

Utilizing Internal Resources for Accelerated Economic Transformation of Nigeria:
Through a Culture of Good Entrepreneurship

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Abstract

The priority of any nation is the ability to utilize internal resources that is endowed in the land through a good culture of entrepreneurship which usually yield to sustainable development. A culture of good entrepreneurship, more especially internal resources transforms poor economy of a nation and makes a way forward. The paper argues that through effective participation and performance of entrepreneurship, for true meaningful economic transformation of the Nigeria economy. Nigeria, like all other developing countries is as a result of these problems experiencing syndromes of poverty, which the developed industrialized countries never experienced. This paper focus attention on meaning of entrepreneurship culture, the role of entrepreneurship in sustaining development, constraints to the development of entrepreneurship, how to ensure a culture of good entrepreneurship in Nigeria etc to ensure that futuristic plans were actualized. Finally, recommendations and conclusion are made.

Keywords: Utilizing internal resources, economic, culture and entrepreneurship

INTRODUCTION

It is true that the proper utilization of any internal resources brings economic satisfaction through culture of entrepreneurship. Entrepreneurship as old as mankind is called the bedrock that accelerates transformation of economy into independency.

Che Guevara, (1964), states that the development in human society is a many sided process. It implies increasing skill and capacity, greater freedom, creativity, self-discipline responsibility and material well-being which is possessed by good entrepreneurship culture.

Nigeria, like all other developing countries, is as a result of these problems of practical acquisition of skills, knowledge and proper implementation experiencing syndromes of poverty, which developed industrialized countries never experienced. The hope of take off accelerated development, therefore remains very difficult to realized. Economic planners, politicians, development economists and business educator are worried and concerned about this gloomy situation in Nigeria.

To improve the lot of the underdeveloped and developing nations and accelerate the pace of development, a number of theories of development have been put forward; these theories have directly or indirectly contributed to the current approaches to development in the developing countries. It is however, desirable to observe here that the existence of these theories does not necessarily lead to the achievement of appreciable result. The reason being that the theories are not nationals of the developing countries because most theories are not draw heavily from the developed nations' political, social and economic situations which are entirely different from what obtains in the developing countries. Transfer of technology, expertise or idea wholesale from the developed countries will surely have little impact or effect on their development process.

Conceptual Framework of Entrepreneurship

Anyanwu, (1999) defines entrepreneur as that person who coordinate other factors of production by assuming the associated risks and investing his resources in business venture. He is the person who plans business venture for the attainment of set of goals. In a simple definition, an entrepreneur is a person who starts or organizes a commercial enterprise, especially one involving financial risks.

Uzoma, (1991) identified two types of entrepreneurs, namely pure entrepreneur and others. The pure entrepreneurs are those who innovate, take risks, organize and manage enterprises. The other entrepreneurs are those who takes ongoing business concerns and manage them including franchise operations. Some manager employed in an organization may possess the characteristics of entrepreneurs and perform some of their function, such as innovativeness, decision making, risk bearing and mobilization of resources. To distinguish them from small and enterprise development referred to them as entrepreneurs usually turn into enterprise which has the identity of numerous studies.

The entrepreneur is a person who has the ability to identify and evaluate business opportunities and initiate appropriate action to ensure success. To qualify as an entrepreneur, it is not sufficient to be a businessman just managing an enterprise rather, the entrepreneurs has to be an originator of profitable business ideas willing to risk personal energy and financial resources to achieve unpredictable results.

The entrepreneur is the catalyst of change, able to carry out new contribution; instrumental in discovering new opportunities which is the uniqueness of entrepreneurial functions.

Enterprise is defined as a set of personal competencies that include creativity, independence, self-awareness, initiative taking, achieving mutation, analytical ability, inter-personal skill etc. economically it is one of the four factors

of production, the other being land, labour and capital and it bears the risk of production. Hence, enterprise is the sum total of activities that an entrepreneur performs. It is an outcome of performance in the process, the goal entrepreneur turns to be enterprise building.

