

Nigeria Suffered from Deep Economic Recessions for not Having the Culture of Business Angels

Osondu Chimezie Nworu

Osondu & Associates Design Architects, Nigeria

Abstract Nigeria is a nation of over 370 tribes rich in culture, customs, traditions, and people very keen on trading and agriculture formidable for investments. As an Igbo adage says, it is not suitable for an adult to be at home while a goat dies in the barn for it's not a good act to laugh where angels are crying. Nigeria has enough wealthy people who can champion the economic recovery and developments through domestic investments, and change the lives of about 70% the population wallowing in poverty. Apparently, Nigeria is a country that is full of envious numbers from astounding human and various types of mineral resources including oil resources at a current level of 1.869M oil production [1], amounts to over \$80 billion annually besides, the population of 180 million. That suggests a vast market for goods and services as well as a large pool of human resources for national developments. Moreover, at an annual population growth of about 2.7% between 2010 and 2015, Nigeria is set to outstrip the United States to become the third-most populous country in the world by 2050, according to a UN report [2]. Hence many are wondering why a nation that has every potential to flourish by possessing all the amenities and moreover an active market for about 200 million remains in a terrible possible recurring recession The paper will underscore the missing link in Nigeria economy – the culture of business angels.

Keywords Business Angel, Economy, Recession, Wealth, Millionaire, Recovery, Investment, Individual

1. Introduction

Though the paper is not to underscore the crumbled Nigerian business empires, however, there are lots of anomalies in Nigerian business circles that require getting straight. Years ago, names of some indigenous millionaire businesspeople were inspirational for youths to work hard in their endeavors and excel in education, trade, and vocational skills. Among an infinite list of prominent ones, was Henry Oloyede Fajemirokun of Henry Stephens Shipping Company that was competing with the Greeks in ship ownership and had even a seat on the London Stock Exchange. There was also the Nnewi business mogul Chief A. E. Ilodibe of Ekene Dili Chukwu Transport Company and the sole distributor of Mercedes-Benz products in Nigeria. It not possible not to mention in the annals of successful entrepreneurs the legendary Sir Louis Odumegwu Ojukwu first Africa multimillionaire, Father and President of The Nigerian Stock Exchange, and the first President of The African Continental Bank.

The list of Nigerian business-moguls over past decades can be infinite paradoxically, while one cannot see Henry Stephens's ships in any harbors anymore, nor any Ekene Dili

Chukwu bus on Nigerian roads or The African Continental Bank in the country the names and the business of their contemporaries elsewhere in the world are still booming. The typewriter manufacturer company founded by Camillo Olivetti in 1908 in Ivrea, Italy is second to FIAT in regards to their market value. What can we say of the gunpowder mill established by the American chemist and industrialist Éleuthère Irénée du Pont? As of 2014, DuPont stock price is a part of the Dow Jones Industrial Average and was the world's fourth and eighth largest chemical company based on market capitalization and based on revenue respectively. Or the General Motors founded in 1908 by William C. Durant just to own shares that became from 1931 to 2007 the most prominent automobile manufacturer company in the world.

Apparently, the paragons above between Nigerian past businesspeople and the ones from other parts of the world are parallel to wealthy Nigerian people of today and their contemporaries from outside Africa continent. The only reason the names of the oversea entrepreneurs and their wealth last after their death since no one is immortal is the practice of business angels. They have understood fully the adage and the law of nature that states that as you help someone climb up a ladder, you are ascending at the same time, which their Nigerian counterparts have yet to understand. Never the less, Nigeria cannot be full of multi-millionaires, and the country will be wallowing in poverty when their wealth could be invested in Nigeria and Nigerians for more profit hence the adage above is not

* Corresponding author:

arcosondu@yahoo.com (Osondu Chimezie Nworu)

Published online at <http://journal.sapub.org/economics>

Copyright © 2017 Scientific & Academic Publishing. All Rights Reserved

suitable for an elder to be at home while a goat dies in a barn.

However, different authors have defined business angels in several ways for business angels are those individuals who with their wealth create more wealth through other human beings that are capable of producing wealth and jobs. For Collins Cobuild English Dictionary a business angel is people who give financial support to a commercial venture and receives a share of any profits from it, but do not expect to be involved in the management. While the Growing Business Team definition says business angels are affluent and wealthy individuals who invest their capital in start-up companies (that are typically early-stage) in return for an equity stake. Lastly, Tutor2u definition says business angels are wealthy, entrepreneurial individuals who provide capital in exchange for a proportion of the company equity. They take a high personal risk in the expectation of owning part of a growing and thriving business. All the above definitions are correct the differences lie in every business angel's Modus Operandi and the strength of the business proposal at stake, but their goal is the same undeniably growing the economy financing companies.

