

The Roles of Three Tiers of Government in Entrepreneurial National Development

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Abstract: There is a paradigm shift from ownership of business by the governments to entrepreneurial option, which the globalization of business is reinforcing. The roles of government in the arena of business is being reexamined, questioned, forcing conservative economists, neo-capitalists, venture capitalists, entrepreneurs and intrapreneurs and even the communists and socialists to boldly assert that government are incapable of organizing and managing businesses successfully not only in the developing nations but also in developed economies. The findings of the study revealed that government in this era of globalization does not have business in businesses other than playing an umpire's role, creating level playing ground, creating enabling laws and bye laws, provision of infrastructures etc. the findings revealed wastages, incompetence, nepotism and lack of purpose of the direction in the government owned business while private initiatives and businesses continue to outperform the government owned establishments.

Key words: Government entrepreneurial, business, national development

INTRODUCTION

All over the world, there is a paradigm shift from government ownership of enterprises to individual. Entrepreneurship is assuming a new dimension in the global trade leaving in its' trails government businesses canvasses which continue to expose government weaknesses and its imbedded corruption, nepotism, incompetence and wastages of material and human resources.

The role of government in entrepreneurship is changing and many individuals including government officials and the liberals who used to have faith in government ownership of business are having a second thought, reexamination and looking for alternative options, which would reduce resources being used by government businesses without any appreciable results.

Judging by the mixture of anxiety of the performance of government enterprises and the way government all over the world are embracing commercialization and privatization of her numerous businesses, it is rational to think that entrepreneurship is a new option for achieving economic expansion and growth in many nations of the world. The communists and the social legacy are questioning the rationality of government ownership of businesses from many African states to China with bias for communism and socialism are having a rethinking

about state ownership with an expanded option for private ownership and encouragement of entrepreneurial spirit among the citizenry.

The economists, the leftists and rightists have a fixed mind on the proper role of government in business. The rightists, from long established tradition have consistently maintained that the role of government must be that of umpire and any extension of this would be tantamount to fake doctrine.

The leftists countered that for government to leave the affairs of business to private individuals and groups alone without constant monitoring and full participation of the government is an elongation of poverty, misery, a situation capable of widening the gap between the haves and have-nots. A situation they reasoned would allow the capitalists to increase the misery index which their actions or inactions tend to support. The positions of the right are total negation of the government in the affairs of business. Government must establish laws; maintain orders capable of allowing business to flourish without high taxes being imposed by the government.

A counter position was maintained by the Maxists/Lennists by averring for government to abandon business to the capitalists alone amounted to mortgaging of the total economy to the few capitalists.

Looking pragmatically at the nation's involved in this debate and the individual player; the ideologies basing

their position on capitalist and socialist cum communist doctrines can only see their countries as laboratory for their experimentation. A critical look into the Nigeria situation would dismiss any suggestion of the government involvement in entrepreneurial activities. The historical indication exposes Nigeria as a wasteland when extrapolation of government involvement in business is exhumed.

To a casual observer, the position of government using public finances to establish businesses in order to create employment for the masses may seem ideal, every indicator points to the fact that society is not benefiting from these huge expenditures. However, entrepreneurship is not being taken as a panacea for the country economic problems which are enormous. We see entrepreneurship as one of the key tools for reversing the entrenched process of decay and corruption that has prevented any meaningful growth and the development of the country. This has to be carried out in tandem with other reform efforts in the judiciary, social, political etc.

Schumpeter (1949) considered entrepreneurship as the catalyst that disrupts the stationary circular flow of the economy and thereby initiates and sustains the process of development. Embarking upon 'new combinations' of the factors of production; which he succinctly terms innovation; the entrepreneur activates the economy to a new level of development. The concept of innovation and its corollary development encompasses five functions: introduction of a new product, introduction of a new method of production, opening of a new market, conquest of a new source of supply of raw materials and carrying out of a new organization of any industry.

Schumpeter's (1949) concept of innovation included the elements of risk taking, superintendence and coordination. However, he stressed the fact that these attributes unaccompanied by the ability to innovate would not be sufficient to account for entrepreneurship.