Enterprise culture is defined as a set of values, beliefs and attitudes that reinforce belief in the virtue of independent efforts as a means of success and self-fulfillment. This culture is based on an economic policy that encourages commercial activities, imaginative planning, accepting responsibilities for one's actions and belief that commitment to tasks would engender success and self-fulfillment of new business opportunities.

Functions Performed by An Entrepreneur:

- i. Searches for and discovers new information
- ii. Translates new information into new markets, techniques as goods
- iii. Seeks and discovers economic opportunities
- iv. Marshals the financial resources necessary for the enterprises.
- v. Makes time-binding arrangements
- vi. Makes ultimate responsibility for management
- vii. Provides for and is responsible for the motivational system with the firm
- viii. Provides leadership for the work supply
- ix. Is the ultimate uncertainty or risk bearer.

CHARACTERISTICS OF AN ENTREPRENEUR

According to Agu (2001:51), empirical studies and observations show that successful entrepreneurs' possess certain common behaviour tendencies, which contribute to their success. Attempts to study entrepreneurship sometimes have been based upon these characteristics. The list below is not exhaustive. Though not all may found in every successful entrepreneur but many are usually present.

Risk Taking

Entrepreneurs are known by their willingness to the moderate risk. Without risking their capital they do not get any profit. Those who are high-risk averters lack the courage to invest and cannot make good businessmen. However, a wise businessman does not take risks blinding. It has to be with wisdom, adequate knowledge and vision.

Self-Confidence

Successful entrepreneurs are known to possess strong self-confidence that is a belief in self and own abilities. They normally express confidence and attempt difficult tasks and challenges. Such people are not timid and not overwhelmed by difficulties and obstacles. Jones et al, (1989b) describe self- confidence as vital for entrepreneurs because it enables them to believe that they are responsible for what happened to themselves and that their actions determine the success or failure of their business.

Opportunity Seeking

Many successful entrepreneurs did wait for opportunities to come to them. Rather they were able to spot opportunities lying in some situations around and they did not delay in acting to make advantage of them. Such could be unusual opportunities, new investment financing and assistance. Successful entrepreneurs are, usually able to see opportunities situations, and they do not delay in taking action to exploit benefits.

Persistence and Perseverance

Life history of many successful people showed they may have failed at different times in the road of their career, yet did not give up. They took different actions to overcome obstacles in their ways. Persistency requires personal sacrifice or extra-ordinary effort to accomplish difficult tasks. It requires one to keep up within the face of oppositions, difficulties and failure at any stage of the business.

Systematic Planning and Goals Setting

The ability of plan and acute plans and programmes is an essential skill of entrepreneurs. Without goals, which are realistically set, it is difficult to enable the entrepreneurs to be logical and purposeful in his business decision and actions.

Sense of Achievement and Efficiency

Entrepreneurs are known to possess high drive for achievement and desire to perform challenging tasks. They try to do things to meet or exceed existing standard of excellence or desire to improve on past performances. In a competitive environment, it takes product improvement, efficiency, better services, better quantities, etc to excel. Successful entrepreneurs strive to lead and remain ahead of their competitors.

Human Relations and Persuasive Skills

Without the ability to relate well with others, persuade work effectively with people, it will be difficult to do well in business. No business succeeds without people. People make up the customers, suppliers, workers, helpers etc. Human relations and persuasive skills enable the businessman not only to interact well with others but also to persuade them for patronage or help as the case may be, it also enables him to work with, and lead others. Edith (1989) describes this as agreeableness. According to them entrepreneurs who possess this trait are likable, tend to be affectionate and care for others.

Information Seeking

This involves seeking of information on the market in order to identify changes, which may create opportunities or threats. For instance, imminent changes in prices, changes in supply situation, market openings, competitors, strategies etc.

