

Entrepreneurship Development and National Security in Nigeria

Robert Ogbanje Okwori

Department of Industrial and Technology Education
Federal University of Technology, Minna NIGER STATE.

E-mail: okworirobert@yahoo.com

Abstract

Entrepreneurship development is very essential in any country for economic growth. The paper explained entrepreneurship and rationale for entrepreneurship development in Nigeria. The causes of insecurity in the country and ways entrepreneurship development can promote national security was also discussed. The barrier to entrepreneurship development in Nigeria was also explained. It is recommended in the paper that federal, state and local government should establish farm centers and youths should be employed. This will aid mass production of food items instead importing it from abroad. Industries and other organizations such as CBN, MTN, GLO and so on should contribute to entrepreneurship development in Nigeria by empowering youths with equipment needed to start a business or give them financial support.

Key Words: Development, Entrepreneurship, National security, Policy, Youths

Introduction

Entrepreneurship involves taken decision and risk to start a business and run it successfully. An entrepreneur is expected to be very innovative and has a zeal for business. He doesn't give up when he faces frustration due to financial constraint or lack of raw materials needed for the business. Entrepreneurship is also the ability to see business opportunities that are yet to be seen by others and explore it at the appropriate time. Abubakar (2010) pointed out that entrepreneurship involves possessing the know-how to find, marshal and control resources that belong to others. Similarly, Oni and Olaleye (2004) believed that entrepreneurship is concerned with creating opportunities, meeting the needs of individuals by identifying gap in one's society and bringing resources in an innovative and profitable way to fill these gaps. While Ile (2003) defined entrepreneurship as the ability to organize a business undertaking and assume the risks for the sake of profit.

The word entrepreneurship and entrepreneur are not synonymous. Entrepreneur is a person who takes risk to start a business and make sure he gains from the business while entrepreneurship is an individual who has the interest and ability to find business opportunities, bring together the resources needed for the business and follow the right procedure in using the opportunities discovered. To be an entrepreneur is just to develop interest in a particular business and ready to take risk. An entrepreneur always succeeds if he/she is willing to take risk. For anyone to succeed in a business, the person must be hard working and always believe that he/she will succeed in that business. Wehrich and Koontz (2005) noted that entrepreneurs have creative ideas, they use their management skills and resources of meeting identifiable needs in the market place and if successful then an entrepreneur can become wealthy. Wehrich and Koontz identified five important requirements of an entrepreneur as follows: self control, willingness to do hard work, experience of the products, a good general education and know the way of sourcing for

capital to start the business. The problem of youths and adults in Nigeria is that some of them have interest in business but don't know how to source for funds for starting the business. This affects entrepreneurship development in Nigeria.

Entrepreneurship development in Nigeria is not encouraging because the various sources of loan for small and medium enterprise provided by government is difficult to assess due to official requirements for obtaining loan such as collateral. Lack of entrepreneurship development brings problem of unemployment and under development. In Niger Delta, lack of employment opportunities was highly correlated with the high incidence of youth restiveness and conflicts (United Nation Development Project, 2006). Unemployment and under development as a result of slow of entrepreneurship development in Nigeria is visible and has resulted in youths conversing or smoking marijuana for substantial parts of the day (Chigunta, 2002). While Jonathan (2014) said that security and political stability are pre requisites for sustainable economic development of the continent. Jonathan further said that security and political stability are keys to development. Investors won't come to any country that is in secured and politically unstable. In the past an approach to the problem of limited job opportunity was through the establishment of large industrial complex. This approach has been unsuccessful because it is capital intensive and because of the failure of this approach, the development efforts are now emphasizing on the creation of small and medium enterprise (Charmes, 1990). Where there are many small and medium enterprise and many people are engaged the problem of insecurity will be minimized.

Causes of Insecurity in Nigeria

There are many factors responsible for insecurity in Nigeria. These factors include lack of family planning policy, poor implementation of policies, political rivalry, poverty/hunger, and illiteracy.

