

ENTREPRENEURSHIP AND LEADERSHIP

WHAT NEEDS TO BE DONE IN YOUR COUNTRY TO PROVIDE YOUTH
WITH THE OPPORTUNITY TO BECOME ENTREPRENEURS AND/OR
LEADERS IN THEIR COMMUNITIES?

“Nigeria and the Imperative For Youth Entrepreneurial Development”

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1. INTRODUCTION

Nigeria is a country with numerous business and investment potentials due to the abundant, vibrant and dynamic human and natural resources it possesses. Tapping these abundant and valuable resources require the ability to identify potentially useful and economically viable fields of endeavors. Nigerians are an enterprising people and citizens have made their mark in diverse fields such as science, technology, academics, business and entertainment.

Following a series of policy initiatives in the financial sectors of the economy Nigerians believe that the future indeed looks bright. As good as the foregoing sounds, Nigeria continues to experience its share of social, economic and political upheavals which have often stunted its growth and development into the regional economic power that it strives to attain. Nigeria has a relative high rate of violent crimes. The Niger Delta which produces over ninety per cent of the nation's oil has become a nightmare in the last one year due to incessant kidnappings by militants demanding for a fairer share of the resources derived from oil exploitation. Armed robbery is on the increase due to unavailability of jobs. Power supply is almost non-existent thereby putting a sizeable number of enterprises out of business. The political landscape is often volatile. A general election held in the month of April is still causing apprehension due to the massive irregularities attested to by both local and foreign observers. Above all, there is a high incident of corruption in

government which has affected the level of development of the country.

But the story is not all bad as the country enjoys a level of respect for human rights and a virile judiciary which has always stood up in upholding the rule of law and defending democracy which was won after a long period of military dictatorship spanning over three decades.

Although Nigeria is endowed with human and natural resources, it is still one of the poorest countries in the world primarily due to corruption in government. Today, the education sector is in shambles, with the government doing little to address the problems of decaying facilities, student cultism and teachers' strikes. The health sector has faced its greatest challenge in the last few years with unchecked flight of personnel due to inadequate working environment and incentives as well as deteriorating infrastructures.

In spite of this sad and deplorable situation, the government has done little to reduce the misery and frustrations of the citizenry as shown in the just concluded elections where the results did not portray the desires of the people. This has foisted a state of hopelessness on majority of young people who have resorted to any means including vice to succeed in life.

For instance, youth in the Niger Delta have resorted to kidnapping of foreigners who have to pay heavy ransom to effect their release. This has worsened the security situation in the very volatile Niger Delta as illegal arms are amassed by these militants in their fight for justice. The downside of their activities is that the Nigerian economy suffers the more as oil output is disrupted by blown installations while scarce resources is deployed for security operations in the area.

2. NIGERIA, YOUTH AND ENTREPRENEURSHIP

The development process of any country is determined by the way the production forces in and around the economy is organized. For most countries, the development of industry had depended a great deal on the role of the private sector. Entrepreneurship has played a major role in this regard.

Entrepreneurship is known as the capacity and attitude of a person or group of persons to undertake ventures with the probability of success or failures. Entrepreneurship demands that the individual should be prepared to assume a reasonable degree of risks, be a good leader in addition to being highly innovative. Since entrepreneurship has to deal with leadership, leadership ability always determines a person's level of effectiveness. The personal and organizational effectiveness is proportionate to the strength of leadership and there is no success in any entrepreneurship venture without leadership.

Entrepreneurship in business management is regarded as the “prime mover” of a successful enterprise just as a leader in any organization must be the environmental change agents. Many young Nigerians aspire to be successful entrepreneurs. But due to certain constraints, the ability of many prospective youth to find avenues to utilize their opportunities and skills has proved futile.

Entrepreneurship in Nigeria is perceived as a major avenue to increase the rate of economic growth, create job opportunities, reduce import of manufactured goods and decrease the trade deficits that result from such imports. Two approaches have been used for entrepreneurship development in Nigeria. One of the approaches is concerned with the provision of generous credit facilities for small – scale industrialist. The aim of this scheme was to give the entrepreneur seed money.

The second approach was the establishment of the training centre known as Industrial Development Centre (IDC). The idea of this Centre was to provide facilities for on- the –job training of entrepreneurs especially those in the informal sector which include petty traders, artisans, peasant farmers, etc, and to train them in various aspects of industrial management. Unfortunately due to certain factors which shall be explained under, these and some other initiatives did not achieve the desired results.

