

A Speech

by

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***The Institute of Chartered Accountants of
Nigeria.***

At the

1st Nigerian Students' Financial Summit

Of

Nigerian Universities Accounting Students'

Association

(Unilag Chapter)

on

June 27, 2012.

PROTOCOLS

INTRODUCTION

1. I wish to start my brief speech by thanking the entire executive members of this great association, "Nigerian Universities Accounting Students' Association" (NUASA) University of Lagos Chapter" for granting me the opportunity of speaking to you all on the theme "**The Nigerian Economy: The need for Entrepreneurship and Professionalism**" I wish to congratulate you for the successful hosting of this programme. This event marks a defining moment in the annals of this citadel of knowledge, as it is aimed at bringing together students, academia, professionals as well as other stakeholders to explore ways of working more closely for the economic development of our dear nation. I feel highly honoured by your kind invitation and indeed happy to be part of this historic event. I wish therefore, to extend my best wishes to this eminent gathering of seasoned professionals, captains of industry, academia, students and other stakeholders. Let me inform you all that this is one of the few occasions I have chosen to attend since my investiture as the 48th President of ICAN, the foremost Accountancy Body in Africa. My presence here today bears undoubtedly, an eloquent testimony to my Institute's recognition of the importance of the youth in nation's development.

CONDOLENCE

2. Before I proceed with the business of the day, I wish to use this opportunity to convey the Institute's condolences to you on the transition to glory of a great scholar and your former Vice-Chancellor, Late Professor Adetokunbo Babatunde Sofoluwe who was called to the great beyond on Saturday, May 12, 2012. We pray that God Almighty will grant the family and the authorities of University of Lagos the fortitude to bear this irreparable loss in Jesus name. Amen.

RELATIONSHIP BETWEEN ICAN AND UNILAG

3. Permit me to take a brief look at the relationship between ICAN and UNILAG since the establishment of the two great Institutions. The need to do this is to show that I am at the right place and at the right time. As part of the

corporate social responsibility of the Institute, ICAN endowed Professorial Chairs in Accounting to the University of Benin, University of Nigeria, Nsukka, and University of Lagos for the sum of seven million naira (₦7m) each. The ceremony for the presentation of the cheques was held in the Council Chamber of the Institute on June 23, 2004. Present at the event was a representative of the National Universities Commission to underscore the premium placed on the initiatives by the Universities.

4. I am happy to inform this gathering that since University of Lagos was founded in 1962, Unilag has produced two Registrar/Chief Executives of the Institute of Chartered Accountants of Nigeria (ICAN) in the persons of Messrs Philip Odaro Omoregie and Olutoyin Adeagbo Adepate. One of my predecessors, Past President Chief (Mrs.) Elizabeth Omeresan Adegite, also did her Masters degree in Unilag. I wish to also inform you that I did my Masters degree in Industrial and Labour Relations in Unilag in 2005. We have many alumni of Unilag among the top management staff of ICAN. I therefore, postulate that amongst you here today, there are already potential employees of the management cadre of ICAN.

Distinguish Guest, ladies and gentlemen, Let us now look at the business of today.

THE NIGERIAN ECONOMY

5. I have carefully thought over and over the theme on which I have been asked to speak on. One thing that kept recurring in my mind is the question "Where did we get it wrong" Then of course, if we want to get a clue to the answer, we must also ask "where were we before"; "where are we now" and "where are we suppose to be" or simply put "where are we going?"

Before the oil-boom, the economy was characterised by the predominance of subsistence and commercial activities; narrow disarticulated production base, with ill-adapted technology; neglected informal sector; lopsided development due to the absence of well thought public policies designed to grow the economy and create employments; openness and excessive dependence on

external factor inputs; continuous siphoning of surpluses from the economy; and weak institutional capabilities.

At the era of the oil boom, **the private sector remained weak**. The existing macroeconomic policies continued to encourage consumption rather than production. The economy was consuming what she was not producing. The austerity measures introduced by the military administration under General Olusegun Obasanjo were short-lived because structural problems were not addressed. GDP, which grew at 10.5 per cent in 1976 declined by 5.7 per cent in 1978 and grew by only 5.9 per cent in 1979. **The various policies of the pro-oil boom era "failed" to address these identified features of the economy**. Consequently, the economy entered the recessionary phase, requiring further stabilisation measures to reverse the gloomy situation.