- 1. Lack of family planning policy:** It is a fact that there is no birth control policy in Nigeria.. The resultant effect is that many of them find it difficult to maintain the wives nor train the children. Later, some of the children become a threat to the society due to inability of the parents to give them adequate formal education. Nigeria should emulate China in terms of birth control if not the issue of insecurity will be unsolved.
- 2. Poor implementation of policies:** It is not an over statement to say that government has so many good policies such as Integrated Youth Empowerment Programme (IYEEP), the Family Economic Reconstruction Fund (FERF) and Subsidy Re – investment Empower Programme (Sure-P). All these policies aimed at empowerment of youths and entrepreneurship development. Some of these policies are yet to take off effectively such as IYEEP while others have started but poorly implemented. In some states like Taraba, youths were invited by the officers of Sure-P for collection of tools for self empowerment towards entrepreneurship development but were disappointed i.e. the tools were not ready for distribution at that day (Daily Trust, 2013).
- 3. Political rivalry:** It is undisputable to say that the insecurity in the country can be attributed to political rivalry. Some politicians use thugs to attack their political opponents or even eliminate them for their selfish interest. Majority of

the politicians do not want to give chance to others because of the benefits they get while in the office. This leads to breeding of thugs thereby, creating insecurity in the country since most of these youths don't have entrepreneurial skills to rely upon. If they have entrepreneurial skills and a business to manage they will not have time to serve as thugs.

- 4. Poverty and Hunger:** Many of the citizenry are unemployed by government and have no skill to practice on their own, even some of them that have the skill have no money to buy equipment. Therefore, to feed become a problem. This leads some of them to arm robbery or vandalization of fuel pipes owned by government.
- 5. Illiteracy:** The main factor that constitute nuisance in the society is illiteracy. It is not an understatement to point out that the religious crisis and other kinds of insecurity in this country can be attributed to illiteracy. When an individual is literate, he/she knows his/her right and can manage enterprise better than the illiterate ones. The person cannot be used any how to cause problem or insecurity in the society. Wike (2013) accused state governors particularly those in the North of being hypocritical about improving access to education and increasing literacy level. He commented that many governors make political statements about making education a priority but could not fulfill the promise. A good entrepreneur is expected to have good general education and know the ways of sourcing for funds for entrepreneurship development.

The Rationale for Entrepreneurship Development in Nigeria

There is every reason for entrepreneurship development in Nigeria due to the fact that the country is large and everyone can't be employed by government. It is obvious that where there is a problem of employment, it creates avenue for social vices. Nigeria recognized entrepreneurship development since after the civil war to this present day. This led to several programmes that bring about entrepreneurship development. These programmes include small scale industries scheme (SCIS) of 1970, the Nigeria Bank for Commerce and Industry (NBCI), The Special Funds for Small Scale Enterprise loan Scheme of 1980, the National Directorate for Employment (NDE) of 1986, the Family Economic Reconstruction Fund of 2001 to date, Small and Medium Enterprise Development Agency of Nigeria (SMEDAN). All these initiatives and efforts are attempt to train entrepreneurs needed for industrial development and diversify ownership of business (Osuala in Chibuike, 2013). The other government initiatives to train entrepreneur include educational institutions approved by government to boost entrepreneurship development are Vocational Enterprise Institutions (VEI) and Innovative Enterprise Institutions (IEL) of 2007. These are private institutions that offer vocational education and skills based training offered at post-basic, post secondary to equip youths and adults with skills and knowledge to meet the demand of various sectors of the nation's economy. The graduates of these institutions can also proceed to higher institution of learning relevant to their areas of knowledge (Abubakar, 2010). Federal Government has also concluded arrangement to empower young entrepreneurs through its Integrated Youth Empowerment Programme (IYEPP) in collaboration with Mara Foundation. IYEPP focuses on engagement of stakeholders, public and private sector participation, continental bodies and international organizations in the quest for empowerment of the Nigerian Youths (Obinna, 2013). Entrepreneurship development in



Nigeria should be a priority due to its positive impact on the overall economy but opposite is the case. Entrepreneurship development can bring about economic growth, creates employment for youths and adults and it can also reduce rural and urban migration to a large extent. If barriers to entrepreneurship development is removed or solved and majority of the population is self employed, the issue of insecurity will be eliminated.