3. HINDRANCES TO YOUTH EMPOWERMENT

Irrespective of the benefits associated with entrepreneurship, there are a lot of barriers that have prevented youth from fully realizing their potentials and assuming leadership position in the society. Due to the interrelationship between these factors, we shall discuss the major barriers identified under the following heads:

i) ABSENCE OF INFRASTRUCTURAL FACILITIES

It is a universal belief that certain basic infrastructural facilities aid the development of the mind and body and assist productivity in any environment. These facilities have been identified as good roads, good water supply, constant power, access to information and communication technology and other tools of trade.

A case where these are lacking in a country, the growth of the economy will be adversely affected. In Nigeria, these basic work tools as well as the enabling environment is lacking. This state of affairs has frustrated a lot of young people with bright ideas and the corresponding spirit to effect a change in some areas of our national life.

For instance, the power sector has proven the greatest challenge to any aspiring entrepreneur in Nigeria. Power supply is epileptic and most times businesses have to be run on generators. The cost of this alternative source of power most often erodes whatever profit or capital an entrepreneur has put aside for his

enterprise. In times of energy crisis when there is shortage of fuel supply, businesses are almost grounded due to unavailability of petrol or gas to power generators. This avoidable factor adds immensely to overhead costs and unnecessarily makes the cost of production very high. Due to this, investment in manufacturing and entrepreneurial activities is made uninteresting.

Another factor dissuading young people from going into entrepreneurship is the bad state of the roads in Nigeria and the lack of adequate and alternative means of transportation. Air transport in Nigeria is expensive and rail is almost non-existent. Since road is the most affordable means, most people prefer to travel by road which is often a harrowing experience for many. The transportation system is unorganized and the dilapidated roads connecting the states and intractable traffic snarls in the commercial cities are often a nightmare for businessmen.

Telecommunication before now was a major issue for any entrepreneur but with the liberalization of the sector in the last few years, the problems associated with this all important factor in business has to a certain degree been solved. What most people complain about is the enormous cost of the services rendered by the companies which is seen as the costliest anywhere in the world. This cost of course has a domino effect on other services associated with telecommunications such as the internet.

Another critical factor is the lack of adequate security for lives and property and the helplessness fostered on the citizens by a police that has most often than not proved incapable of addressing the urgent and constant security challenges over the years. Enterprises serious about doing business have to put in place their own security structures. The process of employing these private security personnel puts a big hole in the pockets of the business entrepreneur.

It is believed that the heavy costs expended on these vital services have made entrepreneurship quite challenging in Nigeria. All these put together have made entrepreneurial activities unprofitable and uninteresting thereby dissuading the youth from assuming entrepreneurial or leadership positions.

ii) INADEQUATE WORKING CAPITAL

The availability of capital is central to the establishment and continued existence of any enterprise irrespective of the size, focus and objective. It has been observed that for an entrepreneur in Nigeria to start a business, he must have adequate funds. In a situation where the working capital is inadequate or unavailable, it becomes a problem. This is one of the major problems that young people encounter when opening a business or preparing to assume a leadership position.

Banks have before now being reluctant to give out loans to intending entrepreneurs especially when they are young people. The procedures for accessing such credits are often rigorous and

dependent on the provision of collaterals which the potential entrepreneur may not possess. Furthermore, the financial institutions charge outrageous interest rates sometimes as high as 21% depending on the bargaining power of the applicant.

With this situation, one would have thought that the government would put in place practical programmes and policies for assisting such people in need of start-up funds but the reverse is often the case. Where such funds are provided, they are distributed to relatives of those in government who misapply them and eventually fail to pay up at the maturity time thereby further creating the notion that young people are lazy and bereft of managerial abilities and ideas.

With these state of affairs, intending entrepreneurs often fall back on their personal savings or on loans from family members and friends. Considering the very high cost of establishing business and the environmental factors considered above, this option becomes unappealing thereby terminating an idea that was ready to fly. Moreover, the business entrepreneur misses an opportunity of being guided by an institution such as a bank that would ordinarily offer advice to an enterprise they have invested in.

iii) LOW STANDARD OF EDUCATION

There is no gainsaying the fact that education is the key to knowledge and that it plays a strong role in forming the

burgeoning entrepreneur. The world today is a global village and since an intending entrepreneur must be conversant and in tune with events around and about him, education becomes a critical factor in preparing and empowering the entrepreneur with the qualities required of him.

Unfortunately, the role of education in forming young people to become change agents it seems, have been ignored. Year after year, the quality of education in the Nigerian institutions has gradually been on the decline. Due to lack of incentives for teachers, there has been a mass exodus over the years by qualified teachers. Those stuck in the system are there due to unavailability of alternative jobs.

