

ECONOMIC RECESSION IN NIGERIA AND THE NEED FOR ENTREPRENEURSHIP: A PHILOSOPHICAL INVESTIGATION

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Abstract

With the foundation of Nigeria laid purely on business interest in lieu of sound ideological/value-laden platform, the country after independence, turned into a pool where the erstwhile colonizers and her allies coupled with Nigerian cronies thrive on the natural resources of Nigeria at the expense of the generality of Nigerians. With this improper foundation and skewed perception of the country, the modus operandi among most Nigerians becomes a scramble where everybody struggles to have their own share of the national cake to the detriment of peace, unity, progress and development of the country. It boils down to what one may call, struggle to even the odd scores, that is, the mentality of using any available means possible to attain well-being since the leaders, so to speak, have no good of the citizenry at heart. Having had an apperception of this fundamental problem, this study through philosophical investigations as a method, finds economic mismanagement (recession), corruption, ethnic jingoism, religious bigotry, disunity, etc., as fall outs from the fundamental problem stated above. Narrowing down on economic recession, the at the moment pronounced symptom of the ill-conceived state called Nigeria, this paper proposes entrepreneurship as a way to survive, among other factors, pending the re-creation of Nigeria on a proper foundation.

Keywords: Nigeria, Economy, Recession, Entrepreneurship

Introduction

Late Monsignor Mmaduka was a man who loved his origin; hence, his name is synonymous with inculturation while he lived. It is in line with the love for the betterment of one's clime epitomized by the late

Nnadiabube that the researchers undertake the current issue bedeviling the Nigerian society seeking solutions to it.

It is a self-evident fact that one of a substructure of an edifice is not firmly built, the superstructure, in a matter of time will come collapsing. This axiom best depicts Nigeria as an independent state. That is why Nigeria has not got it right in terms of political, social, religious and economic super structural aspects of her existence.

In bringing the north and the south together in order to use the resources of the south to administer the north, giving birth to a country called Nigeria as a result, the colonizers sowed the seed of woes Nigerians are experiencing today. Because of this pure business convenience for them, they intriguingly made sure that the source of power that will guarantee their continuous access to Nigeria's resources are in the hands of a segment of the people that forms part of Nigeria as an independent state. Seeing this improper arrangement by other segments that make up the country, more so, where the advantaged segment contributes little or nothing when compared to other segments of the nation, but always having the lion share from the proceeds of other segments of the state put together, a structural injustice was perceived.

What this singular act of injustice created in the psyche of Nigerians is an image of a country where individuals, at most an ethnic group, struggles to have access to the common pool and grab as much as possible not minding the well-being of others since there is no perceived sense of equity, fairness at the creation of the country. There is no concrete manifestation of good plans for the well-being of all Nigerians. In view of this reality, almost every Nigerian especially the political leaders, have perceived the country as place where people struggle to even odd scores. Odd score in the sense that the government have failed woefully to provide for the citizenry coupled with the unjust arrangement in the country that favours one ethnic group over others. The citizenry on their part scramble to even the score by resorting to any means possible, foul or fair, in order to survive. The corollary of this unjust structure is the issue of unpatriotism among Nigerians which is the Pandora's Box of corruption, mismanagement of the economy, etc. It is this unjust structure necessitating unpatriotism leading to so many evils as Nigerians struggle to even the odd scores that has brought about the

phenomenon of economic recession which is in the front burner of our national issues today.

In justifying our thesis in this discourse, this study unwraps itself by looking at the meaning of the key terms that are in use, first and foremost. Secondly, it portrays how Nigeria is built purely on business interest of the colonizers. Thirdly, it discusses how the wrong foundation on business interest of yester years has led to the ugly economic recession of today. Fourthly, as a means for survival pending the rectification of the wrong foundation, the paper advocates for entrepreneurship among Nigerians and that point, wraps up the discourse.

Explication of Terms

Economy is "the relationship between production, trade and supply of money in a particular country or region." (A.S. Hornby 466) Recession: "1. a difficult time for the economy of a country, when there is less trade and industrial activity than usual and more people are unemployed. 2. the movement backwards of something from a previous position." (A.S. Hornby 1214) Again, recession is seen as the state of the decline of the economy, an economy experiences a nose dive; a general decline in the GDP and employment and trade spanning from six months to one year. Related to recession is the concept depression. Depression is a long term economic situation stamped by unemployment and low prices and low levels of trade and investment. According to (Image Courtesy), the word entrepreneur has its root in the French verb "entreprendre", that is, to undertake.

