PRIVATE INITIATIVES IN ENTRENEURSHIP DEVELOPMENT

BY

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1.0 **Introduction**

Entrepreneur is a French word, which means “the one who undertakes”. The entrepreneur organizes resources or the factors of production (land, labour and capital) within their firm with the aim of building up a successful profit-making company.Entrepreneurship is the process of establishing a new firm, taking risk and making profit in the process. Entrepreneurship or business enterprises refers to a group of skills, which includes the ability to combine land, labour and capitals in the most efficient way, the willingness to run the risk of the business failure and the creativity required to invent new products and new ways to market them.

Entrepreneurship development is the process aimed at entrepreneurs' knowledge and skills enhancing for the improvement of their entrepreneurial acumen and individual growth.

This paper focuses on entrepreneurship and private initiatives in entrepreneurship development in Nigeria and Africa as a whole. It examines the private individuals that have put effort to promote entrepreneurship development by creating sponsorship programs, foundations and open space for entrepreneurship opportunities for Nigerians and Africans, especially young individuals.

2.0 DEFINITION OF TERMS

2.1 Entrepreneur:

Entrepreneur is a French word, which means "the one who undertakes". This is an individual who creates a new firm and continues to manage it until it is successful. Entrepreneur is the name given in economic theory to the owner manager of the firm. An entrepreneur is a person who organizes, runs and takes the risk of a small business. The entrepreneur organizes resources or the factors of production (land, labour and capital) within their firm with the aim of building up a successful profit-making company. An entrepreneur is a person who sets up a business taking a greater than normal financial risks in order to succeed.

Bolton and Thompson have defined an entrepreneur as "a person who habitually creates and innovates to build something of recognized value around perceived opportunities".[1] Hisrich defined that an entrepreneur is characterized as "someone who demonstrates initiative and creative thinking, is able to organize social and economic mechanisms to turn resources and situations to practical account, and accepts risk and failure".[2]

2.2 Entrepreneurship:

Entrepreneurship is the process of establishing a new firm, taking risk and making profit in the process. Entrepreneurship or business enterprises refers to a group of skills, which includes the ability to combine land, labour and capitals in the most efficient way, the willingness to run the

[1] Bolton W.K. and Thompson J.L. (2000) Entrepreneurs: Talent, Temperament, Technique. Butterworth Heinemann, Oxford
[2] Hisrich, R.D. (1990) Entrepreneurship/Intrapreneurship. Am Psychol 45(2), 209–222

risk of the business failure and the creativity required to invent new products and new ways to market them. Entrepreneurship can be considered a special type of human resources.[3] Entrepreneurship, according to Onuoha, "is the practice of starting new organizations or revitalizing mature organizations, particularly new businesses generally in response to identified opportunities[4]." Schumpeter defined "entrepreneurs as individuals who exploit market opportunity through technical and/or organizational innovation".[5]

For Frank H. Knight[6] and Peter Drucker[7] "entrepreneurship is about taking risk". Thomas and Mueller argue that the study of entrepreneurship should be expanded to international markets to investigate the conditions and characteristics that encourage entrepreneurial activity in various countries and regions. It is reasonable to expect that entrepreneurs reflect the dominant values of his or her national culture and national culture has definite effect on entrepreneurship.[8]

2.3 Entrepreneurship development:

This is the process aimed at entrepreneurs' knowledge and skills enhancing for the improvement of their entrepreneurial acumen and individual growth.The concept of entrepreneurship development involves the motivation of individuals with high achievement orientation, who strive for an entrepreneurial career, making them capable of embracing and operating the opportunities for business enterprises successfully. It is a tool, which helps to cope with unemployment in many countries. Well-motivated people inspire the other ones: guide them towards running own business, help to find the right approach or solutions, related to business functions.[9]

[3] https://www.grossarchive.com/upload/1429095856.html/the_practice_of_entrepreneurship_in_Nigeria last accessed 3rd August, 2019,
[4] Onuoha G., (2007) Entrepreneurship, AIST International Journal 10, 20-32
[5] Schumpeter J. A. (1965). Economic Theory and Entrepreneurial History. In: Aitken HG (ed) Explorations in enterprise. Harvard University Press, Cambridge, MA
[6] Knight, Frank H. (1921). Risk, Uncertainty, and Profit. Boston, MA: Hart, Schaffner & Marx; Houghton Mifflin Company
[7] Drucker, P. (1970), Entrepreneurship in Business Enterprise, Journal of Business Policy, Vol: 1.
[8] Thomas A.S. & Mueller S.L. (2000), A Case for Comparative Entrepreneurship: Assessing the Relevance of Culture. J Int Bus Stud Second Quarter 31(2), 287–299
[9] https://www.legit.ng/1198255-what-entrepreneurship-development.html.