DEVELOPMENT THEORIES

There are many theories on economic development, but for the purpose of this paper a skeleton review of these theories considered appropriate to our discussion shall be made. Joseph Schumpeter in his "Theory of Economic Development", according to Lawal (1976), presents the basic ideas of the theory of economic growth and defined real development as only such changes in economic life are not forced upon it from without but arise by its own initiative from within. This is, real development can be attained or achieved through internal activities rather than from external influence.

Lawal (1976), also stressed that development is seen as a process generated and invigorated by actual members of the society. True development can neither be started nor sustained by outsiders. The entrepreneur has a very important role to play in achieving true and meaningful development. He is a person who possessed opportunity for utilizing a new technology or new commodity; he combines all the factors of production for the benefit of individuals and the entire economy. The entrepreneur is very impatient and crucial in the take-off of a nation as he is the one assigned the basic role of the innovator in the economic system.

The entrepreneur sees and calculated what uses the society wants to make of its scarce resources and organizes the resources to serve these uses. He is intermediary between the forces of demand and supply.

Enworon (1994), observed that. we are quite aware that labour does not hire itself; goods and services do not build themselves and risk not taken by itself. Where these activities and behaviour are embedded in a business and environment entrepreneurship occurs and where it does not occur it is absent.

Durowade (1997), also stressed that the entrepreneur could be likened; to cook without the rich ingredients in the kitchen could never be covered into food. If he is good at his profession, the food is palatable and if otherwise, he could spoil

the broth. It is a well known fact in Nigeria, there is lack of committed entrepreneurs and the emergence of indigenous entrepreneur has been very slow. This is because of our agricultural and educational background and lack of adequate training. Entrepreneurs in such important sector of the economy like commerce, manufacturing and mining before the promulgation of the enterprises promotion decree in 1972 were mostly foreigners by the design. of the imperialism, colonial and neocolonial powers.

It is generally believed that economic policies are very important factors in determining the wealth of nation. If the government decides on an economic policy it is usually used on the implicit assumption that entrepreneurs shall respond to policy signals from monetary and fiscal authorities. It is not an overstatement to say that the difference in entrepreneurship explains to a large extent, the failure of some policies (good as they may be) in some countries while they succeed in some others. For example, the SAP policy built on various to elements like privatization and deregulation created incentives to entrepreneurs the Nigeria entrepreneurs have not incentives offered by the policies.

Another theory relevant to our discussion is the BIG PUSH, Paul N. Rosentien and Professor Ranger Nurske proponed the idea of BIG PUSH. A similar idea, the critical minimum effort was also put forward by liebenstein. The argument here is that the initial effort of big push is very essential and important to overcome the original inertia of a stagnant economy. If true development is to be achieved the big push is best stimulated with the internal resources of the country. That is the development process must be invigorated, and vitalized from within by the actual people of Nigeria. This is on the simple fact that no meaningful development can be achieved if the development process depends wholly on outside factor, be it capital or expertise. Real meaning development must be

proposed and invigorated by a catalytic action with energy, which is essentially indigenous observed Lawal (1974).

Onyemeluke (1974), stressed that the need for internal effort for development while discussing the big push can better be appreciated with the simple analogy which early thinkers on economic development often resorted to. They have compared theory of the big push to a stalled, which needs initial push to get it started. But the superiority of propulsion by internal energy is obvious when we think of Apollo rockets and Jumbo jets. An external push could hardly provide these machines with the velocity they need for a take-off. Thus in modified theory of the big push as we see it rests on the analogy that like the jet engine, a critical minimum internal energy must be developed through the action of people must be for initial thrust of economic engines when its internal elements are generating energy.

The above theories are very relevant to our development effort, as they clearly show that a rapid economic transformation rests more on indigenous initiative and good relationship. This is, in fact, what vision 2010 attempt to bring into sharp focus.

