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Pioneering Agric Entrepreneurship Education in African Tertiary Institutions

By

BERNARD A. OKPOKWASILI
Milton Margai College of Education and Technology,
Goderich Campus,
Freetown,
Sierra Leone.

Abstract

Africans are defined as a people perpetually ravaged by wars and poverty. The continent has the highest population of young persons per country globally, with the educated and middle-class population on a continuous rise. This translates into potential manpower vital for sustainable economic growth. Global economic statistics indicate appreciable and constant economic growth across countries. Sadly, economic hardship is on the rise with economic migrants undertaking dangerous and deadly journeys across the Sahara desert and Mediterranean seas to Europe in search of better lives to escape crippling poverty ravaging the lives of young men and women at home. Can countries in Africa emulate other nations to develop synergies that consolidated and systematically marked them out as monopolies in their areas of specialisation, by developing potentials for sustained growth to trade with the world and emerge global leaders? How will African governments and academic institutions channel resources to develop entrepreneurial activities to emerge a competitive force and move up the ladder of global economic development? The paper reviewed few existing relevant literatures and statistics on African governments', individuals, local and international institutions and organisations investment in entrepreneurial training and practice. Billions of dollars invested in agriculture over the years never impacted the lives of citizens but fuelled corruption in many African countries. Government inputs were bureaucratic and mismanaged, smallholder investments were too small to make appreciable impact, while foreign investments were mainly export oriented. Countries in Africa can only transform their economic landscapes by channelling all human, material and economic resources to maximally utilise abundant land resources for

agricultural purposes. Academic institutions will develop quality manpower and engage in real entrepreneurship development for economic transformation of nations and institutions.

Diverse works and publications from development economists and statistics point to the fact that vast majority of entrepreneurs in developing countries are engaged in Micro and Small Enterprises (MSE), often informal, thus contributing very little to poverty alleviation and growth. Issues like poor learning environment, lack of infrastructure, low quality manpower, corruption at all levels, political instability, low capital base, inconsistent policies and underdeveloped markets make ventures into entrepreneurship more like the proverbial journey into the lions' den.

Above factors directly correlate between entrepreneurship development and state peace. Poverty can only be defined in the worst economic and social terms. Out of 54 countries, 34 all in sub-Sahara are classified as Least Developed Countries (LDCs), with high birth and mortality rates than any other part of the world (Bhattacharya, 2010). The continent has a population slightly over one (1) billion with over 60% in rural areas where subsistence and small holder agriculture employ between 70 to 90% of the population. It has an area of 30,221,532km sq and a population density of 30.51/km sq and 15% of world population. (FAO, 2012)

The unprecedented rate of technological progress in information, communication and globalisation has a great impact on market access and competitiveness (UNIDO, 2010). According to the 2010 Global Manufacturing Competitiveness Index, China, India, Republic of Korea, Brazil and USA will occupy top 5 positions by 2015, followed by Mexico, Japan, Germany, Poland and Thailand to make up the top 10 global manufacturing destinations by 2015. The major factor driving these manufacturing forces is classical economic factors of production – labour, material and energy (Manufacturing Competitiveness UNIDO, 2010). China consistently invested massively on infrastructural development for decades, which manifested in their ability to plant industries across the entire country both in rural and urban towns. India is another example that had a long term systematic manpower development programme in technology exporting science students to America and Europe en-mass, thereby adapting systems that incorporated efficiencies of both systems.

For Africa, developing global market relevance can only be achieved by employing the vast natural resources for agricultural production. Land area employed for agriculture is about 44% of available landscape with only 10% utilised for arable farming, 1.6% for plantation and 32% for pasture. Potentials for massive development thereby abound in this sector by systematically deploying more land for agricultural purposes (FAO, 2012).

This paper intends to explore potentials available to Africa in developing its entrepreneurial education and production maximally, utilising vast natural, human and financial resources to make agriculture the main focus of its global market economy for massive economic turnaround.