2.4 Small and Medium scale Enterprise (SMEs):

Generally, there is no accepted worldwide definition of SMEs like that of entrepreneurship[10], however, in Nigeria, according to Oyeyinka (2010), SMEs are broadly defined as businesses with turnover of less than N100m per annum or less than 300 employees[11], the SMEs represents about 96 % of Nigerian business compared to 53 % in the US and 65 % in Europe.[12]

In constants, small and medium scale enterprise (SMEs) usually operates in the formal sector of the economy, employ mainly wage-earning workers, and participate more fully in organized markets, more fully in organized markets. Small and medium scale enterprise (SMEs) access to formal finance is desirable possibility, and SMEs are more likely than enterprises to grow and become competitive in domestic and international markets.[13]

According to World Bank report, the term "small and medium scale enterprises" should be broad, interpreted and incorporated in the following groups:

a) Handicrafts and cottage industries may sometimes be included in the small scale industry program, if such enterprises appear to be potentially competitive as individual or cooperative enterprises and where special organizations for their support do not exist.
b) Artisan type enterprises should be encouraged whether they are traditional (such as bakeries), or modern such as a motorcar garage, even if the occupation is not solely of a manufacturing nature.
c) Manufacturing related activities such as transport and construction may often be usefully combined with manufacturing in the small-scale enterprise. In some countries that are lacking indigenous entrepreneurs, even relatively simple trading activities may require, encourage if a pool of entrepreneurs capable of manufacturing activities is to be created.[14]

[10] Khalique M., Isa A. H. M., Shaari J. A. N., Ageel A., International Journal of Current Research 3(6) (2011) 398-401.
[11] Oyelaran-Oyeyinka, O. (2000). Technology and Institutions for Private Small and Medium Firms: The Engineering Industry in Nigeria (No. 15). African Technology Policy Studies Network
[12] Hooi L. W., Asia Pacific Business Review 12(4) (2006) 465-485.
[13] Hallberg K. (2001). A market-oriented strategy for small and medium-scale enterprises. Discussion Paper No. 48, International Finance Corporation.
[14] World Bank, 2000. The World Bank Report, 1999. The World Bank, Washington DC. USA.

According to Central Bank of Nigeria (CBN), In Nigerian economy, the role of SMEs is considered as the backbone of the economy.[15] It is however assessed that irrespective of country, SMEs face common problems in respect of their survival or take competitive advantage.[16] More than 50 % of Nigeria SMEs collapse within the first five years, about 25 % go bankrupt or fold up.[17]

Small and Medium Enterprises Development Agency of Nigeria, identify the various challenges facing SMEs in a globalized environment, among other things, are recession, trade barrier from currency barrier. The challenge of SMEs in Nigeria is enormous and it ranges from:

i. Inadequate and inefficient infrastructural facilities which tend to escalate the costs of operation, as SMEs are forced to resort to private provisioning of utilities such as road, water electricity, etc.

ii. Lack of adequate credit for SMEs, traceable to the reluctance of banks to extend credit to them owing, among others, to poor documentation at project proposals as well as inadequate collateral by SME operators.

iii. Bureaucratic bottlenecks and inefficiency in the administration of incentives which discourage rather than promote SME growth.

iv. Weak demand for products, arising from low and dwindling consumer purchasing power. Lack of patronage of locally produced goods by those in authority.

v. Incidence of multiplicity of regulatory agencies and taxes, which has always resulted in high cost of doing business and poor management practices and low entrepreneurial skill arising from Inadequate educational and technical background or many SME promoters.[18]

[15] Central Bank of Nigeria, Research Department, (2000). The Changing Structure of the Nigerian Economy and Implications for Development. Printed and published by Realms Communications Ltd. Lagos. August, 2000.

