

ENTREPRENEURSHIP TO THE RESCUE

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On Saturday March 15, 2014, Nigerians woke up to a bizarre. About 522,650 graduates assembled in major stadia across the country to write an employment test and go through physical fitness for recruitment into the elite cadre of the Nigerian Immigration Services. The candidates were all vying to fill about 4,556 vacancies in the Service, according to the newspaper sources quoting the Minister of Interior. If all the 4,556 slots were filled at the end of the exercise, less than one in a hundred applicants would have been employed. We do not know how many persons actually applied for the jobs.

The recruitment exercise was approved by the Minister of Interior, who also supervised the exercise in Jos, Plateau State. We have all seen the outcome of the exercise. At the end of the day, eighteen of the applicants died due to stampede while hundreds were injured in various locations especially in Abuja, Lagos, Porthacourt, Makurdi, Gombe, Calabar, Osogbo, Ibadan and Yenogoa. A typical scene was that of the National Stadium, Abuja where about seventy thousand applicants were scheduled to write a test and undergo physical fitness in a stadium with maximum capacity of sixty thousand.

The phenomenon of May 15, 2014 portrayed Nigeria in bad light and with serious implications. In the first place, the hapless candidates parted with the sum of one thousand naira each to undergo a recruitment exercise for appointment into the public service of Nigeria. The implication is that our country is ready and does not mind to swindle its own citizens or suck them dry, in an attempt to generate revenue.

This incident was not a handiwork of few unpatriotic individuals; it was formalized and intended to be a source of internally generated revenue either for the Ministry of Interior or for the Immigration Service or to defray the cost of engaging a recruitment consultant or to cover the cost of the recruitment exercise. Whatever it is, it exposes our government as an institution that is not ready to spend our taxes to provide services for us. In fact, it will be interesting to know whether the Ministry or its affected parastatal actually budgeted for the sum of over N500 million as internally generated revenue from a proposed recruitment exercise in their 2014 budget.

Further, this incident has opened another scenario in recruitment exercise. If a government institution is making applicants to pay for recruitment exercise, how can we dissuade the private sector organizations who do not receive any subvention from government and are

profit-oriented from doing the same or worse? Incidentally, some organizations actually reimburse applicants for their cost of transportation, and sometimes, are responsible for their accommodation.

In addition, it needs to be made public how the Ministry of Interior had planned to conduct employment test for 60,000 candidates in a stadium at the same time where every candidate must be physically present. If a private enterprise was to come up with this type of arrangement, it would be described as a fraud and the organizers would be promptly arrested and, possibly prosecuted. Hence, this incident once more brings to the fore the quality of thinking and leadership at strategic levels in our country. This is one action that has brought to the public, the quality of decision making in our various government offices. That a proposal to conduct recruitment exercise in the way we have seen sailed through all approval levels in a federal ministry speaks volume. It is a shame and an absurdity that should be condemned. It portrays our country as backward and our country managers as intellectually lazy, and lacking in ideas and in the ability to execute simple project. I personally feel for the Minister who, I believed would have been propelled by a patriotic zeal to give equal opportunity to all qualified graduates and to be seen to be open and transparent in the recruitment process. But the opportunity to show this was hugely bungled.

More profound is the fact that this incident has brought out, once again, the challenge of youth unemployment in our country and the need to grow the private sector as the preferred providers of job opportunities. By official statistics from the Nigeria Bureau of Statistics, unemployment rate is about 24 per cent. It is known that the actual situation is higher and may not be less than 50 per cent for youth unemployment. As an operator in the private sector, I know the pressure we go through from job seekers and their relations and the number of candidates we interview on the average, to fill a position. Thus, the proportion of shortlisted candidates to the available slots to be filled is not an abnormality; it is a reflection of the current situation in our country. It is already reaching a crisis point.