1.1. Objective of Paper

The people of Nigerian have proved to the world that a deep downturn that many thought will turn depression can be overcoming. The paper is to highlight how a collective willpower and collaboration among the people can boost the economy by using the wealth in the hands of wealthy Nigerians to transform Nigeria into a multi-sector economy attractive to investors and developments.

2. The Effect of the Recession on the Nation

According to the economist, Julius Shiskin in a 1979 New York Times article a recession is in fact when it occurs that in two running quarters the gross domestic product (GDP) growth is negative. The USA National Bureau of Economic Research (NBER) says the indicator of a recession is when there is a significant decline in economic activity spreading across the economy, lasting more than a few months.

As were evident in the Nigerian, where there were extensive none existence or decrease of real income, moribund/collapsed industrial and manufacturing production, extreme rate of underemployment and unemployment. Besides, a severe plummeting consumer spending resulting in hunger as no fewer than 112million Nigerians now live below poverty level [3].

However, on the August of 2016, Nigeria officially slid into recession when the National Bureau of Statistics (NBS) released a report on Nigeria's economy in its 2nd quarter, which involved the Gross Domestic Product (GDP), inflation, employment, capital, importation, exportation, and other

figures. The report disclosed that the GDP has declined by 2.0%, the increase has risen by 17.1%, and the economy has contracted by 0.36% in the first quarter [4]. Nonetheless, following the Business Dictionary, that says a recession does not last longer than one year. Immediately, after ten months of consecutive contraction and of negative GDP growth that led to the death of businesses, Nigeria's economy, according to World Economics on April 2017, has come out of recession even though "conditions remain difficult for businesses" [5].

3. Adverse Economic Conditions Still Persists

The reasons and figures that technically pushed Nigeria out of the recession are insignificant compared to the overall issues facing the country for it to claim genuinely economically viable. From all indications the level of inflation is still high which reflect an unpleasant scarcity of food and nonfood stuff in the country as proved by the April 2017 Prices Charged Index that relayed rise as high as 58.7. Though the National Bureau of Statistics (NBS) has stated that the rate dropped by 0.52% in March 2017 hunger, poverty, underemployment, and unemployment are at their heights level since independence and swelling on a daily basis. Also, the inability of engaging proven economic experts and transparency in the nation's financial system undermines macroeconomic stability; thereby perpetuating the endemic smuggling aided most times by unnecessary protectionisms. Exacerbated by the epileptic power supply that not only restricts the economic growth but prohibits development in all senses including the judiciary that is full of political interference. Lack of funding that is incapacitating the bench has thus become an excuse for many judges though relatively well paid to money-grubbing thereby abandoning judgments improperly at the mercy of exchange for money.

Such judiciary that is in shambles and lack trust cannot establish and guide the very elementary ethical principles for business execution without which no nations can attract investment. In Nigeria judiciary setup it is impossible to expect a well-developed regulatory regime to introduce the rule of law for efficient management of the complicated domestic and international business relationship that is necessary to govern doing business in term of transparency and risk-reducing. What more regulating revenue growth, profitability, and banks that perform loans like traders.

These issues and many others including series of daily sprouting security threats from almost all the geographical parts of the country need solving, however, irrespective of these facts the nation has to move forward to achieving development and accelerating the sustainable economic growth through the activities of domestic business investors.

4. Only Collective Effort can Thrive Nigeria Economy

The general opinion is that even though the economic conditions in the country remain challenging for businesses, there is an ongoing collective endeavor to stimulate the economy and achieve a higher-income status before 2019. Though corruption is still diffuse, yet there is a shift in the way individuals and the governments are pursuing the economic transformation program through viable agriculture projects and government policies that intend prospering the economy. Government agencies like Nigerian Export Promotion Council - NEPC is supporting and educating the society in developing the skills and culture of export for a vibrant export sector to emerge as the bedrock of the nation's economy in place of the over-dependent oil and gas export.