TODAY

6. The challenges confronting the Nigerian economy in the 21st Century are diverse and enormous. The unacceptable state of Nigeria's economy is most galling given Nigeria's enormous endowment of natural and human resources. This is more so given the fact that Asian countries, such as Singapore and Malaysia, with similar colonial heritage and attributes attendant thereto, and similar natural resource endowment, have recorded significant successes in the development of their economies since 1965 when they were at par or even behind Nigeria.

Singapore, some 30 years later had a per capita income of some US \$10,000; whilst that of Nigeria was US \$300. Nigeria's economic decline, especially during the last 20 years is illustrated by the fact that per capita income, which was US \$1,000 in 1965 had declined to US \$300 by 1998. Within some 18 years, Nigeria had declined from being a low middle income country and amongst the fifty richest countries in the world to one of the 30 poorest nations. The poverty index in Nigeria is 60% (placing the country 156th out of 187 countries). These are real sorry stories that call for a rethink of how our economy is managed.

WHERE ARE WE GOING?

7. Nigeria is thriving to becoming one of the 20 developed countries in the world in the year 2020; we should have or be able at this time, fashion out a private sector led economy, cut waste in government, eradicate corruption and liberalise investment rates. Improve Nigeria's ranking of 133rd out of 183 countries in the "Ease of Doing Business Report of the World Bank/International Finance Corporation. Our per capita income should move from the current state of \$1,278 (South Africa \$7,280; Egypt \$2,698; Ghana \$1,325) to \$10,000. This target is not unachievable considering the abundant human and natural resources of this country. Today, in many developed countries, that is, it has been proven that meaning development took place following the development of the informal/private sector which serves as the engine room for economic activities. This is where the importance of this topic cannot be less apt than now and on this note, I want to congratulate you all for choosing this topic for your summit.

THE INFORMAL SECTOR

8. The informal sector in Nigeria refers to economic activities in all sectors of the economy that are operated outside the purview of government regulation. This sector may be invisible, irregular, parallel, non-structured, backyard, underground, subterranean, unobserved or residual (Magbagbeola, 1996). Informal economic activities in Nigeria encompass a wide range of small-scale, largely self-employment activities. Most of them are traditional occupations and methods of production. Others include such financial and economic endeavours of subsistence nature as: retail trade, transport, restaurant, repair services, financial inter-mediation and household or other personal services (Adamu, 1996). Activities in the informal sector in Nigeria are difficult to measure; they are highly dynamic and contribute substantially to the general growth of the economy and personal or household income.
9. The Nigerian government at various levels has adopted policies aimed at enhancing the performance of the informal sector. For instance, policies have variously been designed to promote small and medium scale enterprises. Some of the policies include the following:

(a) **Entrepreneurship Development Policy:** Over the years, the Federal and State governments have played significant roles in entrepreneurship development. The Federal Government in the late 1980s initiated the Entrepreneurship Development Programme (EDP) run by the National Directorate of Employment (NDE). Under this policy, the Federal Ministry of Labour sought to address the graduate unemployment problem through the NDE programme which provided participants with the opportunity to acquire entrepreneurial skills and secure loan capital to enable them establish and operate their own small scale enterprises. The Federal Ministry of Industry has been in the forefront of efforts to promote the development and acquisition of entrepreneurial skills as part of its efforts to support Small and Medium Enterprises (SMEs).

The State Governments have also been involved in providing support to SMEs. Many states have Small Scale Credit Schemes, which provide SMEs with financial and technical support. In the late 1980s, the Federal Ministry of Industry supported efforts by the states to build functional industrial estates for SMEs by way of partial reimbursement of money actually spent on the provision of industrial estates for SMEs. The "Work for Yourself Programme" (WFYP), a scheme introduced by the Federal Ministry of Industry and assisted by the International Labour Organisation (ILO) and the British Council, which aims to develop entrepreneurial skills in the sector, is one of such schemes being implemented with international assistance.