The term therefore applies to those who "undertake" the risk of fresh enterprises. An enterprise is a product of an entrepreneur. And the process of that production is known as "entrepreneurship". Therefore, entrepreneurship is a process of actions of an entrepreneur who is a person always in search of something new and exploits such ideas into gainful opportunities by accepting the risk and uncertainty that go with the enterprise.

Nigeria: A State Built on Business Interest

British economic and political interests created the unfriendly encounters that snowballed into the colonization of Nigeria. The singular objective of their conquest was to put in place imperial

control. The Royal Niger Company (1879-1900), a mercantile company incorporated by the British government, had shown that colonial domination would be accompanied by exploitation and violence, including the excessive use of power and violence to pursue narrow economic objectives and transfer of wealth outside of Nigeria. (Falola T. 6)

For Oluwatosin Babalola, "Colonization led to the intentional establishment of weak state institution as the British administration focused on economic exploitation at the expense of nation-building in Nigeria." (16) The result of this is the avowal by Ekinde and Ezeani thus: "The imperial power forced the amalgamation in order to get money to administer the North." (16) With this intent by the colonizers, they made sure that the north is placed on strategic positions that will grant them perpetual access to the wealth of Nigeria. In their poise to achieve their aim, most national monumental crises in Nigeria are credited to the colonizers directly or indirectly, as a result. Indirectly-- through their conveyor belt of the northern part of Nigeria. Giving credence to this postulation, Anyaele argued that the 1962 general Census was politicized majorly due to the fact that the 1952-53 Census gave the Northern region a comfy majority seats of nine in the House of Representatives while the southern region put together had but only two seats. (Johnson Ugoji Anyaele 184) This act was widely believed to be aided by the colonizers then in pursuit of their economic interest through the northerners. Till date, the northerners have made sure that they are in the majority, willy-nilly, because they understand politics to be a game of number. Even in the face of the avowal by the Middle Belters that they are not part of the North, the northerners have forcefully gerrymandered them into the northern part thereby giving the north nineteen states out of thirty six states in the country.

In terms of revenue allocation in the country which is done through the number of local government areas in a state, Kano state alone which is in the north has forty four local government areas compared to Bayelsa state which has only eight local government areas, in spite of the fact that oil, the mainstay of Nigeria's economy is mainly derived from there. Lagos state which is said to have the same population with Kano state has only twenty local government areas. But surprisingly, in terms of contributions to the resources that

sustain the country, Kano state contributes little or nothing, yet, it takes the lion share of the proceeds from the resources. One wonders the formula used in arriving at such and why such is the case.

Coming to education, it is widely known that the north is trailing far behind other component parts of the country, hence, the undue advantage they receive in terms of admission into Unity Secondary Schools and Universities in order for them to catch up with others. (Nigeria masterweb) But ironically, the north occupies those delicate, expertise-requiring and highest-education-qualification-requiring jobs in the country. (punchng.com) What an absurdity! Can one still wonder why we are in economic recession today?

It is the northern ungodly alliance with the erstwhile colonizers known in its modern form as corporatocracy that has made Nigeria not to have got off the ground in terms of her desired level of development, nay, the current economic recession.

Corporatocracy

Talking about the term *corporatocracy*, Perkins says "In their drive to advance the global empire, corporations, banks, and governments (collectively the *corporatocracy*) use their financial and political muscle to ensure that our schools, businesses, and media support both the fallacious concept and its corollary." (xv) *Corporatocracy* is simply a concept that portrays the covert manner colonizers then but now in the nomenclature of advanced countries, especially the United States of America and the United Kingdom with their allies, use in exploiting the developing countries thereby constraining them into permanent destitution via the collusion of few individuals or families of the aimed developing countries. The countries under discourse keep most of the countries of the world in a developing status intentionally through the ploys of loans, aid, grants, etc. "It was the colonial mercantile system all over again, set up to make it easy for those with power and limited natural resources to exploit those with resources but no power." (John Perkins 56)

One of the covert machineries of corporatocracy is *Economic Hit Men* (EHMs).

Economic hit men (EHMs) are highly paid professionals who cheat countries around the globe out of trillions of dollars. They funnel money from

the World Bank, The U.S Agency for International Development (USAID), and other foreign aid organizations into the coffers of huge corporations and the pockets of a few wealthy families who control the planet's natural resources. Their tools include fraudulent financial reports, rigged elections, payoffs, extortion, sex, and murder. They play a game as old as empire, but one that has taken on new and terrifying dimensions during this time of globalization. (John Perkins xi)

Confronted with the question if the current move to forgive the Third World countries their debts portrays losing of relevance by EHM, that is, *corporatocracy*? John Perkins answers below:

On the contrary, I'm sorry to have to say that it shows a new level of sophistication on the part of the EHM. I certainly favor the idea of forgiving those debts which, we must remember, were accumulated without the consent of the majority of the people in these countries and served to make the corporatocracy and a few wealthy Third World families even richer but debt-forgiveness is not what this is all about. The G8 (the United States, the United Kingdom, Canada, France, Germany, Italy, Japan, and Russia), the World Bank, and the IMF are once again exploiting these nations and they are calling it 'debt forgiveness.' They are insisting on 'conditionalities' that are cloaked in phrases like 'good governance,' 'sound economics,' and 'trade liberalization.' While the language is enticing, it is also terribly deceptive. These policies are 'good' and 'sound' only if you are looking at them through corporate windows. The countries that agree to such conditionalities are called upon to privatize their health, education, electric, water, and other public services in other words, sell them to the corporatocracy. They are forced to drop subsidies and

trade restrictions that support local businesses while at the same time accepting that the U.S and other G8 countries can continue to subsidize certain G8 businesses and erect trade barriers on imports that threaten G8 industries. (273-274)

Shoring up his assertion above, he points out that when Bolivia agreed to such good governance policies, it opened very wide her doors for multinationals to privatize its water supply system. Prices of water skyrocketed and Bolivians bemoaned that service was deprived of thousands of the masses. Continuing, Perkins maintained that similar scenario took place in Cote d'Ivoire. That the French company that bought over the assets of the privatized telephone company raised the prices so terribly high that many people had to reject connections to the system. That even university students could no longer pay for Internet access requisite for their education. Also, that in Tanzania, the bad policies led to terrible condition whereby children had to pay to attend schools; meanwhile many of them are too poor to afford schooling.

The same situation applies to the countries that permitted the conditionalities that come as *a conditio sine qua non* to what is being celebrated as debt forgiveness. In Nigeria today we can ask, where have NEPA, NITEL, etc., gone to? They have been privatized. The question is, are we better off with the services coming out of the privatization? Today in Nigeria, people experience unsolicited subscriptions to network services where people's money is deducted without their express consent. Broad day robbery! Today, most Nigerians without pre-paid metres pay through their nose for electricity bills with little or no services rendered to them. All this indicate the fact that Nigeria as a country, just like most developing countries of the world, are remote-controlled by outside forces, corporatocracy. And so, when one hears about economic recession as being experienced in Nigeria today, one should understand better where it is emanating from.

Economic Recession in Nigeria

In less than thirty years, for the first time, Nigeria has nose-dived into an economic recession. The year 2016 made it known that Nigeria is a country undergoing a significant and steady nose-dive in all important economic indicators. Statistical information coming from the National Bureau of Statistics (NBS) indicated a 0.36 percent and 2.06 percent drop in Gross Domestic Product (GDP) in the first and second quarters of 2016, respectively. This discouraging growth in GDP for two consecutive quarters officially harbingered the economy's drop into recession. The country has also experienced in the course of this time, its ultimate inflation rate in eleven years. The NBS has indicated a consistent increase in inflation from 9.6 percent in January 2016 to 18.3 percent in October 2016. Just like every economies in recession, Nigeria is confronted with huge job losses.

The spate of unemployment in the first and second quarters of 2016 were 12.1 percent and 13.3 percent, accordingly, a significant soar from the 7.5 percent and 8.2 percent seen in the course of first and second quarters 2015, in that order. Nigeria equally has been beset with a steady devaluation of its currency (Naira) against all big international currencies—the United States Dollar, the Euro and British Pound Sterling. Tottering under the weight of not very robust external reserve owing to low oil prices, a 75 percent slump in capital importation added much pressure on the foreign exchange market. Nigeria's over reliance on consumable imports has guaranteed an unabated decline in the value of the Naira in comparison with all cardinal international currencies. In June 2016, the Central Bank of Nigeria (CBN) broached the supple foreign exchange policy which permits the foreign exchange interbank trading window to be steered solely by market dynamics. Right from its execution, the foreign exchange market has witnessed tremendous volatility. Around November 2016, the naira had dropped to as low as N315 to a United States dollar in the interbank foreign exchange market and N460 in the parallel market. (Ugochi Chibuzor Nweke 73-74)

The picture above shows Nigeria in an economic recession. Unlike the thesis of this study which sees the current recession as a necessary offshoot of the improper foundation of the country called Nigeria, some analyst have traced the cause to other sources.