[16] Reiss F. (2006). [Online] Available: http://www.publishinggame.com/art_whysmallbusinessesfail.htm.(11 December, 2006)

[17] Central Bank of Nigeria, 2006. Small and Medium Enterprises Equity Investment Scheme (SMEEIS), Revised Guidelines for Operation of the Scheme (An Initiative of the Bankers' Committee)

[18] SMEDAN, (2013). ''2013 Annual Report. SMEDAN, Abuja

3.0 Private Initiatives promoting Entrepreneurship development in Nigeria and Africa, include, but are not limited to:

A. **THE TONY ELUMELU ENTREPRENEURSHIP PROGRAMME** (TEEP):

This is a yearly programme launched by one of Nigeria's business tycoon Mr. Tony Elumelu via Tony Elumelu Foundation (TEF). The program launched in 2015 is aimed at providing 10,000 USD seed funding for entrepreneurs across Africa. Every year, the programme selects 1,000 entrepreneurs across Africa from a pull of over 50,000 applicants. Every year, the programme selects 1,000 entrepreneurs across Africa from a pull of over 50,000 applicants. Each application is carefully reviewed by business experts in the industry and winners are selected based on market feasibility, clear financial models and a capable team to run the business.

Each program cycle begins with an application process opened from January 1st until March 1st. To be eligible: Business must be based in Africa, Business must be for profit, Business must be 0-3 years' old, Applicants must be at least 18 and a legal resident or citizen of an African country. The benefit of this programme is that the prize includes 12 weeks of intensive training, mentoring and seed capital.[19]

B. **SHE LEADS AFRICA**:

Yasmin Belo-Osagie, and Afua Osei, are co-founders of She Leads Africa, a community that helps young African women achieve their professional dreams. The SLA Accelerator is a 3-month program designed to identify, support and fund the next generation of Nigeria's brightest female entrepreneurs. The winner of the programme will receive a N2 million funding grant from SLA. This annual prize goes to a female entrepreneur in Nigeria, and such applicant must be between 18 and 35 with an existing business based in Nigeria, less than three years old and with less than $50000 in external funding. This scholarship includes media coverage to raise your profile, access to Nigeria's best business minds, and an opportunity for investment.[20]

[19] https://www.tonyelumelufoundation.org/
[20] https://sheleadsafrica.org/accelerator/

C. **MO IBRAHIM FOUNDATION**:

The Mo Ibrahim Foundation was established in 2006 with a focus on the critical importance of leadership and governance in Africa. It was founded by Mo Ibrahim, a Sudanese and billionaire businessman and philanthropist, who founded the telecommunications company Celtel International in 1998. Mo Ibrahim is the chairman.

The stated aims of the foundation are to "bring about meaningful change on the continent, by providing tools to support progress in leadership and governance".[21] The Foundation, which is a non-grant-making organisation, focuses on defining, assessing and enhancing governance and leadership in Africa through four main initiatives:

i. Ibrahim Index of African Governance.
ii. Ibrahim Prize for Achievement in African Leadership.
iii. Ibrahim Forum.
iv. Ibrahim Fellowships and Scholarships.[22]

The Ibrahim Leadership Fellowships form a selective programme designed to mentor future African leaders. The Fellows receive mentoring from the current leaders of key multilateral institutions.

From 2011 – 2013 Fellows were hosted at African Development Bank, United Nations Economic Commission for Africa and World Trade Organization. From 2014 onwards the World Trade Organization was replaced by a Fellowship at the International Trade Centre.

The Ibrahim Scholarships were established in 2007, to support and develop the talent of outstanding young Africans in selected disciplines.There is also an Ibrahim Prize, which celebrates excellence in African leadership. The Ibrahim Prize has the potential to change perceptions of African leadership by showcasing exceptional role models from the continent. The significance of the Prize lies not only with its winners but also with the conversation around leadership that it generates.

[21] "The Mo Ibrahim Foundation: About". Archived from the original on 2014-04-09.
[22] http://www.moibrahimfoundation.org/overview/

The Ibrahim Prize:

- Recognizes and celebrates African executive leaders who, under challenging circumstances, have developed their countries and strengthened democracy and human rights for the shared benefit of their people, paving the way for sustainable and equitable prosperity
- Highlights exceptional role models for the continent.
- ensures that Africa continues to benefit from the experience and expertise of exceptional leaders when they leave national office, by enabling them to continue in other public roles on the continent.
- Is an award and a standard for excellence in leadership in Africa, and not a "first prize", there is not a necessarily a Laureate every year.[23]

D. **FATE FOUNDATION**:

In 2000, it was founded by Mr. Fola Adeola (Founder & Pioneer Managing Director/Chief Executive Officer, GTBank) with the support of other leading private sector leaders committed to fostering sustainable entrepreneurship, to harness the strong entrepreneurial culture of Nigerians by providing the business incubation, growth and accelerator support required to fully explore their innovative potential.