How has the Nigerian entrepreneur responded to the various strategies for rapid economic transformation in Nigeria? What steps or preparation has he taken so far? Has he been identifying properly, areas of viable opportunities? What steps has the education sector taken to get prepared the Nigeria entrepreneur from challenges ahead in the next millennium? Do we still need the western management theories now found not to be very relevant to our situation in this country? Has the education sector responded adequately to the need for? What steps have we taken as business education to ensure that our curriculum in management of education takes proper care of this very important aspect of training? All these

are very pertinent questions needing urgent answers by business educators if we are to move forward as a nation.

LIMIT ATION TO THE DEVELOPMENT OF ENTREPRENEUR

In the past, some identifiable groups of entrepreneurs operating in Nigeria were immigrants, multi-national companies that had their affiliated companies in Nigeria. They were successful. According to Aduko (1995).

From all indications, the immigrant entrepreneurs were adopt at managing business with the result enterprises owned by the indigenous entrepreneurs.

Most of the pioneers indigenous entrepreneurs had little formal education, thereby limiting the opportunities for required management skill they were not well exposed to modern relevant management concepts and ideas. This may be the major reason why the pioneers indigenous entrepreneurs concentrated on commerce and attempts to diversify into cottage or small-scale manufacturing resulted in most cases to failure. This is still with us today.

It is very essential to note that mere education and theoretical background do not make a good entrepreneurs and neither could experience alone sustain one in business, leadership or organization, as one cannot learn swimming from a book without adequate practical experience. It is also very necessary to mention that experience alone is no panacea for success, because experience being backward looking, tends to make conscious of what to do, than what ought to be done. Experience tends to create inhibition for experience and without experiments and mistake to learn from, an enterprise without experiments and mistake to learn from, an enterprise will stagnate. The indigenous entrepreneur have problems in this era as level of understanding and performance seriously.

Financial constraint is a major problems militating against entrepreneurship development in Nigeria. Capital is to the business what blood is to the body. Just as shortage of blood will cause a man to be anemic or die in the end, so could the

scarcity of capital lead to stunted growth or death of business enterprises. Many indigenous entrepreneurs do not know how to go about raising needed capital or start off or for expansion expert through savings and borrowing. The indigenous entrepreneurs in most cases do not keep proper records of financial transactions. To obtain loan has always been very difficult, as no prudent banker will grant loan where proper book of account are not kept.

Abyade (1998) observed that in practices many of such business units in the developing countries do not keep proper accounting book, no do they bother with such fine indicators in taking their decision. The typical Nigeria entrepreneur prefers to got it all alone. He wouldn't want to go into partnership with others, thereby limiting potential and aspirations. The situation improved considerably after the promulgation of the indigenization decree. Nigerians now jointly own many businesses. More indigenous entrepreneurs should be encouraged this direction.

Negative social factors also contribute to poor entrepreneurship. Many businesses have failed because the Nigerian entrepreneur cannot see clearly the effects certain negative social factors prevalent in the Nigeria society. Examples are favouristim, tribalism, and the dichotomies nature of the Nigeria social fabric (that is the majority/minority, north/south, east/west, Christian/Moslem and other rightful dichotomies hinder seriously a good culture of entrepreneurship in Nigeria. Inability to differentiate business and personal affairs and expenses. Many entrepreneurs gradually 'eat up' the profit and capital too, the consumption of part or all the capital and profits that would have been prudently invested led to collapse of many businesses. Many demaging (managing) directors have unknowingly killed their businesses in this way.

Aboyade (1984), commenting on this particular constraints revealed that indigenous such entrepreneur successes however contain the seed of their own

destruction because such entrepreneurs tend to overestimate their managerial capacity or understate their degree past luck. It is not unusual to find a typical Nigeria business tycoon or industrial baron juggling with from three to half a dozen enterprises without proper and effective management control over any one of them.

Aluk-Olokun (1995), also on this constrain observed that the indigenous entrepreneur does not seem to have coherent or sound business diversification strategies. Attempt at diversification, which were often widespread and overstretching resources most times result into outright failure.