(b) **International Financial Assistance:** International organisations such as African Development Bank (ADB), World Bank and the United Nations Development Programme (UNDP) have also supported efforts to aid the informal sector.

(c) **Family Economic Advancement Programme:** The Family Economic Advancement Programme (FEAP) was initiated in 1997 as a catalyst to stimulate and encourage the growth of the informal sector. The programme is intended to harness the potentials in the local areas to establish viable enterprises and projects that would ensure economic empowerment of the

rural and urban poor. The programme was aimed at capacity building and providing credit support especially to its target group of the rural and urban poor.

(d) **Monetary Policies:** The monetary authorities prior to the introduction of the Structural Adjustment Programme, directly managed and determined interest rates and sectoral allocation of credit by the banking sector. This generally, at least in theory, was favourable to SMEs since the interest rates were relatively low and stable.

ENTREPRENEURSHIP

10. Given therefore, the role entrepreneurs and the impact of entrepreneurship play in the informal sector, let me dwell on the subject of entrepreneurship. As per the Oxford English Dictionary, "An Entrepreneur is a person who undertakes on his own to supply a good or service to the market for personal profit, usually investing personal capital in the business and taking on the risks associated with the investment". The initiative of entrepreneurs creates a society's wealth. Some of the entrepreneurial qualities are: Belief in oneself i.e. self-confidence; Confidence in one's own ventures, ideas; Willingness to make sacrifices; Decision-making capability; Ability to recognize opportunities; Keeping cool head; High levels of energy and stamina; Leading by example – motivate; Adaptability Entrepreneurs are those who understand that there is little difference between obstacle and opportunity and are able to turn both to their advantage. Entrepreneurship is a means of self-actualization according to Maslow's Hierarchy of needs. Victor Kiam (1986), in his book 'Going for it', says, 'Entrepreneurship is a way of life. One can be an entrepreneur in a large corporation, at home, **in government-please note this very well**, in retirement'. Entrepreneurship is a philosophy of life, enabling one with energy, persistence, courage to get the very most out of life. Entrepreneurs create markets. There is only one valid definition of business purpose: to create a customer. Markets are not created by God, nature or economic forces, but by businessmen-entrepreneurs. Entrepreneurship involves a dynamic process of creating wealth through the process of creating something new and in the process assumes both attendant risks and rewards. Entrepreneurship connotes

action rather than static events. It involves taking action necessary to analyse business opportunities, to launch and grow a business, to finance the venture and possibly to harvest it.

PROFESSIONALISM

11. On the other hand, Professionalism is a systematic way of applying skills and concepts in managing. Whereas entrepreneurship is the style of management, which aims at continuous innovation, encourages risk-taking and decentralises decision-making, professionalism is basically, the ability to demonstrate knowledge by an individual in certain field. Professionalism refers to a person doing his/her work with sincerity, and maintaining professional etiquette and ethics at workplace. It leads to logical and completely unbiased decision-making, making it the basis of a good work environment. Professionalism at work is completely devoid of politics, positive politics or mind games. Its root lies in those who do their work with quality.

By now you would have noticed that the informal sector is mostly an embodiment of entrepreneurs. While I proceed, let me quickly state here that entrepreneurship and professionalism have a very thin line of separation between them, yet they are fused at some point. This blend makes some school of thought say they cannot be separated when we examine them in the text of our economy.

FUSION OF ENTREPRENEURSHIP AND PROFESSIONALISM

12. There are common grounds of the concept of entrepreneurship and professionalism. Entrepreneurship activities are built on the professional skills and based on the professional identity of the entrepreneur. The entrepreneur identity comes forward in the everyday work of running a business. The business is based on their professional skills while, entrepreneur provides the frames for practicing ones occupation. Therefore, 'running the business' seems to be the activity frame for the 'work to be done' which is professionalism.