My antidote is to invite us to embrace entrepreneurship. Available statistics, which is an outcome of a credible survey by the Global Entrepreneurship Monitor (GEM), classifies Nigeria as an entrepreneurial nation. Nigerians see opportunities, not challenges. The 2013 GEM Survey indicates that 82 per cent of adult Nigerians perceived entrepreneurial opportunities and see entrepreneurship as a good career choice. This is one of the highest in the world and underscores the entrepreneurial spirit in a typical Nigerian. Opportunity-driven entrepreneurs are encouraged into entrepreneurship by the opportunity they perceive and choose to pursue. They are different from necessity-entrepreneurs who are pushed into considering business venture because they have no other choices and no other source of income.

As a factor-driven economy, the potentials need to be turned into actionable activities for our people who are desirous of making success of their lives. But Nigeria has not seized the opportunity to provide those interested in entrepreneurship with the necessary tools and support. Most problematic factors in doing business in Nigeria include inadequate supply of infrastructure, corruption, challenge in obtaining necessary permits and limited access to finance.

Nigeria is poor in the provision of major infrastructure that drives ease of doing business such as transportation, electricity, permits, etc. In the 2014 Doing Business Report of the World Bank, Nigeria ranked 185 out of 189 economies surveyed on the ease and availability of electricity surpassing only Tajikistan (186th), Madagascar (187th), Guinea-Bissau (188th) and Bangladesh (189th). Transportation does not fare better. Movement of goods and persons is done principally only by road in Nigeria.

I believe Nigeria government needs to pay more attention to how we can empower our citizens who are desirous of making a legitimate and honest living. Government needs to pay attention to this area. We need to bring down the level of unemployment and rate of poverty which have reached alarming and unacceptable levels. As we race towards the year 2020, most nations of the world have made brilliant and impressive progress towards the goal of halving poverty. Poverty was halved worldwide in twenty years from 43 per cent in 1990 to 21 per cent in 2010. The World Bank aims at reducing world poverty to nine per cent by 2020. Poverty fell in China from 77 per cent in 1980 to 14 per cent in 2008. But poverty rose in Nigeria from 28 per cent in 1980 to 61 per cent in 2010. Nigeria is thus moving against the tide.

What do we need to do? How has China achieved the impressive reduction in poverty? What are the other countries doing differently? We may not get answers to all these questions in this episode. What is certain is that we have to take unusual steps to achieve unusual results. The starting point is to enable millions of our youths who are desirous of working to get work to do. Since government cannot create sufficient jobs in the public sector, because it does not have the resources and the pragmatism, it must then energize the environment and the private sector to be able to do so. The only strategic way to go is to arm those who see the opportunity to start and run their own businesses to be able to do so. It starts with giving ourselves the target.

Nigeria currently occupies the 147th position out of 189 economies in the ease of doing business and 122nd in the ease of starting a business. Can we move to under 100th position in these two areas in the next five years? We are better than only four economies in the world in the ease of getting electricity. Is the current power reform and the ensuing privatization capable of moving us to below 100th position in the next five years? The movement will also imply the migration towards a knowledge-driven economy from a factor-driven one.

One is also amazed at the different kinds of programs embarked upon by government at all levels and some political office holders. Some governments distribute motorcycles and some other articles of trade to party loyalists and youths, in the name of empowerment programs and encouraging self reliance. Some others distribute cash in the attempt or believe to energize the beneficiaries to start and run businesses. There are various other schemes and subsidies executed with public funds. The discussion of this will be a subject of another day. It is sufficient to state that subsidization, more often than not, do not benefit nor reach targeted or intended recipients. For subsidy to be effective, the three issues of additionality, deadweight and displacement must be addressed by any government that believes in using subsidy to promote entrepreneurship. By additionality, net positive outcomes as contemplated by the program must be achieved; this implies that there must be measurable objectives at the outset of the subsidy program. Deadweight must be avoided indicating that the outcome of policy must be that it is achieved by the policy and not because the achievement would have been recorded even if the subsidy was not provided. Displacement occurs where some other enterprises are worse off or displaced or die as a result of the subsidy, thereby making some segment of the population worse off while attempting to better the lives of some others.

The four most important things to focus on for us to make appreciable progress in these areas are to start building enduring institutions, enhance socio-economic infrastructure, promote conducive macroeconomic environment and boost health and primary education. As a nation, it is up to us and the ball is in our court.