Government policy or lack of one has been a major bane of education in Nigeria. The schools are not adequately funded, equipped and managed to bring out their optimum potentials. Most times students are home due to strikes called by teachers. Most people in government send their ward abroad for their education thereby preventing the will to address the urgent need for the sector. The result is a half-baked workforce who are lacking in personal confidence and desire to look within and make a mark in an area of human endeavour.

iv) LACK OF ADEQUATE TRAINING

A regrettable consequence of the immediate foregoing is the absence of adequate training for students such as will enable

them meet the challenges of the future as leaders of business and change agents. It has been observed that the educational curriculum in Nigeria focuses more on the theoretical without a corresponding practical approach. Most employers are always compelled to retrain their employees due to lack of knowledge of basic work ideas or familiarity with the area of study of the employee.

Technology has been used to improve the quality of life through the use of the computers and other technological discoveries such as the internet. Where the youth does not have the knowledge or skill of the latest technology, it affects their outlook to life. It is surprising that in this age and time when the computer and the internet are taken for granted in so many parts of the world, the reverse is the case in Nigeria. Except for the cities, the internet and other ICT are not available in the rural areas where majority of the Nigerian youth are located. This situation denies these people an alternative means of skill acquisition, information gathering and other advantages associated with the World Wide Web.

This has resulted in a situation where employers prefer to take people with on-the- job experience and required skills thereby making it impossible for the young persons to gather the much needed experience, skill, familiarity with a work environment and basic contacts and network to pioneer a successful enterprise of a business or non- business nature.

Where some of these basic trainings are offered, they are usually directed at the employees of big businesses considering the

exorbitant fees charged by the institutions or bodies providing same. With little or no money to spare, young people often miss these opportunities to equip themselves mentally and otherwise for the assumption of leadership roles. This also results in low morale, inefficiency and lack of confidence.

v) OTHER ECONOMIC, SOCIAL AND POLITICAL FACTOR

Aside from the factors listed above, there are other major dynamics which play a role in stifling the dreams and aspirations of the youth towards assuming leadership positions.

Economic factors such as policy reversals, high and double taxations, difficulty in procuring business approvals, high inflation and unstable exchange rates are some of the areas of concern for the potential entrepreneur who is in most cases a greenhorn. The cost and procedure for establishing a company is rather prohibitive as the intending entrepreneur must engage a solicitor and accountant to take care of the legal and financial aspects.

Politically, some of government's policies it seems are made to favour friends and associates. Even when it comes to award of contracts and other government patronages, cronyism is the word. This creates a situation of uneven advantage to certain people while others are meant to look like mediocre irrespective of pedigree, ability and expertise.

One cannot complete this without mentioning the social malaise of systemic corruption which dissuades most people from venturing into enterprises. It seems most times that whatever one needs to do must be coupled with some kind of favour to the

person or authority granting the approval. This situation is almost frustrating and has kept many away from entrepreneurship with many youth preferring to be engaged in paid employments where they will be certain of picking their pay packages at the end of every month without the worries associated with running a business.

4. SKILLS REQUIRED OF YOUTH FOR LEADERSHIP

One requires skills to be successful in any endeavor. Leadership develops daily and it develops from the inside out. Everything rises and falls on leadership. For every business there is no future but the future lies in the person who holds the business and some one with a vision.

The skills required of the youth for starting and managing a successful enterprise amongst others is:

COMMUNICATIONS: Developing excellent communication skills is absolutely essential to a successful business. The entrepreneur requires this to communicate his ideas across to his audience. Such ideas must be expressed and conveyed in clear and lucid manner in order to create no room for ambiguity.

The budding entrepreneur must always give the people something to feel, something to remember and something to do. Doing so will increase his ability to lead and drive a successful business.

INITIATIVE: An entrepreneur should always possess the initiative and resourcefulness to achieve objectives. Naturally, young people are initiators of ideas. The budding entrepreneur must be

bold, daring and willing to sacrifice his time and energy to meet goals. The fear of failure should not be a deterrent to putting initiatives into practice. He must work against all odds. He must be ingenious and alert to opportunities in order to take action. Success is sometimes connected with actions. When mistakes are made, the young leader should not quit but should device alternative means to achieve his objective. The youth must be willing to takes risks.

RESPONSIBILITY: The youth as a future leader must be willing to take responsibility for his actions. He should also learn to admit his failures as well as the failures of those under him. Leadership comes with doing things the way one wants others to do them. As such, the leader must lead by example. He must be honest, transparent, fair and just to his subordinates. He must learn to trust those under him and give them a sense of belonging. A leader must always be capable of building confidence in people so that they can believe in him as well as believe in themselves. An entrepreneur should always be a motivating factor to people around him.

VISION: A good entrepreneur must be a visionary and must know that the future belongs to those who see possibilities before them. Vision is everything for a leader. It is utterly indispensable and vision leads the leader. As such any leader must possess the ability to infuse hope and courage amongst his team. Hope is built from seeing the potentials in people and in situations. The leader must always be optimistic and possess a positive attitude at all times in spite of the situation. It is the vision of the leader

that drives him. Without a vision, there will be no mission to accomplish. The vision gives a leader the drive to seek to achieve results. Through the vision, he establishes the ways and means of achieving same. He knows when he deviates from the objective. And he knows when he succeeds.