THE NEED FOR ENTREPRENEURSHIP AND PROFESSIONALISM

13. As laudable as the roles of government in enhancing the activities of the private sector, we must not lose track and the realisation that the Nigerian economy remains confronted with many serious challenges. Structural imbalance and lack of diversification—with the economy excessively dependent on oil—is preventing the domestic economy from flourishing. High youth unemployment and underemployment, poor infrastructure facilities, widespread insecurity, leadership/Good governance, corruption, power, weak infrastructural base. These therefore, leaves an entrepreneur/professional having to operate in our harsh and unfriendly business environment. The dynamics of the industry including unavailability of adequate capital; problem of honest staff; unfriendly government policies and socio-economic factors and a plethora of other unknown challenges facing an entrepreneurial professional.
14. However, difficult our economic environment may be, our economy needs Entrepreneurs and Professionals who are **strong willed, dogged and persistent and yet pain staking and ethical**. Those set of individuals to whom success is not an option rather it is a must. Entrepreneurs who would refuse to be held down by their circumstances, but instead would reach out for their inner strength and go for success. Above all, they would not take 'no' for an answer; they would simply refuse to give up. When Raymond Dokpesi was on the verge of losing A.I.T he refused to give up. Mike Adenuga had his telecom license revoked twice and lost over 20million dollars but he refused to give up. Orji Uzor Kalu had his oil bloc license and his aviation license revoked; his airline business was grounded and the business accounts of his publishing firm (The Sun) were frozen, yet he refused to give up.
15. The economy needs entrepreneurs and professionals who **thoroughly understand their line of business** like the palm of their hands. They should know the in-depth intricacies of the various businesses they are involved in. I make bare here to state that the leadership now or in the future needs to inculcate the precept or be an entrepreneur/professional who understands the economy.

16. The Nigerian economy needs entrepreneurs and professionals who are **focused**; those who would chose a specific business of their strength and stick to it. If you are ever going to make it in the Nigerian economy, then you must obey the first law of business success of Andrew Carnegie, the steel mogul.

And here is the prime condition of success, the great secret. Concentrate your energy, thoughts and capital exclusively upon the business in which you are engaged in. Having begun in one line, resolve to fight it out on that line; to lead in it. Adopt every improvement, have the best machinery and know the most about it. – Andrew Carnegie

If you think this statement is a mere fad, then think again because it is the truth in its entirety. Aliko Dangote focused on commodities and basic needs while Femi Otedola concentrated on oil and gas. Cosmos Maduka and Ade Ojo focused on automobiles; Fola Adeola focused on banking, Leo Stan Ekeh concentrated on computers and Raymond Dokpesi focused on broadcasting and entertainment. These should tell you that focus is a key factor to succeeding in business

17. The fortitude of Entrepreneurship and Professionalism in the Nigerian economy **inspires mission and vision** of new business ventures that support wealth creation and future prosperity in the face of hard business environment. Entrepreneurs and professionals are confident and stable; they take the risk and create new business opportunities in all areas of industry and by doing so they support the growth and health of a country's economy.
18. Entrepreneurship and Professionalism **inspire excellent networking-**resources are pooled together, consortium can be formed, deal can be executed jointly and profit shared; **competiveness**-this can bring about high quality services and lowering price. The per second billing system of the telecom industry readily comes to mind;. **big thinking** of entrepreneurs and professionals creates and open up more opportunities and make the business and the economy to grow where others see problems. Entrepreneurs and Professionals see opportunities and start a business around such

opportunities. While other Nigerians shy away from adversity, they embrace adversity because they know that behind every adversity lies opportunity.

"Behind every adversity is an opportunity. If you lament over the adversity, you will miss the opportunity." – Ajaero Tony Martins

They know that wealth lies in their ability to convert problems into opportunities and value; just like the ancient alchemists that tried to turn lead into gold.

"A good businessman must have nose for business the same way a journalist has nose for news. Once your eyes, ears, nose, heart and brain are trained on business, you sniff business opportunities everywhere. In places where people see a lot of obstacles, I see a lot of opportunities. At times, there is something instinctive in me that tell me a business opportunity exist even at a place where others see nothing. That is what makes me different, maybe unique. A good businessman sees where others don't see. What I see, you may not see. You cannot see because that is the secret of the business... the entire world is a big market waiting for anybody who knows the rules of the game." – Orji Uzor Kalu

19. Entrepreneurship and Professionalism **inspires flexibility**-it provides a platform for an understanding of the business terrain very well; they know and understand the government and so they prepare themselves forehand. They keep an eye on the changing pattern of the government and swiftly adjust their businesses to align with such change. They are also quick to adapt to current situation and trend while their competitors are still grappling with the reality on ground.

