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**CHANGE MANTRA, DIVERSIFICATION AND ENTREPRENEURSHIP AS  
TRIPODS FOR REPOSITIONING NIGERIA'S ECONOMY**



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# **CHANGE MANTRA, DIVERSIFICATION AND ENTREPRENEURSHIP AS TRIPODS FOR REPOSITIONING NIGERIA'S ECONOMY**

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## **Introduction**

I am humbled to be invited by the Institute of Classic Entrepreneurs (INCENT) to deliver this investiture lecture today Friday 31<sup>st</sup> March 2017. The choice of this topic is timely because Nigerians in all the states of the federation are desirous of a drastic socio-economic and political change in the face of insecurity, life-threatening challenges of food crisis, institutionalised corruption, impunity, endemic poverty and growing economic inequality. Also, the discourse find relevance to dispel the wrong views people have about the change mantra of the Buhari's administration, especially now that Nigerians are experiencing the consequences of economic recession. While the Federal Government of Nigeria is busy implementing the change agenda, we as patriots and members of INCENT must be physically, intellectually and emotionally supportive to the policymakers by providing useful strategies, ideas, constructive criticisms and pragmatic solutions when and where necessary. At any level we find ourselves as professionals, technocrats and academics, let us be active in educating Nigerians (young and old) on the imperative of economic diversification through entrepreneurship development and promotion. A diversified economy with strong entrepreneurial foundation would stimulate wealth creation, employment generation and sustainable technological development.

Despite the inevitability of change at individual, organisational, state and national levels, the message of change psychologically invoke fear, panic and mixed feelings. My lecture intends to dispel the erroneous notions that Nigerians have about the concept of change, diversification and entrepreneurship. Apart from the introduction, this lecture is divided into four parts. Part 1 explains succinctly the concept of change, types of change, stages of change and the forces of change. Part 2 discusses diversification and what made the policy expedient in Nigeria. Part 3 looks at entrepreneurship within the change mantra and diversification. Part 4 concludes with far-reaching recommendations.

Distinguished Ladies and Gentlemen, the term change can be defined as a planned, deliberate and rational social action which leads to movement from one stage to another with the anticipation to reach a better lifestyle or achieve an improvement in the wellness of the people and system. Functionally, change is a process, not an event or mere announcement of intentions. It should be understood that change can be influenced by forces inside and outside of the system. When Nigerians welcomed the change slogan of President Muhammadu Buhari (PMB), it was thought that it is very easy for change to happen, and for transformation to manifest. Nigerians perceived change to be as easy as switching on a bulb or lighting a match stick. It was thought that change was an event, or something that government could bring on instantaneously. Whereas, change is not an announcement, but a phenomenon which requires sacrifices, sustained value re-orientation, lots of patience, determination to build strong institutions and, of course, fervent prayers. This is a period

of sincere transformation, national rebirth and institutions building, not the previous era of maladministration and looting!

Distinguished listeners, there are four types of change depending on how the change came about. There are planned, unplanned, transitional and transformational changes in the change management literature. What are the meanings these change typologies?

- ▶ **Planned Change:** This is a change that is well-contemplated and deliberated by the policymakers and the people.
- ▶ **Unplanned Change:** This is a change that is spontaneous and unintentional, but happened by chance.
- ▶ **Transitional Change:** This is a change that is temporary and short-timed.
- ▶ **Transformational Change:** This is a change that takes a long time and laborious effort to realise and actualise (Raimi, 2016).

Related to the point above, there are six (6) stages of change in the change management process. These stages are: Pre-contemplation, contemplation, preparation, action, maintenance and relapse stages.

(1) **Pre-contemplation:** This is the stage of decadence, neglect and deficit before change is envisaged. With specific reference to Nigeria, the pre-contemplation stage is the period of lawlessness, impunity, corruption and hopelessness.

(2) **Contemplation:** This is the stage of awareness and consciousness when the policymakers and the people reflect and realise the need for a change of the status quo.

(3) **Preparation:** This is the stage when all the development plans, intervention programmes and resources required for change are put together and harmonised by the policymakers.

(4) **Action:** This is stage of implementation when physical, financial and human resources are mobilised for change process.

(5) **Maintenance:** This is the stage of sustenance when the change is nurtured, strengthened and fortified to bring out the anticipated outcomes.

(6) **Relapse:** This is the stage of erosion and degeneration, when change agenda or programme is compromised and decadence that change initially intends to remove finally re-emerged. It is the stage of the hunter becoming the hunted! Unfortunately, some elements in Nigeria are forcing us down that route through anti-people and anti-democratic actions and postures (as widely reported in the media).