Entrepreneurial Capacity in African Concept

Entrepreneurship in developing countries more or less refer to Micro and Small Enterprises, (MSEs) that employ limited capital to businesses scattered throughout the economic landscape of countries. In Africa, it had existed for decades and centuries as individual or family businesses. Recent global trends have increased the overall scope of doing business to constantly adjust to international demands.

Role of Government Policies

Entrepreneurial capacities in Africa have not fared well due to limitations created by various governments' failure to undertake their roles in creating healthy environments for establishment, survival, sustenance and growth of businesses. States that stood out as success stories in the 21st century global economic map have appreciable government involvement in entrepreneurial development of the private sector. Government involvements were more in the form of changing economic systems, structures and laws (Dissanyake, 2010). Generally speaking, it is all about improving the environment for doing business. A country like USA has a very important proactive support for private sector development. In China, the transformation and privatisation of state owned enterprises, learning from foreign firms through encouraging the inflow of Foreign Direct Investments (FDIs), the explicit encouragement of high-tech entrepreneurship and huge investments in infrastructure particularly trade and transport related stand out. India's transformation can be linked to huge state funding in the form of venture capital and systematic manpower development (Naude, 2010).

Lack of infrastructure to support businesses in Africa has thus made local production very costly compared to imports. High transaction costs in power generation, transportation, post harvest management, communication, etc. are more like operating taxes that squeeze their profit margin and lower competitive abilities (FAO, 2012). A view of the earth at night compiled by NASA from vast satellite images show the entire Africa almost totally lying in darkness, with dots of light along the Mediterranean, South East cape and Bight of Benin (NASA Satellite, 2009).

Entrepreneurial Availability

Entrepreneurship can never be said to be lacking or in short supply in Africa. From the rural communities to urban towns, it is abundant, creative and resourceful. Unfortunately, their activities are economically insignificant to transform, sustain and

lift households out of poverty. Most activities surrounding entrepreneurships in developing economies are often viewed as survivalist, with little or no impact on poverty alleviation.

Demographically, Africa is the youngest continent with a growth rate of between 4 to 6% annually, the highest in the world. With a large percentage of its population, over 60% below 30 years, this transforms into a very large pool of active human resources for economic transformation (FAO Statistics, 2012). Migration has transformed this vast manpower capacity in Africa as a means of knowledge transfer and billions of dollars in remittances from abroad as economic gain. Internally, it represents potential wealth creative component to be further exploited and developed for competitive strength of entrepreneurs.

Manpower Availability

Creation of employment for large population of youths remains the most pressing challenge of governments across Africa. According to the ILO, global youth unemployment hit a record high of 12.8% in 2009 at the peak of the global financial crisis. In 2012, it slightly lowered to 12.6%, putting the number of unemployed 15-24 year olds at 74 million. In North Africa and the Arab region, over 25% of under 25s are out of work. In sub-Sahara Africa the ratio is over 20%. Forecasts suggest that these figures will continue to rise as the world economy struggles to recover and population continues to grow (UNIDO, 2013).

Economically, rising unemployment is quite beneficial to the employer (entrepreneur) since supply continually outstrip demand translating into price reduction as it tends towards a glut. As unemployment rises, jobs become competitive driving candidates to improve on their skills through consistent training, thereby providing the employer the opportunity of better skilled and high quality manpower. The population of young Africans acquiring university education and other skills have appreciably risen over the past decade and is expected to witness similar or higher trend in future. Linking this to increase in the number of tertiary institutions and vocational training centres in many African countries, translates into enormous pool of manpower supply.

Entrepreneurial Option

Experience shows that entrepreneurship development grows out of an individual from forces operating within his environment and ability to solve problems professionally. Personally, this researcher views entrepreneurial development as a product of 4 (four) factors.

