

INTRODUCTION TO ENTREPRENEURIAL STUDIES

GENERAL INTRODUCTION

Who is an entrepreneur?

A person who...

- assumes responsibility for a business
- sets out to make profit, takes the risk if this results
- decides/develops the product/service
- acquires (new) facilities
- brings together the labour force
- raises capital
- gets (new) production materials or means of production
- gets into (new) market
- possesses entrepreneurial mindset

Entrepreneurial Mindset involves...

- imagination, initiative
- readiness to undertake new projects
- risk-taking and daring – persevere and determined
- integrity and honesty

What Entrepreneurs Do

Entrepreneurs habitually create and innovate to build something (out of nothing) of recognised value around market opportunities.

The keywords include...

- habitually: cannot stop being entrepreneurial
- create: start from scratch and bring into being
- innovate: able to overcome obstacles; turn problems and risks into opportunities, deliver and see ideas through to final application
- build something: the output of the innovation process
- of recognized value: encompass economic, commercial, social and aesthetic value; change the world in concrete ways through their invention, business, their social and economic impacts.
- market opportunities: exploit a recognised market need.

Entrepreneurship: all about Opportunity

- it is opportunity-driven
- opportunity comes from changes in the environment and entrepreneurs excel at seeing patterns of change
- target-driven (rather than resource-driven) before asking for resources, unlike managers

Opportunity

- an idea is an opportunity when it is attractive, durable and timely and is anchored in a product or service that creates or adds value for its end buyer or user. The most successful

entrepreneurs are opportunity-focused; that is, they start with what customers and the marketplace want and do not lose sight of this. ('New Venture Creation' by Timmons and Spinelli)

Intrapreneur

- someone who works for a large company and whose job is to develop new ideas or ways of doing business for that company, that is, a business developer within a large company.

What Entrepreneur is not

- not an investor who gives money to a company, business or bank in order to get profit – does little or none of the aforementioned activities of an entrepreneur; is somewhat passive;
- get-rich-quick outfit (in a dishonest fashion)), without foundation and 'toil'

What Entrepreneurship and Engineering have in Common/How Relevant to Engineering?

- are about ingenuity, innovation
- are about complex systems
- are technology-driven
- requires intelligence, available for the engineer in large measure
- author credentials hardly occur for an engineer entrepreneur

Reasons for Studying Entrepreneurship

- self-employment, creates more jobs in the economy
- revitalize national/global economy with diversification
- leave no opportunity unharnessed
- saturate the market economy

Relevance to the Nigerian/global Economy

- eradicate poverty; achieves the first Millennium Development Goal (MDG)
- reduce poverty rate in Nigeria
- reduces unemployment rate in Nigeria

1. Poverty and Poverty Alleviation: Ise Loogun Ise! Cure for Poverty is Industrialization

Achieving the first Millenium Development Goal

Poverty in Plenty?

As of 2019, an individual living in Nigeria with less than 137.4 thousand Nigerian Naira (roughly 361 U.S. dollars) per year was considered poor. Similarly, a person having under 87.8 thousand Naira (about 215 U.S. dollars) in a year available for food was living below the poverty line according to Nigerian national standards.

IMF Working Paper – Poverty in a Wealthy Economy: the Case of Nigeria

Poverty is a multidimensional concept that seeks to measure levels of deprivation encountered by a person, household or community. It is generally considered to be a measure of deprivation of the basic needs that a person, household or community requires to have a basic standard of living.

Deprivation can be measured in terms of lack of resources (e.g. income, assets), capabilities (e.g. skills, knowledge, technology) or both. (Reference World Bank Global Monitoring Report, 2015).

Of the 17 Sustainable Millennium Development Goals (SMDGs), the first and seemingly the most important and all-encompassing among them is Poverty reduction. This is generic – for individuals, households, community, nation, and the world at large. Nations are categorised depending on their wealth or poverty which connote their standard of living in terms of security, food security, life expectancy, technology in place – these, among others, are interwoven. These are indices of poverty or otherwise, through which it can be measured.

Poverty is rife in middle-class nations, also known as developing nations in relation to the developed nations of the world. They have all or many of the indicators afore-listed in short supply.

Causes of poverty include inadequate access to clean water and hygiene and nutritious food, little or no access to livelihoods or jobs, conflict, inequality and marginalization, poor education, climate change, lack of infrastructure and poor public works, limited capacity of the government (or government support), lack of reserves, poor healthcare systems. These are not only causes; they are poverty in themselves.

What then is the way out of poverty? One of the vital solutions is access to livelihoods or jobs/employment.

In a poverty-ridden nation, this is in short supply and the economy is run aground. Government no longer can provide jobs for its citizen – they are left to fend for themselves.

This is a great challenge for survival, which is the first law of life. Necessity then becomes the mother of invention. This invention, when properly done, becomes self-employment. In other words, entrepreneurial spirit revives. This results in gainful employment.

Unemployment and poverty are two of the major issues currently affecting Nigeria's economy and its society. According to data released by the National Bureau of Statistics (NBS), the population of the unemployed in Nigeria during the last quarter of 2020 stood at 33.3 percent - an increase of 6.2 percent points compared with the 27.1 percent of quarter two 2020 (Q2 2020). This places Nigeria in the number three position among countries with the highest number of unemployed people in the world! Also, according to data from the World Poverty Clock (a Web tool produced by World Data Lab), the number of people living in extreme poverty in Nigeria rose from 86.9 million in 2018, to 93.7 million in 2019, thus Nigeria stands as the nation with the highest number of people living in extreme poverty across the world!

This trend of unemployment and poverty is projected to worsen, as the World Data Lab noted that the outlook for poverty alleviation in Nigeria is weak, and that an estimated 120 million Nigerians are expected to slip into extreme poverty by 2030.

What could help to improve this situation of rising unemployment and poverty in Nigeria? A revival of the agricultural sector in Nigeria is one suggestion that has been put forth. Another dominant thought amongst local economists is that if the country's manufacturing sector is properly developed it can absorb a large number of the labour force, thereby reducing the high population of the unemployed.

Other palliative measures have also been recommended to reduce the suffering of the poor. For example, in an interesting three-part 'Viewpoint' column published in the Vanguard newspapers some years ago, a prominent Nigerian, Aare Afe Babalola highlighted the importance of giving/generosity/philanthropy in alleviating the suffering of the poor in Nigeria.

Sometime ago, a group of activists sought the institution of a 'Universal Basic Income' (UBI) and polled over 200,000 signatures to drive home their demand. The movement renewed the call for the establishment of basic income guarantee as an essential part of modern economies.

UBI, as an economic philosophy, dates back to hundreds of years ago and was central to the concept of utopian society. In recent years, some European governments had to test its popularity through referendums. But it has never been given more attention as a tool for building inclusive economic growth than it is now.

In the recent United States election, Andrew Yang, a Democratic Party presidential aspirant, shot to the international podium for his sermon on UBI and how he planned to pay the poor a monthly stipend of \$1000 each, if he emerged the U.S president. But Yang is not the only advocate of UBI. Elon Musk of Tesla, Mark Zuckerberg of Facebook, Pope Francis, Jeff Bezos (the founder of Amazon), Bill Gates and Jeremy Corbyn (the former Labour Party leader) are among millions of global leaders who are currently calling for the adoption of UBI.

Nigeria's closest semblance of UBI is the National Social Investment Programme (NSIP) launched in 2016. But contrary to the pass mark the government has given to the programme, a professor of economics at the Olabisi Onabanjo University, Sheriffdeen Tella, said that the government's self-assessment was far from the truth. He said only a thorough impact assessment could show whether the programmes have achieved their desired results.