I wish to restate that, change announcement comes with despair, anxiety, fear and mixed feelings. Meanwhile, it is the responsibility of the leaders to painstakingly explain every step of the change process as discussed above to the people as change followers. There are two types of people with respect to change – **Driving forces and Restraining forces.**

1) **Driving forces:** These are people who fully support the desired change. They are emotionally and psychologically committed to change mantra.

2) **Restraining forces:** These are people resisting the desired change, they work tirelessly to inhibit the attainment of change and associated outcomes.

Where do you belong as members of INCENT? Are you part of the driving forces or restraining forces?

It is now 22 months (May 29 2015 – March 31, 2017) since the present government took over the mantle of leadership, and Nigerians are beginning to realise that change might indeed take several years to happen. Some people are beginning to call the government a failure. In the course of driving change agenda, the country entered a period of Economic Recession. The state of

hopelessness has worsened. The ruling party blamed the previous government of PDP for treasury looting and administrative recklessness, while the past PDP government accused the present regime of incompetence. But, we cannot blame anybody, because we all are unaware that change is not like Bread and Butter! Change has stages and milestones, before its lofty goals are translated into economic transformation, technological progress and general prosperity. The government of PMB at best is oscillating between Stages 3 and 4 in the six stages of change, as discussed above. The time has come for us as a people to know that change is nothing more than strategic planning with systematic stages of implementation. The positive outcomes of change take time to manifest. At the stage of action (implementation), the salient questions are: What is the new direction? Where is the direction? When are we getting to the new direction? What do we get at the end? Where are the signs of the fruits and how can we provide support to get them?

Before independence and few years after independence, Nigeria made fortunes from agriculture, mining and other real sectors of the economy. But four decades after independence, the nation's economy depended largely on proceeds from oil resources, at the expense of other vital sectors such as solid minerals, manufacturing, tourism and agriculture that have contributed significantly to the economy for years. Unfortunately, the huge foreign exchange revenues realised from oil exploration, exploitation and exportation were mismanaged, stolen and wasted by corrupt political officeholders at the three levels of government in Nigeria. With crash in oil prices at the international level, Nigeria found itself in a serious predicament called Economic Recession. A recession is a short period of economic downturn in a country that leads to fall real GDP, income, employment, manufacturing and retail sales.

Nigeria's economic recession is self-inflicted. The most potent solution to reposition a recessionary economy such as ours, and avert future reoccurrence is to adopt diversification strategy. What then is economic diversification? According to the United Nations (2014), diversification or economic diversification is defined as the process by which a country expands its growing range of economic outputs by increasing the markets for exports thereby broadening existing income sources away from domestic economic activities. Economic diversification is a term reserved for the developing countries, as their economies are generally characterized by the lack of varied income sources because their economies traditionally relied heavily on the production of primary commodities that are predominantly vulnerable to climate variability and international price fluctuation. It has been argued that diversified economies do better in the long run, as they have array of economic activities with different income sources; they are not locked into reliance on primary resources often exported to developed countries.

With specific reference to Nigeria, diversification would simply means creating new and more competitive income-generating streams for the nation's economic growth and sustainable development. It involves using the right strategy to boost revenue generated from other sectors of the economy such as integrated agriculture, construction, tourism, integrated transport system, manufacturing, services, telecommunications and other critical sectors of the economy (Raimi, 2016).

Diversification becomes imperative for an emerging economy such as Nigeria to attain greater self-discovery, to earn premium returns from agro-allied companies and full-fledged manufacturing enterprises as opposed to low return from raw materials and other primary products. Developing economies of Brazil, Russia, India and China often called BRIC nations had in the past explored diversification to move upstream and downstream in their resource chain. This diversification

strategy paid off, as these countries improvised for resource exhaustion, cater for population growth, reduce potential risk from mono-economy and were better positioned to generate massive jobs for the citizens.

In the same vein, Malaysia, Indonesia and Chile popularly called MIC nations presently have strong mineral resource bases after leveraging economic diversification. The MIC nations reflect prudent macroeconomic management, competitiveness, relatively open trade and open investment policies, sustained human capital development and a good business climate. Another example of a diversified economy is Dubai, which has consistently enjoyed agglomeration externalities, efficient bureaucracy, strong Information Technology, minimal taxation, open economy to investment/labor/skills, stable exchange rate and low-cost of doing business (Gelb, 2011).

