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ENTREPRENEURSHIP AND AGRIBUSINESS, SURE WAY TO SELF-RELIANCE IN NIGERIA

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Abstract

The unavailability of jobs have compelled individuals to seek for alternative jobs. People now think of what they can do on their own to earn a living. Since Nigeria is characterized by agribusiness, most people are in the area of agribusinesses. They are involved in the production of inputs, farm production and distribution and marketing of what has been produced. Though cooperative form part of the business, education is required for them to progress along that line. Finance and good management are also required if profit is to be maximized.

Keywords: Entrepreneurship, self-reliance, Nigeria, cooperative, job

Introduction

Nigeria, in the past depended on oil and realized much from it, but in recent times revenue from the oil started dwindling. The oil is drying and the country can no longer depend on it. Today the country is talking about diversification of the economy of which entrepreneurship becomes a major focus. Entrepreneurship leads to self-reliance which will bring about a reduction in poverty.

The Federal Government has made entrepreneurship compulsory for all the university undergraduate students in the country. When they graduate, it will enable them to start something on their own without waiting for somebody to employ them. The economy can no longer afford to employ everybody; hence unemployment is on the increase. In order to reduce unemployment, entrepreneurship becomes the main factor.

Concept of Entrepreneurship and Entrepreneur

Entrepreneurship has been defined in some ways by different authors. Ige (2007) defined entrepreneurship as predisposition towards the establishment and operation of business ventures by any one or group of persons, including government for the sake of making profit or social surplus in order to accumulate wealth, or otherwise. However, Ogbor (2009) defined entrepreneurship as purposeful and an organized search for change conducted after a systematic analysis of opportunities in the environment. Soyibo (2006) defined it as a process of identifying an opportunity related to needs satisfaction and converting it to a thing (product and services) of value.

Given all these definitions and more, they can be summarized in a single definition, entrepreneurship can be defined as the readiness and ability of an individual to identify investment opportunities, set up and operate an enterprise. On the other hand an entrepreneur is a person who carries out the act of entrepreneurship. He is creative and aggressive, an innovator who promotes the necessary relationship required for the new business to come into existence. He is a risk bearer, he starts a business and brings about improvement on the method of doing things and in that process generates employment opportunities for the teaming population. There is no area of human endeavor that an entrepreneur cannot thrive.

The functions of Entrepreneur include: CHIKWEM (2018).

- Identifying opportunities: it is the responsibility of the entrepreneur to identify viable business projects whose net returns can be achieved.
- Choice opportunities: these are mainly investment opportunities; the entrepreneur chooses the one that gives him the highest net returns.
- Decision of form of enterprise: he takes a decision on the project resources to be committed.
- Business directorship: This involves selection of Board of Directors that will supervise the business.
- Risk bearing: the entrepreneur bears the risks, as the success or failure depends on his ability to manage the business.

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- Innovation: for the business to thrive, the entrepreneur has to be innovative. He should be creative with respect to utilizing inputs. To achieve this, he has to apply all management techniques.

Others include:

- Creativity: Always thinking of new ideas, ways of handling products.
- Dedication: Working always to ensure success
- Determination: Strong desire to achieve.
- Leadership: Ability to make rules and set goals.
- Passion: Is what gets entrepreneur started and keeps them there.
- Self-confidence: Being sure of what he is doing.

Examples of Entrepreneur Obasanjo Ota farm, Owners of cyber café, Proprietors of school, Small scale business operators, Filling stations operators, Super market operators and more.

Aims of Nigerian Entrepreneur

- He is out to make profit.
- Grows from small to big
- To be successful in business
- Provides good products
- Contributes to community development
- To provide jobs for relatives, friends and others
- To be independent
- To have something for his children

Plan for starting a business as an entrepreneur, Nwachukwu (2005)

- Decision to be an entrepreneur
- Analyze your strength and weakness
- Select your product or service
- Conduct market research (feasibility) to determine profit or loss
- Determine the location of the business
- Prepare your financial plan
- Prepare a service or product plan
- Develop your marketing plan
- Develop your personal plan
- Decide whether you want to register the business or not
- Decide on what type of record to keep
- Generate fund to start the business

How the entrepreneur takes a decision

- Recognizing that a problem exists
- Formulate alternative solution
- Consider the consequences (cost, revenue, profit)
- Select of best course of action
- Implementation of best course of action
- Evaluation of outcome

Management and entrepreneurship, Umebali (2005)

Management is getting things done through other people and it also follows that the manager is concerned not only with physical process, organizational structures and tasks, he has to deal with people and must take into account of their attitudes, beliefs, values, reaction. To get things done the manager must plan, organize, staff, direct and control people.

The management functions are planning, organizing, staffing directing, controlling etc.

- Planning: examines and draw the plan of action.
- Organizing: establishing a human and physical frame to enable the undertaking achieve results.
- Directing: concerned with getting the daily execution of duties, activities, plans and programmes of the business done.
- Co-ordinating: drawing together all activities and efforts.
- Controlling: seeing that everything occurs in conformity with established roles and expressed command.
- Management is a tool for driving entrepreneurship.

Agribusiness and entrepreneurship, Umebali 2005

In Nigeria, most businesses especially the small scale types are agribusiness in nature being operated by entrepreneurs.