Entrepreneurship comprises any purposeful activity that initiates, maintain or develop a profit oriented business in interaction with internal situation of the business or with the economic, political and social circumstances surrounding the business. This approach emphasizing two types of activities: the organization or coordination activity and the sensitivity to the environmental characteristics that affects decision making. Despite its stress on the human factors in the production system, Cole never explicitly challenged the equilibrium by obsessed orthodox economic theory. This was challenged by the neo Austrian schools, who argued that disequilibrium, rather than equilibrium was the likely scenario and as such, entrepreneurs operate under fairly unpredictable circumstances. Kirzner (1993) described a

typical entrepreneur as an arbitrageur, a person alive to opportunities usually at low prices and sells same at high prices because of the value added through intertemporal and interspatial demands.

Aina and Salako (2008), described entrepreneurship as the willingness and ability of an individual to seek out investment opportunities in an environment and be able to establish an enterprise successfully base on the identified opportunities. The entrepreneur is thus, one who perceives business opportunities and takes advantage of available scarce resources to exploit the opportunities profitably. The person bears the non-insurable risk while he directs the human and material resources towards business objective.

It is also the process of creating something new with value by devoting the necessary time and efforts, assuming the accompanying financial social risks at the end receiving the resulting reward.

Entrepreneurs do not merely create new products that people want; they do not merely change the way products are produced, they do not merely organize production in different ways, entrepreneurs perform actions which change the way people think; actions which change the expectations which plans of each market participant to include different things and act in different ways and to form a different pattern; actions which cause us to learn new information and new modes of thought.

Entrepreneurs are not merely the "titans of industry" we all are entrepreneurs in every action we take: we choose to think differently. It is our creative forecasting of a different future from unknown or unnoticed facts or plans of others and changing of our plans to encompass this new knowledge and appreciation, our creation of a new concept of the future; all of which constitutes the entrepreneurial action which causes us to change our thoughts, to change the facts we know, to change our valuations to change our expectations, about events, to change our expectations about what others plan to do and to change our plans for future actions.

Entrepreneurship is a spiritual phenomenon also in that it affects our subjective valuations and expectations and how we choose to live and what we choose to believe. Entrepreneurship is a mental act; it is the creation of a new previously unthought-of expectation of the future and the plan of how to bring that newly conceived future into existence.

Public sector entrepreneurship the Nigerian situation: In Nigeria, there are 3 tiers of government namely, federal, state and local government. The federal government is the custodian of the major sources of revenue in Nigeria. It gives statutory allocation to the states and local government.

Aina (2006), identified some roles of government in business; these include: provision of public utilities such as water, electricity, telecommunication and other basic infrastructures, government also ensures that prices of goods and services are reasonable, thus preventing inflation and or deflation as the case may be, government also plays the role of ensuring favourable balance of payment through the use of appropriate monetary and fiscal policies that would guarantee favourable balance of payment.

He gave reasons for government involvement in business to include, protection of the nations territory, huge capital outlay that would be near impossible for an individual to handle among others, Provision of laws and anti-trust laws that would protect the rights of the citizenry. This aspect of the government role has been neglected thereby making government organizations inefficient, incompetent and wasteful. These views were shared by Sadler (1999) who identified environmental factors within the public sector to be responsible for poor entrepreneurship spirit in government owned organizations. He said the organizational big or small can stimulate or impede entrepreneurship development. This is possible where the organization is properly coordinated and when decision making and implementation is tailored towards the objective and the work group share common goal and vision. This view is however contrary to that of Borins (1999) who was of the opinion that bureaucratic structure within organizations rather external environmental or political intrusion was responsible for poor entrepreneurial development. He quickly added that this structure could impede or stimulate entrepreneurial development when properly harnessed.

It is against this back drop that the study wishes to examine the roles of government in business and compare some private owned enterprise with some government organizations and agencies that have similar characteristics and functions.