1. Passion – What is it that one loves doing that one can modify to generate income from the public (target market).

2. Public Hunger – Exploring ones immediate environment for a unique problem to solve.
3. Question Mark – Involve stimulating a target market with a need and hunger, then developing solutions according to response.
4. Modified Engineering – Repackaging an existing product for new market appeal.

The above further consolidates entrepreneurial success around the individual rather than the resources.

Option for Africa

Present economic conditions seem to favour the application of factor 1 (one) above for Africa. Evaluation of what Africa love doing most that it can modify to generate income from the world market. Many argue that Africa needs to join the race for world mass manufacturing and IT revolutions. Plausible as it may sound, it is unpractical from the globalisation point of argument. The issue is can Africa compete with the dominant mass manufacturing power of China, when industrialised countries of America, Europe and Asia are struggling? Will Africa potentially match the tremendous feat of India in IT and copy-transfer technology, which took decades of planning and human resource development to achieve?

Presently, Africa does not have the quality human resource capability, physical and market infrastructure, economic policy, technology and reliable public institutions necessary to evolve as a competitive force in the global market. Rather its market offerings centre on extractive industries, where income and quantity are static and market controlled by global consortium. Also extractions represent a continual depletion of natural resources.

Agriculture Option

Despite the presence of vast area of land suitable for agriculture in Africa, estimated at about 300 million hectares out of world 1.5 billion hectares, much of it is covered by forests, protected for environmental reasons or designated as game reserve for tourism. Countries like Angola, Democratic Republic of Congo and Sudan have up to 90% of land available for farming (FAO, 2012). This places sub-Saharan Africa as number one globally. Naturally, the climate of sub-Saharan Africa is most conducive and suitable for growing different varieties of crops throughout the year. Water resources for irrigation are also in abundance, boasted by the presence of big rivers, lakes and adequate rainfall.

Concept one of the MDG seeks the eradication of extreme hunger and poverty by 2015 and centres around providing full and productive employment and decent work for all. In contrast, African countries are still not within reach of meeting set targets to

achieving this goal in the remaining 24 months. Proximity to Europe and West Asia is a major market advantage for African agricultural market. This sector has the potential to attract huge investments from within and outside the continent considering the huge opportunities open to investors. Institutional funding opportunities from FAO, IFAD, AfDB, UNIDO, UNDP, EU and USAID in research and real activities is a huge resource pool available for investors to tap from. Private funding opportunities in FDIs are further incentives as many investors from Europe, Asia and America are willing to invest billions of dollars in research and production of raw materials desperately needed in their home countries.

Agribusiness Development

Transformation of agricultural activities from MSE smallholder business to medium and large mechanised farming is the only way to achieve quality and quantity output per hectare of farmland. The reformation of agricultural policies not to focus solely on agricultural production but systematic development of value chain along the system refers to agribusiness. This according to UNIDO is meant to go beyond promoting agro-industries to highlight the link between small and medium enterprises (SME) development, rural development and the need to connect rural economies to global trade. Focuses on developing local processing capacities for businesses to benefit all the way along the production chain from raw commodities to finished goods, and serves to create wealth along the value chain from land through commodity and the market. For example, areas like research, crop development, land management, seedlings, chemical and pest control, equipments, post-harvest management, raw material processing, storage and transportation, market information and access, are all activities along the value chain capable of creating millions of jobs and billions of dollars throughout Africa.