On a serious note, the federal government is ceaselessly working to fix the economy, the present Central Bank of Nigeria, (CBN) Monetary policies are encouraging international and domestic transactions by regularly making available foreign currencies for the local banks at reasonable controlled rates that allow profits on imported goods. There is need to applaud the tireless efforts of the federal government and CBN in using excellent, innovative, economical sound policies to thrive the economy. Especially the CBN's commitment to ensuring liquidity in the forex market and make it competitive for forex users unlike before to influence positively market commodity prices and aim at lowering inflation rate. It is crucial that the federal government primarily CBN should make sure that the apt injection of dollars into the forex market to allow Naira maintain its stability is a win and guide against sabotage and loot from opportunists who always exploit any government novelty or policy introduced to better the system economically, politically or otherwise.

All Nigerians know that the recession came about from the fall of oil prices in the international market at the period the currency was weak, and Niger Delta militants were sabotaging the oil facilities that lower the oil production. As these conditions have reversed hence Nigeria is technically out of the recession most notably thanks to the frequent travels and engagements of the Vice President Yemi Osibanjo in the Niger Delta area that has yielded expected relative peace in the region and contributed immensely to grow out of the recession in time. As proved by crude oil production that has risen from 1.2 million barrels per day in April 2016, to 1.484 million BPD in April 2017. In last quarter of the year, the recovering Nigeria's production is helping to keep oil prices lower than when OPEC first announced its cuts and oilfields in Nigeria had been brought back as militant activity has subsided [6]. By these Nigerians have proved to the world that recession come and go and as usual economic recovery follows as the nation must emerge unflinching into a better-evolved economy with the help of all Nigerians.

5. Managing the Economic Recovery

5.1. Social Cohesion Is the only Way to Overhaul the Economy

The purpose of this paper is to create awareness and underscore the many core things that bring us together for prosperity which Nigeria can only realize when the wealth gap that is fast growing bigger can no more pose economic and security threats to the country.

The issues of wealth inequality are the primary reasons there are several youth agitation groups in almost every part of the country, and the appropriate management of the phenomenon can come not by use of force but by exploiting every potential economic sector in the country in which everyone can recognize him/her as participants.

The best way could indeed be to introduce a lifeblood like business angels into Nigeria society especially now at the present stage of economic recovery and prevent the likely disorder and anarchy that may engulf the country because of diffused loss of confidence of the youths in Nigeria state. The wealthy Nigerians should learn to re-inject their wealth into every sector of the economy to achieve the much-needed economic recovery and help give the youth hope for general prosperity.

There is in place every facility and figures that favors the possibility of growing the economy through local business investors, such as the population of 186 million (world bank), consumer's demand that is always increasing, and Nigeria exposure to financial risk instruments that is very less and can guarantee maximizing profits. Besides, the government is much eager to support progressive initiatives to achieve the set goal of being among the world's top 20 economies by 2030. It is not the first time a group of people or particular classes like the business investors have rescued their people or nation from socio-economic adversities. It had always happened a good example was the 2008 financial crisis regarded as the worst economic crisis since the Great Depression of the 1930s in which many world central banks and the US Federal Reserve was called in to exercise massive bailouts of the financial institutions involved to avoid a fearful global economic collapse. Furthermore, the Portuguese government policy of actively supporting domestic private investors helped pulled the country out of the 2010 - 2014 financial recessions also in Nigeria in the early 1970s when collective efforts prevailed.

5.2. Once the Solidarity of a People

The grief-stricken Nigerian Civil War, or Biafra War, (6 July 1967 – 15 January 1970), and all the famine, economic, ethnic, cultural, religious and political, tensions that accompanied it are already parts of the world awareness and knowledge. This paper is not about the civil war but going to underscore some replicable events that led to the miraculous economic recovery of the Ibos in Nigeria after the war in the 1970s.

It is a well-known fact that when the civil war ended, the federal government of Nigeria promised the Ibo people 'one Nigeria no vanquished and no victor' which turned out to be only a slogan. The slogan was to mean no part won or lost the war and to make the catchword look credible the then head of state reinforced it with the 3R—Rehabilitation, Reconstruction, and Reintegration of the Ibos into the Nigerian system which the government never translated into fact. Therefore, the Ibos were left to face the worst economic depression in world history, without any hope or allowed an opportunity to come out of it. Instead of the epics 3Rs, mass dismissals without compensation from every government and private establishments including the military was the surprise no one had expected, and deliberately denied any source of getting stipends or income, and this fact of dehumanizing dismissals caused many deaths and terrible psychological traumas, which many never recovered until death.