MATERIALS AND METHODS

We sampled eighty five individuals and government officials from federal, state and local government, private individuals, entrepreneurs and unemployed youths; lecturers in business schools and social critics in order to expose the expected roles of government in entrepreneurial national development. Samples were drawn using stratified random sampling as the respondents were scattered all over the study area.

Data was collected through the use of structured questionnaire which was designed to assess the degree

of intensity in the respondent's knowledge about government roles in business in Nigeria. The study was however limited to 2 states Oyo and Ekiti for ease of administration which to a relative extent made the sample small and weak. However, the study was able to answer some research questions that validate the study.

Research questions:

- What is the role of the three tiers of government in entrepreneurial national development?
- Does government has business in business?
- Do you think government has business in business especially when you compare private enterprises with that of government? (with particular mention of some private enterprises).

RESULTS AND DISCUSSION

Descriptive statistics was used and results expressed in simple percentages. The demographic structure of the respondent show that 18.7% of the respondents are between ages 20-30 years, 41.3% are in the 31-40 years group while 24 and 16% fall within the 41-50 years and above 50 years group, respectively. The study further revealed that the educational status of the respondents were west African school certificate examination/General certificate of education (WASCE/GCE), ordinary national diploma/national certificate for education (OND/NCE), Bachelor/Higher diploma and Masters/Doctor of philosophy certificates with 20, 26.7, 28 and 25.3%, respectively. The study while analyzing, revealed that 54% of the respondents shared the view that government has business in business while 46% responded that government has no business in business. The most paradigm shift is when the researchers loaded the research questions with specific mention of private businesses in the country that has proven tract performance and their counterpart in the public sector. The response shifted with 92% of respondents opposing government involvement in business as against 8% who supported government involvement in business. In answering the main research question the researchers identified ten roles expected to be played by the three tiers of government. These include creation of level playing ground, enabling laws such as anti-trust laws, establishment of minimum wage standards, provision of infrastructures, establishment of fiscal and monetary policies, enforcement of rules and regulations, establishment and enforcement of products/ services standards, consumer protection rights and feedback. The

response of the respondents to these roles differ as 80% of respondents were of the opinion that government should provide the necessary level playing ground for entrepreneurial activities while others are of the opinion that provision of infrastructure, establishment of minimum wage standards, enforcement of rules and regulations, provision of enabling laws, establishment of fiscal and monetary policies, establishment and enforcement of products standards, consumer protection rights, education and feedback should be accorded the necessary attention with 84, 70, 73, 66.7, 92, 76 and 86.7% for the mentioned roles, respectively.

The question on which of the tiers of government should perform these roles. The response vary across respondents as all the respondents where of the opinion that all the three tiers of government should provide level playing ground, creation of enabling laws was restricted to state and federal while that of bye laws was for the local government. All the respondents were of the view that the three tiers of government should be involved in the provision of infrastructure, enforcement of rules and regulations, provision of education materials and consumer protection rights and establishment of policies.

CONCLUSION AND RECOMMENDATION

The new trend in business globally is emergent of entrepreneurs and the new thinking is to give the entrepreneurs ample opportunities to emerge and perform its function of creating new and functional activities, products and services capable of transforming the society. The trend is to give the entrepreneur an enabling environment with little or no inhibition form government. It is the duty of the government to ensure that both the players and operators in the enterprise play the game according to set rules and regulation so that at any point erring parties and sanctioned appropriately. This can be achieved by setting regulatory agencies that will monitor the activities of stakeholders, laws that would protect the

consumers form undue exploitation by entrepreneurs, consistency in policies that would affect the entrepreneur whom we had described as a risk taker and opportunist. This is the only to secure investment of entrepreneurs and guarantee enterprise growth and development. On the part of the citizens they should Endeavour to pay stipulated taxes and levies mandated by the tiers of government for the provision of infrastructures and other basic amenities.

The privatization and commercialization by government all over the world of which Nigeria is not an exception is an indication of this paradigm shift which would allow individual entrepreneur to contribute to the development of the nation, reduce government spending on payments of workers salaries, duplications of projects to fulfill federal characters and or quota but allow for meaningful developmental projects that would bring the desired multiplier effects in the economy.

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