From U.C. Nweke: "The recession currently being faced by Nigeria is a direct result of the fall in the price of crude oil in the international market. International sale of crude oil remains the main stay of the economy." (74) And also the importation of consumable finished goods. What it means is that with our non-diversified economy, anchoring solely on oil and overlooking our locally made goods, Nigeria had no alternative than to import virtually all she uses and with the low price of oil which she anchored solely on, the aftermath is the economic hardship she is in currently. The damaging effects of economic recession are:

- a. Lack of employment with its concomitant increase in criminal and unlawful activities.
- b. The market value of naira has become too weak among major currencies.
- c. Related to the above is the scenario of more naira struggling earnestly to buy few goods.
- d. It is relatively too difficult for the masses of Nigeria to afford normal edibles due to high prices.
- e. High cost of living without equal correlate in wages and salaries.

To be out of the woods, some analysts have proffered more borrowing as the way forward. Their arguments are summed up in the belief that when more money is injected into the economy, things will gradually fall into place; that more money will help to cushion the biting effects of less or no money to spend. That with more money injected into the economy, soonest the positive effects will be felt when it yields dividends out of the investments. But with no money injected, little or no dividend will yield as a result.

But the opponents of borrowing make the case that Nigeria's debt repairing burden is an issue of serious concern. That in 2015, Nigeria lavished 28.1% of total revenue on debt servicing and this is foreseen to soar to 35.32% in 2016 by the DMO (Debt Management Office). This is an obvious pointer that a huge chunk of the nation's revenue is set aside to debt servicing. Coming from International Monetary Fund (IMF) heat map assessment of Nigeria's debt, public debt servicing burden will very fast mount a worrisome height attaining to over 50% of the whole government income. (Sunday

Enebeli-Uzor 24-25) They equally argue that it is unpatriotic for government to be talking about more borrowing without offsetting the ones earlier incurred. That the government is creating unreasonable burden for generations yet unborn as they will be saddled with the responsibility of repaying what they did not enjoy.

This school of thought is of the view that government should be creative and proactive enough in looking for the solutions outside the thought of borrowing. For them, it is only irresponsible government that will allow herself to slump into recession without being able to remedy herself in the face of enormous resources to tap from. They argue that advanced countries face similar situations but quickly rally out of it via immense and workable reserves they have. But Nigeria's own is the system of sharing almost all that accrues from the oil proceeds without enough reserves in case of the situation that is being discussed now.

Over and above, the suggested solution under the caption of borrowing with the arguments for and against, it is the thesis of this study again that the solution does not lie primarily on borrowing. We ask ourselves, how did we get into the foreign debt burden in the initial place? Why is it that with the oil boom of the 1980s when Nigeria had enormous wealth to spare that today she is talking about economic recession to the extent of asking for more borrowing, in addition to the ones she is yet to repay? The answer is not far-fetched. It is the signature of corporatocracy, EHMs in action.

Economic hit men (EHMs) are highly paid professionals who cheat countries around the globe out of trillions of dollars. They funnel money from the World Bank, The U.S Agency for International Development (USAID), and other foreign aid organizations into the coffers of huge corporations and the pockets of a few wealthy families who control the planet's natural resources. Their tools include fraudulent financial reports, rigged elections, payoffs, extortion, sex, and murder. They play a game as old as empire, but one that has taken on new and terrifying dimensions during this time of globalization. (John Perkins xi)

Economic hit men, one of the machineries of corporatocracy, they normally talk the aimed countries into accepting loans unknown to these countries that they will not be able to offset them within the stipulated time frame as estimated by the hit men. They offer these loans through the agencies and institutions that people think are there for the good of the world not knowing that they are instituted as enslaving instruments for the developed countries especially the United States of America and her allies. These institutions according to Perkins include: The World Bank, IMF, USAID and other foreign *aid* organizations. A country's inability to repay the debt automatically enslaves that country and leaves her to the manipulations of the creditor. Nigeria is in this cast, hence, her helplessness in the face of these manipulations and consequent economic recession. Otherwise, why is she in this mess in spite of her abundant human and natural resources?

Nigeria can be out of this mess if she can resolve, especially among the political leaders, to sever from the selfish ties with the West which tied them down to both economic and political manipulations from abroad. In this way, the improper foundation will be made proper by Nigerians dialoguing on the best practical way to live as one united people without undue external interference. But before this happens, it is imperative that Nigerians, especially our teeming graduates from different universities, look for immediate means out of this economic recession before white collar job greets them. For this immediate means we suggest entrepreneurship, at least, for survival first.