Then came the deserted property edict under s.3 of Edict NO.1 ° of, 1970, where a person of non-South Eastern State (now in Cross River State) origin fled or remained away from his property during the Nigerian Civil War, the property would be deemed to be "deserted property" [7].

And when it looked like the Ibos would have succeeded in challenging the May 30th, 1970 Edict in the law courts. On the 28th September 1979, just two days to relinquish power to President Shagari, the Obasanjo military government promulgated Decree no 90 of 1979 to silence the Igbo people hope made their properties became a gift permanently to Nigeria, especially those in Port Harcourt known as abandoned properties. Thanks to the Decree, no 90 more than 96% of the Ibos never again reclaimed their properties up to date because of the civil war. Unemployment became endemic as only less than 5% of the Ibos were accepted back to establishments they were before the war or were allowed to gain employment. As, if it was not enough to strangulate, the Igbo people economically, the federal government through a policy ordered banks in the country to release a derisory £20 (twenty pounds) to every Igbo irrespective of the amount in the bank account before the war. Also, the Ibos were verboten from participating in various sectors of the economy especially, federal contracts, financial, power, and oil industry sector, etc. The conditions of the Ibos were extremely desperate beyond human endurance even the WWII Japanese could not have treated their prisoners of war worst. The paper is highlighting these fact-based matters for the fact that irrespective of the infinite unfair treatment sustained by the Ibos at the end of the war they were able to achieve significant economic recovery that surprised the world hence the promulgation of Indigenization Decree of 1972 and Decree no 90 of 1979 (Abandon Property).

The worth emulating economic recovery was a result of the will of every Ibos to work for a common interest that could lead to the survival and prosperity of all especially through a business angel like *modus operandi*. As the Ibos had no significant sources of earning incomes from the government establishments, everyone had to move into

trading to survive the government political and economic embargo. Hence, the envious act of the Igbo people investing in selves thrived as is common in China or had always been the practice among the Jewish brethren worldwide.

What transpired in the entire Igbo land was that the then very few wealthy people invested in their natives who had viable industrial and commercial projects. An excellent example was the feats of the industrial and business moguls Chief Nnana Kalu and Chief John Anyaehie who spent in business projects of a good number of their people and turned a host of them into wealthy and prosperous businesspeople. In short, if every Nigerian contributes, and the equitable handling or distribution of what is available is achieved, then, of course, working to develop and to prosper the country would be the order of the day and naturally, every part would like to stay in Nigeria [8]. The business benignity towards others of a very few Ibo wealthy that turned the tide of the economic downturn then is the steps the paper is exhorting the todays about 23000 Nigeria millionaires to follow not as acts of benevolence but as business angels who invest to make due profits for the betterment of Nigeria.

6. Nigeria's Wealthy Individuals to Synergize Their Potentials for the Economic Recovery

Business angels – typically wealthy entrepreneurial individuals who provide capital in return for a proportion of a company's equity – are hailed as heroes for stimulating business [9], categorically, at this moment of economic recovery, the country needs such personalities.

Those that love the country and are ready to combat all the evident adversities be it political or financial risks and to perform impressive feats of enterprising with their wealth for the general good especially now that the country is not attracting foreign investors.

The latest data from the National Bureau of Statistics (NBS) shows that Nigeria's capital importation dropped by a massive 46.8% to N\$5.1 billion on year on year basis. The total value of capital imported into the country declined by 15% to \$1.548 billion in the fourth quarter of 2016 compared to \$1.8 billion in the previous quarter. There was also a decline of 0.52% compared to the corresponding period in 2015. The Q3 2016 saw the highest level of capital importation for the year at \$1.8 billion. The Q1 2016 witnessed the lowest of a level of capital introduction at \$0.710 million [10]. Though the country is out of recession, many of the challenges that caused it are still alive exceptionally weak Naira, and because foreign investments thrive better in the absence of such issues, so there is need to synergize all different potentials to recover the economy and build a nation where every individual shall enjoy the progress.

Since Nigeria presently is not attractive to foreign investments, and Nigerians must naturally cherish

themselves and grow the economy, for this may be an opportunity that comes but once for domestic investors. As it stands now, only 28% of the 36 states in Nigeria whose internal generated revenue was above N10 billion in 2016, invariably 26 states depend on federal allocation because of their inconsequential IGR and as such cannot attract foreign investments for anything. The fact is that there are no states in Nigeria that do not have an indigenous billionaire and at least 10 millionaires that can invest in them and turn them into high-income states instead of expecting foreign investors to recover the national economy while the people are suffering massive hardship. Domestic investment is the key.