5. HOW SKILLS CAN BE ACQUIRED

It is said that the youth are the future and leaders of tomorrow. The realization of this fact is often the beginning of the desire to institute policies and programmes both from the public and private sectors of the nation to achieving the objectives.

The Nigerian government has realized that its full co-operation and determination will ensure success of entrepreneurial activities in order to achieve the long term growth of the economy. Having noted the importance of entrepreneurship, the government has initiated some policies like the National Directorate of Employment scheme, establishment of the Bank of Industry, promotion of the Small and Medium Enterprises Development Agency of Nigeria, (SMEDAN), and the Small and Medium Industries Equity Investment Scheme (SMIEIN). Unfortunately, most of these programmes have not had the desired result in addressing the policies for which they were promoted. Moreover, these programmes are not specifically targeted at the youth or young persons and the awareness about the programmes are lacking. Consequently, the youth have not derived full benefit from them.

In this wise, it is imperative for the government in order to empower the youth to introduce leadership programmes in the educational syllabus from primary school to the tertiary levels. This sort of instruction will inculcate in the students from an early stage in life the qualities required of them as well as train them for positions of responsibility whether in the formal or informal sectors of the economy. The present school curriculum requires a total overhaul because it stresses more on training for employment purposes as against training for entrepreneurial purposes.

Secondly, the youth should be encouraged into assuming positions of authority and leadership because there is nothing that can surpass the effectiveness of an on-the-job training. Often times, those in leadership authorities do not see the youth as qualified to take challenging roles whether in or out of government. This could be as a result of the cultural notion which perceives older people as wiser. It should not be so. Records and research have proven that young men harbour fresh ideas and ingenuity which often make the difference wherever they go. Putting the youth into leadership positions is bound to build confidence, resourcefulness and experience for them early in life. Through such, they can begin to change society.

Thirdly, capital is a necessary requirement for any venture. Lack of capital or its inadequacy is usually a stumbling block to novel ideas and initiatives. This factor has proven a problem for young

people with entrepreneurial ideas. To address this problem, the public and private sectors of the economy should create and implement policies through which young persons can access loans and other financial services at minimal charges. Such services can be conditioned on the presentation of plans with certain criteria which must be met before extension of credits. The over emphasis currently placed on the provision of collaterals is unduly stifling the entrepreneurial spirit of young people.

Fourthly, there needs to be a constant reaching out to young people, and an involvement in whatever concerns them. The government, its agencies, non governmental organizations and corporate institutions should be seen as showing interest in the affairs of the youth. Policies that will incorporate the youth as partners in progress should always be initiated, adopted and supported. There should be a continuous interflow of ideas between these bodies and the youth. These could be done by involving the youth in corporate workshops, seminars, lectures, road shows, trainings and other activities organized by these institutions especially in areas where the interest of the youth is concerned. The youth should be encouraged to participate actively in such programmes so as to build capacity, network and skills required to pursue their immediate or future endeavors.

Fifthly, since majority of young people in Nigeria live in the rural areas, and since the government is often concerned about rural to urban migration by young people, a lot more attention need to be focused on the youth in those areas. Through vocational,

managerial and skill acquisition trainings focused on these people, they will surely take their future in their hands by becoming experts in their various areas of choice professions or trade. More so, the allure of migrating to the cities will dissipate if the rural youth can become an entrepreneur. She will use her skills to further train others thereby reducing the trend of movement to the cities. This can be achieved by willingness on the part of government to initiate and implement policies geared toward the creation of awareness and re-orientation of rural dwellers on the gains of entrepreneurship as well as the provision of the basic amenities and facilities required for such education. The role of information and communication technology and its provision and accessibility in this regard can not be overemphasized.

6. CONCLUSION

There is a need to enthrone a regime of secure and poverty free nation for the youth to become influential members of society. Poverty, hunger, homelessness, lack of security and sickness are paramount issues that require immediate attention of the government if young people are expected to become leaders and persons of influence. For many, these factors are daily challenges staring them in the face. It therefore becomes a distraction to the realization of a youth's full potential if he cannot feed, cloth or shelter himself or his immediate family. Because the need for survival is an overriding one, a good number of young people have fallen victims to pressures and many have ended up as

armed robbers, prostitutes, scammers and militants fighting for whatever cause that catches their fancy. Research has proven that the failure of government to provide the conducive environment as well as the basic needs of life as enumerated above has largely created these societal problems. It is imperative therefore that policy that will address these issues have become essential for the improvement and empowerment of the youth.