning them into one’s own favours.

Entrepreneurship is however associated with a number of activities as it does not occur in a vacuum. For it to occur, it demands the presence of an entrepreneur and an enabling environment. According to Akpan, (2015) an entrepreneur is a person who possesses the ability to recognize and evaluate business opportunities, assemble the necessary resources to take advantage of them and take appropriate action to succeed. According to Unachukwu, (1992), an entrepreneur is a person (or group of persons) who initiates a business, organizes, controls, and combines other factors of production, directs the processes of production and bears all the attendant risks.

**Importance of Entrepreneurship**

In developing countries like Nigeria, the importance of entrepreneurship in the process of socio economic development cannot be overlooked. Nwoye (2001) enumerated the importance of entrepreneurship to include:

- a. Entrepreneurship enhances the tapping of Nigeria’s full potentials and creativity; it constitutes the very basis of the national economy.
- b. Entrepreneurship fosters the development of local technology
- c. Provide an effective means of stimulating indigenous entrepreneurship
- d. It helps in mobilization and utilization of domestic savings
- e. Greater employment creation per unit of capital employment
- f. Ensures the structural balance in terms of large and small industry sectors as well as rural urban areas.
- g. Ensures the supply of high quality parts and components and intermediate products thereby strengthening the international competitiveness of manufacturer’s goods.
- h. Stimulates technological development and innovations, produce specialized item in small quality to meet current and diverse demands
- i. Effective in subcontracting with large enterprises
- j. Increases efficiency by reducing cost and improving flexibility.

However, the importance of entrepreneurship in the development of the country has been summarized in Nigeria Third National Development Plan 1975 – 1980 as the generation of employment opportunities, stimulation of indigenous entrepreneurship, facilitation of effective mobilization of local resources including capital and skill as well as reduction in regional disparities (Izedomi, 2006).
How Entrepreneurship can Proffer Solutions to the Economic Meltdown in Nigeria

Entrepreneurship therefore seeks to prepare people especially youths to be responsible and enterprising individuals; to develop deep thoughts on entrepreneurship and consequently contribute to economic and sustainable development of their communities. It encourages creative thinking and promotes a strong sense of self worth and accountability. Through entrepreneurial education graduates especially those of tertiary education are equipped to find new methods of doing things and become their own bosses and job “creators” rather than job “seekers”.

Following the adoption of Economic Reform Programme in Nigeria in 1981, there have been several decisions to switch from capital intensive and large scale industrial projects based on the philosophy of import development to creative enterprises which have better prospects for developing domestic economy, thereby generating the required goods and services that will propel the economy of Nigeria towards development. It is based on this premise that Ojo (2009), argued that one of the responses to the challenges of development in developing countries particularly, in Nigeria, is the encouragement of entrepreneurial development scheme.

Entrepreneurship is very important to reviving the economy in that it enables large percentage of the production inputs of these creative enterprises to be sourced locally thus, reducing the pressure on the limited foreign exchange earnings, and helping to eliminate some of the deficits in the balance of payment. This will help the country to make judicious use of its available resources, and enjoy the benefits of diversified economy which most countries of the developed world enjoy. Entrepreneurship also has the capacity to expand export possibility and substitute imports effectively. This will greatly help in boosting the GDP (Gross domestic product) of the nation.

Entrepreneurship is the only factor that has helped in the annexation of resources and overall contribution to the economic well being of developing nations across the globe. Despite the abundant natural resources, Nigeria still finds it very difficult to discover her developmental bearing since independence. In view of the everyday increase of unemployment rate in Nigeria, most of the poor and unemployed Nigerians in order to better their lots should resort to the establishment of their own businesses, putting their creativity and innovations to play. Consequently, entrepreneurship should be made a household name in Nigeria.

This is as a result of the fact that the so called white collar jobs that people clamour for are no longer there. Even, the touted sectors (Banks and manufacturing companies) known to be the largest employers of labour are on the down-turn following the consolidation crisis and fraudulent practices of the high and mighty in the banking sector. The companies of course are folding up as a result of erratic power supply,
insecurity and persistent increase in interest rate which has lead to high cost of production and undermines profit making potentials of companies operating in Nigeria. As a result of the banking sector practices and continuous folding up of companies, a lot of Nigerians are thrown into unemployment which inevitably detriment the economic situation of the country.