20. Entrepreneurship and professionalism **guarantee a strong business management team**. It is often said that behind every successful man is a woman. In this case, I will say that behind every successful entrepreneur there is a strong professional business management team. The presence of a professional business team will ensure the entrepreneurs swiftly take advantage of opportunities; raise capital and run multiple businesses as also

able to combine the management of their family affairs. A business team is vital in transition from a small business to a big business.

21. Without the actions of entrepreneurs and professionals, a country may not reach its full potentials; after all national economic growth is dependent upon the proper placement of ideas, innovations and advancements. From technology to food products to entertainment, they are the backbone of the national economy, sharing space with multinational corporations and government agencies. They create jobs, increase profits and pay taxes that support a country's social and economic programmes, health care system etc.
22. Entrepreneurship and Professionalism also promote efficient mechanism of goods or services production as well as efficient allocation of capital and the appropriate mix of labour and technology. They introduce different concepts in innovation in an economy, which brings positive evolution in the social system.
23. Governments that recognize and respect the goals of entrepreneur tend to encourage entrepreneurs with plenty of incentives to start new businesses. Grants, tax breaks, and subsidies may be offered to those who may wish to take the plunge and go into business for themselves. Countries that favour multinationals over small and medium sized businesses run by entrepreneurs may find that their brightest new talents leave the country for greater pastures in other countries a situation that is referred to as "brain drain". In similar circumstance foreign investors always feel discouraged by unpopular policies, incessant state of insecurity in the land and the likes.
24. When I received the invitation for this event, I was told the students would be glad to share my experience! I said to myself, if I tell this group of my experience and they are not inspired, then I should and I can tell them the way the Akintola Williams, Aliko Dangotes, Mike Adenugas, Raymond Dokpesis, Cosmas Madukas, Fola Adeolas, Ben Bruce, to mention just a few of the major entrepreneurial and professional contributors and shakers of the Nigerian economy today, told their stories some years ago. They did not start

big or did they? They started small, but today, these great moguls have created wealth and are employers of labour in the private sectors and are contributing into services, manufacturing, oil, telecommunication, entertainment etc. The economy needs more of these individuals. I trained with Akintola Williams Deloitte and today to the glory of God Almighty, I am not working for anyone, people are working with me and for me. Owolabi and Associates has in his employment 5 professionals, XYZ company has 10 people in his employment and also has staff. The message here is that if more people become successful entrepreneurs and professionals and employ others then the economy would be better for it.

Summary:

25. In summary, the entrepreneurs and professionals play the following important roles in the growth and development of the Nigerian economy:
- (i) Provide productive outlets for a large number of people who prefer or have to be self employed. This sector therefore, contributes to the national economy in terms of output and employment;
 - (ii) Provide competition in the economy;
 - (iii) Provide outlets for experienced specialist manpower from the medium and large scale enterprises who wish to be self-employed, using minimal capital;
 - (iv) Reduce the level of unemployment, though many such employed could be underemployed;
 - (v) Stimulate and enhance innovation and adaptation; and,
 - (vi) Help in the mobilisation of capital and human resources which would otherwise have been laid waste and idle.

CONCLUSION

26. The contribution of entrepreneurs and professionals to the growth of the Nigerian economy is quite significant. They are better placed to absorb unutilised resources which the public sector and the organised private sector are not willing or able to use. Moreover, through linkages with large-scale enterprises, the enterprises have the production base of the economy. They contribute significantly to national economy in terms of output and employment. The government must encourage and empower them through

the provision of conducive policy and physical conditions. The entrepreneurs and professionals in Nigeria have no tendency to wither; they must be sustained for optimum contribution to the growth of the economy.

27. Thank you for listening and God bless you all.

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48th President of ICAN
June 27, 2012

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