Barriers to Entrepreneurship Development in Nigeria

The factors responsible for lack of entrepreneurship development in Nigeria include greed on the part of our leaders, lack of capital, misuse of loan, bottlenecks involved in obtaining loan from financial institutions, cost of equipment and lack of power supply.

- 1. Greed on the part of our leaders:** Entrepreneurship development has to be encouraged by government. It is clear that government usually import food commodities such as rice, wheat, fish and so on instead of empowering agricultural industries or sector and individuals with funds to establish such farms. This can also provide jobs for the youths but the government officers prefer importing them because of their personal gains. Jonathan (2012) reported that Nigeria imported agricultural produce worth six hundred and thirty billion naira in 2012. He lamented the high amount spent annually on the importation of food items that could be produced locally.
- 2. Lack of capital:** Some graduates of Colleges of Education, Polytechnic and Universities have the skills and interest to start a business but have no money. The process of obtaining loan from commercial banks or other banks that have relationship with entrepreneurship development are difficult because of collateral that are always requested by these banks.
- 3. Misuse of loan:** It is sad to say that some persons were able to obtain loan from banks and other financial institutions for the purpose of establishing an enterprise but end up misusing the money. Some of them used part of the money to start the business without concentration and divert the remain amount to other things that will not bring profit such as marrying more wives and engaging in the social activities.
- 4. Bottlenecks involved in obtaining loan:** It is evident that there are bottlenecks in obtaining loan from loan schemes government established for entrepreneurial development. Some of the loan schemes for developing small and medium enterprise established by government are Agricultural and Cooperative Bank, Nigeria Bank for Commerce, Industries etc. These banks usually demand collateral and guarantor before granting loan to entrepreneurs. This collateral mostly demanded for by the operators of these loan schemes is a property like building or land with certificate of occupancy (C. of. O) approved by government and it is not easy for people in the rural areas to get it.
- 5. Cost of equipment:** Most equipment use by technical education graduates such as circular saw machine, surface planer, bandsaw machine, milling machine, lathe machine, concrete mixer, block molding machine and so on are expensive thereby, making it difficult for graduates of the above programme to purchase after graduation and there are work that can't be done with hand tools. Again, hand tools take a lot of time to complete a job. This also applies to other vocational courses such as Home Economics, Fine and Applied Arts, Business studies and Agriculture Science.



- 6. Lack of power supply:** The barrier to entrepreneurship development in Nigeria could be attributed to cost of production. Many enterprises use electricity and electricity supply is not stable while the cost of using generating plant is so high because the fuel is expensive. Apart from this, the new tariff introduced by power holding company is high that many entrepreneurs operate their businesses without profit thereby, leading to closure of such enterprise.

Ways Entrepreneurship Development can Promote National Security

The only way to minimize wasting human, financial and material resources is to imbibe entrepreneurship development in the country with seriousness. Entrepreneurship development can promote national security through the following means; effective implementation of policies on entrepreneurship development, making sure that every youth and adult are literate, empowering graduates of tertiary institutions with funds to start a business using their certificates as collateral; establishing farm centers at local, state and federal level; industries and Central Bank of Nigeria contributing to entrepreneurship development by empowering youths.