Finally, let us look at the role of entrepreneurship in repositioning Nigeria's economy. Previous studies affirmed that entrepreneurship is a catalyst for technological progress, antidote to unemployment, a potent poverty-reduction strategy and a replicable mechanism for economic growth and development across the globe. The pivotal role of entrepreneurship demands that policy makers, academics and individuals have to be guided on the true picture of the landscape of entrepreneurship, the implication of a growing population on youth empowerment and the formulation of effective policy on how entrepreneurship can be used as a vehicle for development.

Attention has been paid to entrepreneurship going by the avalanche of literature on the discipline. Entrepreneurship has varied definitions in the literature. Timmons and Spinelli (2007, p.79) defined entrepreneurship as a distinctive 'way of thinking, reasoning and acting' within an environmental context, where opportunities exist and could be harnessed for 'creation, enhancement, realisation and renewal of value' which are of immense benefit to the entrepreneur and others. But, Ahmad and Seymour (2008, p.5) defined entrepreneurship as the way and manner enterprising individuals display their readiness to take risks with new or innovative ideas which ultimately lead to generation of new products or services.

In a bid to put the economy on the path of sustainable economic development, the Federal Government of Nigeria initiated a number of entrepreneurship development Interventions (EDIs) with the objectives of boosting industrial production and level of employment thereby checkmating joblessness, hopelessness and crime. Despite the various EDIs, the hydra monster poverty, monolithic economy and accelerating unemployment have remained endemic in the country. A Spatio-Temporal Audit of Nigeria's EDIs from 1946 to 2013 found that Nigeria's EDIs targeted at industrial development have not produced the desirable and measurable performance results because of political corruption and fraudulent implementation of these EDIs. Another factor is the governance gap caused by failure of market forces in developing nations and inefficient public authority in Nigeria (Raimi, Yekini and Fadipe, 2014).

Worse still, for those who struggled to take up entrepreneurship, the success rate has been very low as these businesses hardly survived, let alone thrived beyond incubation period. Some have downsized to the barest minimum because of harsh macro-economic variables and lack of enabling business environment. It is disheartening to mention that, the World Bank commissioned a research in 2008 to assess the challenges confronting businesses in Nigeria, the report identified a wide array of issues as constraints to doing business. These include poor electricity supply, inadequate access to finance, poor transportation, unfriendly tax regime, poor access to land, high cost of finance, crime rate, corruption, political environment, customs and trade regulations, inadequately trained

workforce and labour regulations. The report identified three issues as being the most critical impediment to doing business, power, transportation, and access to finance (Aderinto, 2015).

### **Conclusion and Recommendation**

For the tripods to be more impactful on technological progress, wealth creation and employment generation, the under-listed recommendations are proposed for implementation.

a) It is suggested that Nigeria's ongoing Economic Blueprint being implemented should be carefully managed to meet the needs and expectations of the citizens. Often times, development plans are imposed on the citizens without embedding citizens' needs and expectations.

b) Federal Government must ensure that the National Budget should not be turned to conduit for cornering national resources through Budget Padding. The policymakers must ensure that national interests and citizen's welfare are placed above personal and sectional interests when implementing the National Budget and other economic documents.

c) It is also imperative that the modalities for economic policy implementation should be transparent, prudent and accountable. Diversion of funds, abuse of offices, mismanagement of resources, waste and fragrant violation of due process should be avoided, as these are ills that have marred the implementation of several economic policies and welfare-oriented programmes in Nigeria.

d) There is need for the Executive Arm of Government to focus systematically the critical sectors of economy not peripheral white-elephant projects and programmes judging by the outcomes of previous EDIs such as Operation Feed the Nation, Green Revolution, Back-to-Land programmes, NAPEP, NEEDS, NDE, 7-Point Agenda, SURE-P et cetera.

f) With national economic recession, there is need to campaign against ostentation lifestyles and fight against corruption and stealing of public funds. The three levels of government should cut down on waste and unnecessary spending, while the local government councils and political officeholders should now be held accountable for all their economic actions.

g) We as members of INCENT and patriots must be active in responsive to discussion on economic, legislative, political and social issues through constructive engagement with all stakeholders for build a virile economy, where things work.

h) We as members of INCENT should lead by example by venturing into entrepreneurship and small businesses such agriculture, construction, services and commercial activities. This attitudinal change would encourage economic growth, provide self-employment and make us self-reliant.

I conclude this lecture with a quote from a renowned Arab Philosopher, who said: ***“Go on the path of truth and do not feel lonely because there are few who take that path, and beware of the path of falsehood and do not be deceived by the vastness of the perishers”*** (Ibn al-Qayyim).

Thanks for your rapt attention and interest.

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