Japan

Studies revealed that Japan built its industrial strength on the extensive promotion and development of small-scale enterprises. As at 1978, 5.81 million small and medium enterprises were established and these accounted for 99.4% of the total business workforce, and accounts for 56.1 % of the manufacturing value-added. Similarly, through an effective system of sub contracting, Japan's industrial giants thrive on the activities of small scale industrial sector.

China

In China, small scale industrial sector provides 60% of its total output of fertilizers, 57% of its total cement output, 28% of pig iron output, 13% of crude steel output, 67% of 11ë output of agricultural machinery. Records reveal that the small-scale industrial sector account for substantial percentage of the nations' total workforce.

United State of America

In the United State of America, small businesses contributes 90% of all new jobs and 70% of all new products and services 79% all non-farming businesses are small, accounting for 50 percent of all business employment. Similarly, 80 of all manufacturing firms in US are small, and they account for 25% of sales in the

manufacturing sector. In absolute terms there are about 2 million business start-ups every year in the US, of which 50% are micro- businesses employing not more than two people. A study undertaken by US department of Commerce revealed that the bulk of United States inventions in the 20 century came from small firms and independent investors rather from the large corporations.

Nigeria

In Nigeria, there is lack of authentic and up-to-date information on the role of small and medium enterprises (SMEs) in the Nigerian economy. However, preliminary estimates around 1980 placed the number of small enterprises with less than 10 workers at about 125, 000. Available evidence also indicate that the sector makes considerable contribution to the country's economy.

This greatly account for the failures experienced in the transition from small to big businesses. Little or no attention is also given to succession planning with the result that business collapsed soon after their demise.

Political climate frequent changes in government affect to a large extent, the development of entrepreneurship. A democratically elected government will do better than a military regime. The military by job description should take care of defence national security and also maintain peace. They are not for governance as they know little or nothing about the management of the economy. False entrepreneurs usually emerge during the military regimes. They are friends, kinsnad collaborators of the military; and their entrepreneurial ventures are mostly in the areas of oil bunkering, phone contracts, smuggling and other.

Poor Technical knowhow this is another serious constraint to success in manufacturing, especially medium and large-scale ones is dependent on certain level of technical know-how. Most indigenous entrepreneurs have little assess to this important resource, and they are incapable of employing trained hands, this

trend is now changing fast in Nigeria; as indigenous manpower now abound in the labour market.

ENSURING A CULTURE OF GOOD ENRPRENEURSIDP IN NIGERIA

To ensure a culture of good entrepreneurship in Nigeria, the following very important points must be carefully considered and given proper attention by planners policy makers and business educators.

Education institutions involved in the provision of business/management education should be encouraged to assist in the development of entrepreneurship. In fact, there is the need to emphasize business education for and about entrepreneurship in the curriculum of institutions of learning from the post primary to the tertiary institutions.

The Nigerian Institute of Management the Nigerian Institute of personnel Management, the Institute of Chartered Accountants of Nigeria, the Association of National Accountants of Nigerian, the Administrative Staff college (ASCON), Badagry, the Nigerian Institute of Policy and Strategic Studies, Kuru Jos, the National Association of Business Educational, faculties and departments of management sciences in the universities, polytechnics and colleges of education should from time to time organize seminars workshops short-term course conference on the development of entrepreneurship in Nigeria; with a view to examine and properly addressing problems confronting indigenous entrepreneurs. Patriotism patriotic attitude will create room for massive participation of the masses in the development process. Leadership in Nigeria must behave in a way to inculcate the spirit of patriotism in the minds of people, in a way that they will be ready to go along with the government in' her development effort. We have a lot to gain from Japan and Chinese in the economic transformation of their countries. Russia also benefited from the good leadership of Peter the Great. He not only

founded a number of industrial enterprises himself, but gave every encouragement to private entrepreneurs to establish factories. Peter the Great 'showed his people in what the material wealth of Russia consisted and he showed them how it might be exploited" Stalin also described Peters policy as 'a peculiar attempt to jump out of the framework of backwardness'