The goal of the foundation is to enable aspiring and emerging Nigerian entrepreneurs start, grow and scale their businesses while also facilitating the development of an enabling business environment and thriving ecosystem.[24]

E. AFRICA'S YOUNG ENTREPRENEURS (AYE):

A South African based Nigerian entrepreneur, Summy Francis, is the president of Africa's Young Entrepreneurs. He oversees strategy and its execution.

A.Y.E operates through some established platforms across Africa. Till date, they have three successful annual programs which are AYEEN, AYEEP and AYEESA which is the program

[23] http://mo.ibrahim.foundation/prize/
[24] https://fatefoundation.org/about/

held in Nigeria, Ghana and South Africa respectively. The programs mostly include Agriculture and Aquaculture training while the participants are empowered with basics of starting up, sustaining and expanding their business. The mentorship program caters to all business sectors giving guidance, advice and necessary information to teething entrepreneurs. Tools are also provided for the grassroot entrepreneurs and artisans to enhance their business productivity.[25]

i. AFRICA'S YOUNG ENTREPRENEURS EMPOWERMENT NIGERIA (AYEEN):

This is the foremost entrepreneurial empowerment program in Africa birthed to develop and empower the next generation of Nigerian young entrepreneurs. AYEEN was launched to torchlight innovative, exceptional and viable business/ideas in Nigeria that has all the ingredients for success and growth regardless of sector.

AYEEN attracts and engages over 25, 000 entrepreneurs from the 36 States in Nigeria and the FCT with diverse businesses/ideas in various sectors of the economy who are screened annually and several hundred directly empowered with grants, mentorship, equipment, training and loans. Development of Africa's budding entrepreneurs through mutual networking, and with established captains of industry.

They use conferences, workshops and motivational talks to share practical information on how to continuously improve implementation, development and management of business initiatives.

AYEEN was conceived to effectively affect the business space and entrepreneurial minds of young Nigerians. The conception has led to the identification of viable business ideas, start-ups and existing businesses which have been generously aided with funding, business mentorship and training.

[25] https://ayeen.ng/

The peculiarity of AYEEN is that, there will be no ultimate winner rather hundreds of people walk away annually with various degrees of business funding and other forms of empowerment.[26]

ii. AFRICA'S YOUNG ENTREPRENEURS EMPOWERMENT PROGRAM (AYEEP):

A.Y.E operates through some established platforms across Africa, one of which is the AYEEP which changes its last syllable to indicate the country in view. AYEEP launched in 2014, is an innovative program set to identify creative and exceptionally innovative entrepreneurs across Africa.

AYEEP is a 3-day conference. As part of the program, several entrepreneurs present their business ideas after which some of the businesses are selected and funded by the organisation.

The most innovative and creative ideas (whether new or existing) receive full funding and mentoring support from A.Y.E and others are granted business skills training scholarship, equipment funding amongst other benefits.

iii. AFRICA'S YOUNG ENTREPRENEURS STUDENT ASSOCIATION (AYESA):

Africa's Young Entrepreneurs Student Association (AYESA) is directed towards identifying the links between entrepreneurship and education and creating a lead way for students in Nigeria to leverage on the bountiful business opportunities presented to Africa. A.Y.E therefore launched this association to enhance Entrepreneurship education which focuses on developing and understanding the capacity for pursuit of entrepreneurial behaviors, skills and attributes in African students. These behaviors can therefore be practiced, developed and learned in the association before their full exposure into the entrepreneurial ecosystem.

[26] https://ayeonline.org/pages/our-programs/

At AYESA, it's not only about having students who start their own businesses, but also about students who set their own goals in life as we provide the necessary resources and tools to assist them in achieving their goals and dreams.

iv. MY MENTOR & ME:

This online mentorship platform was established to offer direct mentorship to budding entrepreneurs at the comfort of both the mentor and the mentee, therefore making it easy for several thousands to have instant and direct interaction with the mentors and also to establish a personal relationship where necessary. The topics covered by our mentors include both personal business experiences and tools on growing and maintaining a sustainable business.

F. **AFRICAN INNOVATION FOUNDATION**:

The Innovation Prize for Africa is an annual grant provided by the Africa Innovation Foundation to inventors and innovators with breakthrough ideas and solutions that could positively impact Africa.

Each year, 10 nominees are selected through a rigorous process overseen by an expert panel of judges. The top three innovations are selected and receive a share prize of $150,000, with each nominee receiving a $ 5,000 voucher.