Entrepreneurship, often driven by individual creativity and innovation has been considered as the engine of economic growth and for promoting equitable development. The development of many countries is often measured by such indices as the level of industrialization, modernization, urbanization, gainful and meaningful employment for all those who are able and willing to work, income per capital, equitable distribution of income, and the welfare and quality of life employed by the citizenry. Therefore, if entrepreneurship is given a greater relevance and necessary commitment, then Nigeria will high above the storm of economy melt down she is currently experiencing.

Hints Relevant to Entrepreneurs

For entrepreneurs whose creativity and innovation would always give sleepless nights in Nigeria, Birley (1996) in Izedomi (2006) outlined tips which are relevant for a business start up. The first thing to consider in being an entrepreneur is to have a desire to fill a vacuum. This is a commitment that is only gingered through creativity. Once this decision is made, the next steps are to: know oneself; look for opportunities; consider available resource; plan to use these resource to take on the opportunities; look for a pool of potential entrepreneurs who are well skilled and equipped technically to boost the enterprise.

Conclusion

From the aforesaid, one can conclude that entrepreneurship is the central pillar to economic growth and development, as well as employment generation and poverty alleviation. It is therefore necessary that aggressive efforts should be made to see to its full development. The task of achieving economic recovery and sustainable growth is rather daunting as Nigeria appears to be sucked into the vertex of interlocking vicious circles, which have interacted to keep it in a low growth equilibrium trap and make its economy to be in shamble. The progress of Nigeria’s economic direction may be made in the content of the prevailing situation including the global economic environment, as well as the current policy thrust of the government intended to address the various sectors and products of the economy, especially in the area of entrepreneurship and identification of opportunities in various sectors of the economy.

If developed nations could recover fast from economic recession due to their industrialized economy and diversified nature of economy, then, the giant of Africa has all it takes to recover from the present mess of economic meltdown if she could stand up
to give the necessary support needed by the various innovative entrepreneurs and also help her youths to understand that the secret of entrepreneurship is taking advantage of any ugly economic situation and turning it into a golden opportunity of creating something new and unique. When this is done, it could be guaranteed that Nigeria’s economy will soon be exempted from the jargon termed “meltdown”.

**Recommendations**

As a way forward towards realizing a full blown entrepreneurship in Nigeria that will facilitate a great economic growth, the following recommendations are made:

1. There is need to provide opportunities for youths to raise funds to enable them start up and expand their business enterprises in a manner that will be significant to them. This may be achieved through bursary awards and other such in-school assistance to enable youths acquire savings before they are out of school or through grants to them on graduation.

2. The Nigerian government should mandate financial institutions like commercial banks to produce and issue more age-friendly loans. Such loans would have low interest rates and long duration for repayments.

3. There should be strategies for the protection of intellectual property, as well as openness in handling of innovations. Any new discovery with high potentials for entrepreneurship should be encouraged and fully funded. Youths should be exposed to training in technology (especially new discoveries) from time to time. This keeps them in tune with trends of the technological world and thus avoid drudgery in their business.

4. The government should set machinery in motion to provide an enabling environment for entrepreneurship. This includes provision of good roads, pipe borne water, electricity and other necessary amenities.

5. Efforts should be made to reinforce in youths the concept of risk taking and patience in wealth creation. This instills positive change of entrepreneurial attitude. They would thus develop the habit of success out of failure which is the only way to making money in the long run. Knowing that life is full of risks and success comes from failure, youths will try again where they fail.

6. Entrepreneurial teachings have to go beyond the traditional teachings in the classroom. This implies the need to involve youths in experiential training. This could be through involving youths in internships in industries as well as involving experienced entrepreneurs in their training. These experienced entrepreneurs will complement efforts of the instructors by functioning as mentors and role models.
7. There should also be openness and linkages with systems of other countries. This encourages exchange of ideas, and knowledge through access to research endeavours.

References