Agribusiness is then sum total of all the operations involved in the manufacture and distribution of farm supplies, production operation on the farm and the storage-processing-distribution.

Farm supplies are produced and distributed for further production. This is backward linkage, input such as land, labour, capital and water are important in farm production. Management co-ordinates these inputs for effective utilization. Land and water are natural element while capital and labour are artificial.

Farm Production: This the actual farm operation carried out on the farm.

Processing and distribution: Farm produce undergo some degree of changes between harvesting and final use. This is capable of strongly shaping the form of the farm production process. Processing ensures effective storage of the production and enhances value added.

- Agribusiness plays the role of converting agricultural raw materials into finished products required by consumers.

- Through agribusiness farm inputs are produced and used for further production e.g. fertilizers, chemicals, machines etc.
- Agribusiness provides employment opportunities and this is significant in this country where unemployment is a very serious problem.
- Agribusiness is also needed for import substitution purposes. This saves foreign exchange for the country especially food items are significantly reduced.

Areas entrepreneurs operate in agribusiness, Umebali (2008)

- Food processing
- Beverage manufacturing
- Textiles e.g. leather, foot wear
- Confectionary e.g. sugar, sweet, chewing gum etc.
- Agricultural machine e.g. tools
- Agricultural farm e.g. all products
- Paper mill e.g. exercise book
- Agric chemicals e.g. fertilizer
- Autofill industries e.g. tyres, foam etc.
- Furniture e.g. chairs, desk, doors etc.
- Fishing industry
- Rice mills
- Produces marketing services
- Financial operators
- Trading
- Skill acquisitions machine operators

Forms of Agribusiness organizations for the entrepreneur

There are various forms of agribusiness organizations and they include: sole proprietorship, partnership, joint ventures, incorporated, cooperative etc. Agribusiness organizations can be unincorporated or incorporated. Unincorporated does not involve any legal procedure to be fulfilled before the business starts operation. The incorporated is established in accordance with prevailing Acts of the National Assembly. In Nigeria, the company Act of 1968 provides the guidelines for the establishment of some types of agribusiness organization and take form of the followings:

Sole Proprietorship

The sole proprietorship is the most dominant group of agribusiness, owned and managed by a single individual. This type of agribusiness organization plays a major role in the economic life of the society. It affects employment opportunities and making finish products available. It raises fund mostly from the personal savings. However, the owner may wish to source fund outside. The scale of operation is usually small resulting from limited resources and investment. This type of business is easy and simple to set up. The operator has knowledge of the business and knows all the staff. Capital is provided by the operator, although it may be small.

Partnership

Partnership business involves two or more persons who pool their resources (human and material) for the purpose of doing business. The operator may not go through the legal means but essentially the partners enter into a partnership agreement that will specify the obligations, responsibilities and benefits of each, such agreement will include the following:

- Name of partnership and locations
- Type and nature of business being established
- Life span of the business agreement
- The names of the partners and their investments
- How to distribute profit or loss and salaries etc.

If partnership capital is increasing management task will be shared by all members of the partnership.

Cooperative Business

Cooperative business is an organization formed by private individuals who identify a common problem and make their financial contribution towards it and at the same time they are prepared to take the risks. Cooperatives are registered by the Registrar of Cooperatives being part of the Government Ministry. Cooperatives can invest in any area human endeavor. Dividends are shared based on share capital contributed while patronage refund is shared based on the volume of business done with the organizations. Through cooperatives members' socioeconomic problems are solved.

Cooperatives rely on some principles for the operations; such as cash trading, pure and unadulterated produce, produce to be sold at regular price, promotion of education, patronage refund, limited interest on capital to mention but a few. Examples of cooperatives are:

- Rice mill cooperative society
- Farmers' cooperative society
- Processing cooperative society
- Cooperative produce marketing society
- Thrift credit cooperative

Cooperatives raise fund through thrifting, share capital, special deposits, fines, retain earnings, loans, grants, donation etc. Ordinarily funds are raised from personal saving, shares, bank loans, friends and relatives.

Financial Management

Entrepreneur must have good control of his business especially in the area of finance. External lenders have to make loan available on favorable terms. Good financial management gives the entrepreneur the needed confidence and morale to add new products
Fund should be invested on viable projects.

Obstacles to Entrepreneurship Development (Problems)

- Limited profit opportunities
- High degree of business uncertainty
- Financial problem
- Cultural barrier
- Lack of trainings
- Lack of knowledge of basic management principles
- Inability to separate self from business
- Lack of proper planning
- Poor location
- Competitive weakness
- Fraud
- Inexperience, incompetent, inadequate rules

Recommendations

The followings are recommended for enhanced entrepreneurship:
- Availability of fund to run the business
- Good management of the business (human and materials)
- Adequate infrastructure and good environment
- Acquisition of good education
- Good location and plan etc.

Summary and Conclusion

This paper has focused on the concept of entrepreneurship and agribusiness, its functions and aims. It looked at how the entrepreneurs start their business and take decision. It also went into the management of the business focusing on agribusiness and co-operative as the drivers of entrepreneurship. Finally, it looked at the obstacles confronting the entrepreneurs in Nigeria. If the entrepreneurs can think of good businesses, source and finance their businesses and manage them properly they are on the move to self-reliance. Self-reliance is nothing but the ability to start and manage their businesses, making some profit and sustaining it.

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