The foundation only accepts applications from, and awards grants to, entries in five priority areas: agriculture and agribusiness; environment, energy and water; health and well-being; ICTs; manufacturing and services.[27]

[27] http://africaninnovation.org/

G. THE AFRICA ENTERPRISE CHALLENGE FUND (AECF):

It hosts an investment forum bringing together financiers from across the world to identify investment opportunities in agribusiness and renewable energy in Small and Medium Enterprises (SMEs) operating in Africa. The forum is a matchmaking platform bringing together 15 investors, over 50 SMEs seeking a total of US $50 million in investment.

The AECF investment forum is a two-day workshop that aims at advancing SMEs to bankable stages, raising capital and accelerating the financial closure of deals. The investors will have access to a selected and pre-screened pipeline of small and medium businesses in agribusiness and renewable energy that have been funded by the AECF.[28]

H. DOT CONNECT AFRICA (DCA):

Ms. Bekele currently heads DotConnectAfrica (DCA), an Independent, non-partisan and non-profit organization registered in Mauritius and currently has its base in Nairobi, Kenya, as its Executive Director. DCA has been given the endorsement for the "Africa" continental domain name from key governmental bodies and international stakeholders and has enjoyed overwhelming support from many African public and private sector actors.[29]

DCA was established to provide training on various topics, all related to the Internet – from how to effectively use it, to its governance – so as to increase Internet literacy in Africa. It is aimed at achieving the organization's objective of advancing education in information technology to the African society.

The DCA provides the tools and skills to foster leadership, entrepreneurships and also connecting youth and women to innovation highways, this way Africa can be part of the foundations of a developed technologically aware society.

The DCA training courses are modeled after similar international initiatives in Europe, United States and South America. The academy conducts trainings, both online and on the ground and this is to ensure that it has a wide coverage.[30]

[28] https://www.aecfafrica.org/
[29] http://dotconnectafrica.org/about/founder-profile/
[30] http://dotconnectafrica.org/yes-campaign/dca-academy/

DCA Initiatives include; Generation.Africa, Miss.africa, and DCA Digital Academy.

Their programs include the 6 months – 1-year internship program where interns will participate in different activities that will be organized during the year, Miss.Africa Seed Fund, and the Incubation. These are based in the following areas: Educational, Entrepreneurship, Technology, Social, and Environmental.[31]

i. Recent graduates' Internship program:

At Miss.Africa, interns work on projects that matter, and the team will rely on your skills and insights to help deliver those projects to market. Interns get the opportunity to work on real projects and have fun along the way.

The recent graduates' internship 6 month – 1-year program, provides developmental experiences in the ICT and entrepreneurship world. It is intended to promote possible careers in ICTs and business to individuals who, within the previous two years, graduated from qualifying educational institutions with an associate, bachelors, masters, professional, doctorate, vocational or technical degree or certificate from qualifying educational institutions.

To be eligible, applicants must apply within the previous two years of degree or certificate completion. It is a chance to show off one's skills and work on cutting-edge technology.

ii. Miss.Africa Seed Fund:

Miss.Africa Seed Fund in Africa offers grants to support women and girls in the Science, Technology, Engineering and Mathematics (STEM) fields to launch or expand their own initiatives that will increase their digital opportunities in IT related training, jobs and leadership roles.

The program provides training, mentor-ship and outreach programs to increase the number of skilled women in technology, entrepreneurship and to catalyze impact in the community.

iii. Miss.Africa Incubation Program:

This program is designed to help mobile app developers to make progress on their entrepreneurial ventures. A select number of girls and women who have benefited from the

[31] http://missdotafrica.digital/programs/

Miss.Africa Seed Fund Mobile app training are offered an opportunity to pursue scaling of their apps.

It is also to encourage students who are committed to building their venture to benefit from support in form of consulting, mentoring, prototype creation and other services and co-funding for them.

Conclusion

In conclusion, entrepreneurship is mostly about risks, innovation, creative thinking and an entrepreneur is the one who creates and innovates something recognized around perceived opportunities by accepting risks and failures. Moreover, entrepreneurship concept varies from one country to another country, and an entrepreneur reflects the dominant values of his/her national culture.

From the above discourse, it has been noted that the various private initiatives that support entrepreneurship development in Nigeria, and Africa give opportunities to small and medium scale businesses which are upcoming, to showcase their talents, business ideas and even products, assisting them with financial grants, sponsorships, and sometimes mentorship to guide the startups and improve such businesses into larger and bigger scales.

It was discovered in my research that only a few private persons contribute to entrepreneurship development in Nigeria, and I believe successful entrepreneurs, that have opportunities to give, should be inclined to assist in this sector more, financially, by offering mentorships and much more.