In addition, the former president, Ibrahim B. Babangida, in Africa 1989, publicly acknowledged the importance of SMEs industrial development of the country which he stated that:

"I wish to remind you Nigerian's industrial revelation has not started. It will only start when our small-scale industries programme take off'. This view is informed by the fact that in all the newly industrialized countries of south east Asia, small-scale and cottage industries dominate the industrial sector of the economics. This dominance exemplified by the contribution of small and cottage industries to their industrial output. This is about 80 and 85 percent in countries such as south Korea, Hong Kong, Singapore, Indonesia and even Japan. Furthermore, and with particular reference to unemployment problems, this category of industries provides about 70 percent of total industrial employment in their respective countries.

The Japanese government unlike the west, stimulated growth by providing necessary infrastructure in form of rail-roads, canals, rail road and also stood as initiator of directly productive enterprises The Japanese model is often termed 'guided capitalism'. Capital for development was not accumulated from abroad. For example, the Meiji rulers in Japan accumulated investment capital essentially from the peasantry. Baron (1960), rightly observed that

It is no exaggeration to say that the main source of primary accumulation of capital in Japan was the village which in the course of its entire modern history, played for Japanese capitalism the role of internal colony.

Dialogue: There must be dialogue between the public sector and the private sector. This is very important in planning for economic development, all sector of the economy must be involved in order to generate massive participation and to set attainable targets. The paractive in most developing countries is that the private entrepreneurs are sidelined; they are not fully involved in the development process. To set attainable targets, the private sector should be made to supply information on their past and projected production plans. This is to guide against setting unattainable targets that may be based on estimations and guesses.

Provision of Conducive Investment Environment-government should create a conducive investment environment. This entails promotion of private initiative, promotion of efficient working of the market forces and making provision for necessary and adequate infrastructure. These steps will enhance immensely, the development of a culture of good entrepreneurship in Nigeria.

Provision of efficient financial system; this is also very important and very essential for the development of entrepreneurship. An efficient financial system with vibrant financial inter mediation and efficient capital market will promote a culture of good entrepreneurship.

Conclusion

An entrepreneurship can only be. rated and be regarded only when the internal resource of a nation is well utilized through a good culture of entrepreneurship. The states that most spectacular success story in modern economic history of any nation are through the commitment of good culture of entrepreneurship that makes them industrialized. This paper focus attention of meaning of entrepreneurship culture, the role of entrepreneurship in sustaining development, constraints to the development of entrepreneurship, how to ensure a culture of good entrepreneurship in Nigeria etc. Therefore, the paper concludes that

the transformation of economy is only possible if the utilization of internal resources is given required attention.

Recommendations

In view of the findings, the paper regarding prospects and challenges of entrepreneurship recommendation to encourage the practice as a necessary agent of utilizing internal resources for accelerated economic transformation of Nigeria.

- i. Government should encourage the local entrepreneurs by given them necessary support, so that they can contribute immensely to national economic development.
- ii. The credit loan facilities should be made available to the local entrepreneurs to enable them produce standard products that not only made for Nigerians' consumption but for the world at large.
- iii. Nigerians should learn how to patronize local made products rather than given priorities to foreign products.
- iv. The government should ensure that the acquisition of skills, knowledge and attitude, should not only be included in the curriculum but should ensure that qualified personnel are employed.
- v. The government should become conscious of what can be done to see that we are not only exporting crude oil but, other products produced our local entrepreneurs.
- vi. The regulatory should be improved to enhance the competitiveness of product and services of entrepreneurs.
- vii. Relevant professional bodies should also assist entrepreneurs in marketing, counseling, regarding products design packaging, sales strategy.
- viii. Government should .creates a forum where different local entrepreneurs with different skills would come and compete and the best should be send to oversee

for more education in order to use him for development of internal raw materials.

- ix. Nigerian entrepreneurs should inculcate the spirit of engaging themselves in workshops and seminars to enable more innovative skills for economic development.