Entrepreneurship

Basically, there is no univocal definition of an entrepreneur. People see it from differing perspectives. Despite this perspectival viewage; commonly, people are inclined to look at an entrepreneur as someone who initiates ideas, creates a business around the ideas, controls the business, and takes up the risk for the sustenance and success of the business. (thebalance.com) Being an entrepreneur is different from simply being a *business owner*. It is maintained that the separating line between the two, though an entrepreneur can be a business owner as well, is that entrepreneurship is determined by an individual's

attitude. (businessnewsdaily.com) In line with this, Bruce Bachenheimer says; "At the core, it is a mindset" a way of thinking and acting. It is about imagining new ways to solve problems and create value." (qtd. in businessnewsdaily.com) For Jenny Ta:

Successful entrepreneurs are typically confident and self-motivated. They are tenacious but understand their own limitations. Instead of following the status quo, entrepreneurs have a healthy disrespect for established rules and often set out to do things that others may not have the courage to pursue. They are also willing to fail and start over again, internalizing the lessons they've learned to create something new and improved. (qtd. in businessnewsdaily.com)

Having seen who an entrepreneur is, Nigerian youths are challenged and at the same time admonished to look inward to discover that gift, skill they have that can be of service to humanity. It is said that Nigeria is a gold mine, that many things can fetch one enough money to sustain oneself. Some individuals can make people laugh, some can sing very well, some can cook well, some can serve or be more hospitable than others and so on and so forth. The list is endless. The challenge is, can one be reflective, meditative enough to discover the talent nature has endowed him or her with? Today in Nigeria, the entertainment industry is booming because of the influx of people who discovered that they can make it there. A good number of them have confessed that they could have died out of hunger and frustration but for the courage and patience they took in nurturing the idea of developing what they have within themselves. Most of these people are graduates who did not waste their time again in the labour market waiting for white collar jobs. Today they are employers of labour. In a sense, jobs are looking for them and not *vice versa*. This solution is adduced in this study as a means of survival while we wait for the structural rectification of the country to be the way it ought to be.

For one to be a successful entrepreneur, one should have the below tips at the back of one's mind.

Passion ó One must follow that which one has strong feelings for. On the lips of almost every successful entrepreneur is the word passion. Pursuing that which you have strong feelings for is a sure fire for success. Not following the crowd- Entrepreneurs do have their own thoughts. They think independent of others. They do not take actions for no good reasons. Perpetual Optimism ó Propelled by the good they desire to create, entrepreneurs always have the hope that they will attain their goals even when they seem unachievable. Believing in oneself- Entrepreneurs are people with self-confidence. Moments of self-doubts do confront them but they never succumb to such feelings. Their eyes are always of the set goals and that is why they always achieve them. (thebalance.com)

Resourceful and problem solvers - Lack of assets, knowledge, and resources are common, but entrepreneurs are able to get what they need or figure out how to use what they've got. They never let problems and challenges get in the way, and instead find ways to achieve their goals despite hardships. Tenacity and ability to overcome hardship - Entrepreneurs don't quit at the first, second or even hundredth obstacle. For them, failure is not an option, so they continue to work toward success, even when things go wrong. Vision - Some of the more stringent definitions of entrepreneurship include vision as a necessary element. It helps to know your end goal when you start. Further, vision is the fuel that propels you forward toward your goal. Focus - It's easy in this fast paced, constant info-in-your-face world to get distracted. This is especially true for start-ups, that often get side-tracked by shiny object syndrome (i.e. products and services that promise fast results), or bogged down in unimportant busy work. Successful entrepreneurs are focused on what will bring results. Action oriented - Entrepreneurs don't expect something from nothing and they don't wait for things to happen. They are doers. They overcome

challenges and avoid procrastination.
(thebalance.com)

Therefore, the watchword is looking inward to discover and put to use that which can help one acquire the necessities of life and live a happy life in the face of structural injustices going on around one. With the tips above, every would-be entrepreneur in Nigeria is sure to succeed.

Summary and Conclusion

Against the opinion that the cause of Nigerian economic recession is as a result of the mono-economy she has embraced, this study offers a contrary view point. In making its case, the study started by explaining the kernel concepts employed in the discourse. After that, it x-rayed how Nigeria is built purely on business interest, hence, the improper foundation of the country which has begotten every challenges Nigeria is facing including economic recession. It moved further to show the fact of economic recession in Nigeria with necessary indices after explaining how the improper creation of Nigeria is still being sustained under corporatocracy. It further explained the concept of entrepreneurship as one of the solutions to problem under discourse.

In conclusion, this study is of the view that the primary cause of economic recession in Nigeria today is not just the drop in oil price due to mono-economy nature of Nigeria. It is rather the wrong foundation on which Nigeria is built on-- business interest instead of value-laden platform-- on which revolves all Nigerian problems including economic recession of today. For solutions, the study, over and above, other solutions proffered, admonishes on entrepreneurship especially among the teeming youths of the country as the immediate way out, at least, for survival for the time being.

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