- 1. Effective implementation of policies on entrepreneurship:** Federal Government should implement policies on entrepreneurship very well and monitor officers that are in charge. Some policies on entrepreneurship is only stated but not implemented or when implemented, the officers are not supervised nor the programme evaluated.
- 2. Literacy level of youths and adults:** Federal, state and local government should intensify efforts to ensure that majority of youths and adults are literate. When youths and adults are given formal education, they can manage their businesses well and it reduces social vices in the country.
- 3. Empowering graduates of tertiary institutions:** It is essential federal government reduces idleness by giving loans to graduates of tertiary institutions to start a business of their choice. Due to stringent condition attach to obtaining loans from financial institutions, their certificates can be used as collateral.
- 4. Establishment of farm centers by government:** In the 1970s and 1980s, government had farm centers at local, state and federal level but most of them are no more existing. This should be re-introduced and right from the beginning, the employees should know as part of their condition of service that their salaries will be paid from the farm to avoid mismanagement. Any mismanagement will lead to non-payment of salary and dismissal. When this is done, it will create employment for youths and adults and importation of food items will stop thereby, conserving the nation's scarce resources.
- 5. Contribution to entrepreneurship development by industries and other organizations:** It is a reality that industries and other organizations such MTN, GLO, AIRTEL, CBN etc have been contributing to the development of the country by giving scholarship, eye treatment, infrastructural development in educational institutions etc. This assistance should also be extended to entrepreneurship development by empowering our youths especially graduates of tertiary institutions with funds to start a business or give equipment to those that already have business. This will boost the economy of the country and also promote national security since majority of the youths will be occupied and therefore, there will be no time to think of evil.



Conclusion

Entrepreneurship is concerned with meeting the needs of individuals through provision of services and creation of items using innovative ideas to meet the needs of people in the society. An entrepreneur is expected to be innovative to bring modern items to the market since the society is dynamic. If he is used to old fashion and others are bring new products to market, he will definitely lose his customers. Entrepreneurship development is very essential for economic growth of any country. It boosts the economy of the country and promotes national security. Insecurity could be attributed to unemployment, poverty and lack of entrepreneurship development in the country. Therefore, entrepreneurship development should be embraced in Nigeria for curbing insecurity.

Recommendations

The following recommendations are made.

1. Certificates of those graduates requesting for loan should be used as collateral while the applicants without formal education or certificate should provide collateral before giving them the loan.
2. Sure-P in various states should reserve substantial amount and give loans to graduates that wants to set up their own businesses instead of investing much in buying vehicles.
3. Federal, State and Local Governments should establish farm centers and employ youths to work in such centers for mass production of food items to reduce importation of such items from abroad .
4. Industries and other organizations such as CBN, MTN, GLO etc should contribute to entrepreneurship development by empowering youths with equipment needed to start a business or give them financial support.

References

- Abubakar, M.S. (2010). Revitalizing TVET for technology entrepreneurship and industrial development: Measures, design and applicability. A paper Presented at the *national workshop* of National centre for Technology Management in Minna on the 17th June.
- Charmes, J. (1990). *A critical review of concepts, definitions and studies*. In D. Turnham, B. Salome & A. Schwart (Eds). *The informal sector revisited*. Paris: Development Centre of the Organization of Economic Cooperation and Development
- Chigunta, F. (2002). The socio- economic situation of youth in Africa: Problems, prospects and options. *A paper presented at the youth employment summit*. Held at Egypt in September 4th.
- Chibuikwe, V.C. (2013). Challenges of entrepreneurship development in south Nigeria: A gender based Analysis of entrepreneurs perception. *Nigeria Journal of professional Teachers*, 12 (98), 42.
- Daily Trust (2013, September 11). Youths and Sure – P in Nigeria. *Daily Trust*, 12 (98),9.
- Jonathan, G. (2013 September 11). Nigeria imported food items worth N630bn In 2012. *Daily Trust*, 12 (98), 17.

- Jonathan, G.(2014 January 14th). Jonathan tasks African leaders on security and political stability. *Daily Trust*, 33(94), 7.
- Ile, M.N. (2003). *Entrepreneurship development: The Nigeria perspective*. Enugu: Ochumba press Limited.
- Obinna, A. (2013, August 5). Federal Government, group to empower six Million youths. *Daily trust*, 32 (17), 20.
- Oni, E & Olaleye S.S.(2004). *A new perspective in entrepreneurship*. Ibadan: Ejon publication Limited.
- UNDP.(2012). *Africa youth unemployment programmes: Guideline for accelerating implementation*. UNDP: Addis Ababa
- Wike, N. (2013, September 11). Northern governors pay lip service to Education. *Daily trust*, 12 (17), 11.
- Wehrich, H & Koontz, H.(2005). *Management: A Global Perspective*. Delhi: Tata McGraw Hill.