Agribusiness Support

In March 2010 a High-level Conference on the Development of Agribusiness and Agro-industry in Africa was held in Abuja, Nigeria. The Abuja Declaration from the event mandated FAO, IFAD, AfDB, and UNIDO joint sponsors of the event to initiate joint action in the area of agribusiness value chains; food security; policies; financing and related value. This declaration was known as the 3ADI – African Agribusiness and Agro-industries Development Initiative. With later inclusion of other LDCs in the scheme, the word Africa was changed to Accelerated (www.3ADI.org). In Lilongwe in October 2010, another document known as AU-NEPAD CAADP – Comprehensive Africa Agriculture Development Programme, initiated in Libya in 2009 was endorsed. The CAADP is being implemented through 4 pillars;

1. Land and water;
2. Market access;
3. Food supply and hunger;
4. Agricultural research (www.au-nepad.org).

The 3ADI kicked off with 12 countries, but as at early 2013, 17 African countries including Haiti and Afghanistan have joined the scheme. With a target for the year 2020, when it is expected that each country would have built up a highly productive and profitable agricultural value chain around one or two priority commodities it had targeted under the programme (www.3adi.org).

Entrepreneurial Opportunities

The main intention of the initiators of the 3ADI was to transform the mode of agribusiness in Africa from scattered multi-crop smallholder farms to large scale defined crop varieties in participating countries. The main objective being to attract large investments in agribusiness in Africa, to develop systems and capacities and improve output and quality of harvest, transforming each country into a world leader in the supply of the crop.

Role of Academic Institutions

Paradoxically, entrepreneurship education is a major course work in academic institutions across Africa, but none has shown any practical development of entrepreneurial competence within. The situation contrasts with conditions in similar institutions in developed or developing countries.

Commercialisation of research works, establishment of business schools, research grants, strategic partnerships are common sources that generate large pool of resources for academic institutions. Due to low economic activities in most African countries, these sources are limited and often totally unavailable.

This paper therefore proffers solution to economic peace across Africa through focusing more attention to entrepreneurial engagements and commercialising activities of academic institutions. The core activity will be the ability to develop internal and external structures and capacities to attract projects from governments, local and international institutions and organisations. Targeting the 3ADI and tactically negotiating with the initiators and implementers for partial or total outsourcing the project to academic institutions in participating countries is an immense opportunity academic institutions across Africa can start with and fully exploit to turn around their fortunes.

Resources

Universally, academic institutions supply the most valuable resource in the form of quality manpower. Administrators, lecturers and students are always in excess supply for conducting researches, developing programs and initiating changes. Interestingly, agribusiness incorporates almost all academic disciplines including

doctors, pharmacists, business schools, etc, disciplines previously considered irrelevant or remote in agricultural production.

Partnerships

Strategic partnership is a preferred option for academic institutions as most relationships are intended to solve specific problems. Often organisations engage institutions on long term relationships when interests tend to be permanent. Governments, institutions, businesses, farmers, communities and consumers are possible partners as stakeholders in agribusiness.

Benefits

Practical development of entrepreneurship in academic institutions will impact nations in different forms:

1. The country will have a large pool of high quality manpower for projects, cost effectiveness and timeliness of projects, commitment to deliver, professional rather than political approach, less bureaucracy and corruption, large R&D pool, more concentration on infrastructural support, better policies, economic growth and general peace.

2. Academic institutions will attract more research, funding, income, improved competence, quality student output, quality manpower, better infrastructure, etc.

3. The public will enjoy better relationships, trust, prompt and timely services, cost effective R&D, better product development and improvements, wider information availability, etc.

Conclusion

Ability of academic institutions to develop credible entrepreneurship direction for Africa is the solution to family, social and economic peace. Migration to urban towns as escape from hardships of living on lands and its associated social unrest will stop. Academic institutions will benefit in multiple ways with ability to balance between theoretical and practical entrepreneurship.

Recommendations

1. Institutions should design entrepreneurship education to impact skills in all graduates for economic independence irrespective of discipline.
2. Consultations among leadership of institutions in Africa to cooperate, network and collaborate with each other for profitable activities.
3. Institutions need to set up teams to formulate policies and criteria for project identification and implementation.

4. Academic institutions should establish structures to identify cost effective and quick impact projects to commercialise and concentrate research in those fields.
5. Institutions need to identify and attract quality manpower within and outside for efficient service delivery.
6. Design websites to market institutions globally considering its value in today's business world.

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