The primary reason the names and wealth of Nigerian business moguls do not last after their death is that they do not invest in their hometowns, unlike their foreign counterparts who eternalize their wealth by implanting their investments where they can easily monitor them thus their home. All the world famous industrialists and entrepreneurs such as Enzo Ferrari, Camillo Olivetti, Kiichiro Toyoda, etc. started their companies in their city of births Modena, Ivrea, and Aichi respectively. It is sure there is no wealthy Nigerian that is not investing in one thing or other in a foreign country but what an immense loss of opportunity if they are not operating to lead in a virgin and lucrative domestic economy like Nigeria's.

7. Ways Nigerian Business Angels can Effectively Help Recover the Economy

7.1. Importance of Making the Right Policy

It is of general knowledge that the economic slowdown in Nigeria started many years before the recession was officially declared, and because it had lingered on for many years, it has damaged all businesses both small and large throughout the country. Since more than 90% of Nigerian businesses are import base sustained by weak Naira, revenues and profits have always tended towards declining. Also, as the population is ever increasing the only sound management strategy to improve the bottom line and be in business is no other than always expand product lines and raise product prices. For this has been the principal way of running companies in Nigerian since 1982 when the government first hatch a plan to devalue Naira then at 0.673 Naira per US \$ and worsened by Gen. Ibrahim Babangida regime's introduction of the 1986 Second-tier Foreign Exchange Market (SFEM). The agonizing dilemma of the fall of Naira started in 1986 from 90 kobo to \$1 then and never recovered until date as the government preferred to choose weaker exchange rate disregarding the fact that stable currency automatically translates to a healthy economy. Hence, the decade to decades of nonstop product prices increase, inflation rise, steady growth of the population living below poverty line and the final death of the hope of

industrialization of the country.

As the paper is emphasizing, there is an urgent need for Nigeria wealthy individuals to learn the culture of investing in the country and earnestly start doing so. For Wealth, Innovation and Diversity take people on a journey to understand the fundamental truth: without diversity, there can be no innovation; without innovation, there can be no growth [11].

Let everyone deploy self-differences to the services of the beloved nation before it is too late for peace and stability to reign in the country for the youth unemployment high rate is the main reason the violent agitations are getting uncontrollable. Seen that Nigeria is experiencing a population explosion as the National Population Commission (NPC) confirmed in 2013 that half of the population is already made up of youths, which is predicted by the UNO to double by 2050 in the entire African continent.

7.2. Local Markets Viable Source for Investment

A significant asset for investors is the Nigeria's busy markets that are the most significant known industrial sector of economy and testing hub for every good produced from all parts of the world. Nigerian markets are specific places for every retailing goods of all types of foodstuff, household appliances to various technology gadgets up to the weirdest industrial machinery spare parts. Over 98% of the pass, 180 million of Nigerian population depends on the markets for their daily-sustainment either for earning incomes or for procuring their needs. Even, above 90% of business activities within transportation, telecommunication services, construction, film industry, etc. in Nigeria, East/West Africa base their lifeline in the marketplaces as in most cases they are the only source of their continuity.

There is no existing company in Nigeria including banks that can top some of the markets such as Alaba International, Ariaria, Onitsha Main Market, Idumota, and Balogun by revenue just to mention a few markets. The income yielding capability of the markets combined with traditional aggressive bargaining methodology and the entrepreneurial ingenuities of the millions of people who trade in these markets on a daily basis worth first-hand consideration for innovative investing.

Many traders are very enterprising and desire to expand or even run businesses in more than one market as such any domestic angel investors will thrive by investing in these markets. The markets apparently have high appealing potentials for many types of investors hence the Chinese have discovered the investment attractiveness of the markets and the local investor should move in now before it too late for the Chinese is good entrepreneurs.

Categorically, every Nigeria city has at least two leading markets for any local business angel to choose to invest, and the public actively patronizes all the markets as there is nothing one cannot found in any of them no matter how peripheral the market location. The list for investment wise of viable markets in Nigeria can be infinite as markets sprout

up rampantly mostly on any available spaces and they snowball to primary markets in short possible periods because of free city expansion and population explosion in Nigeria.

However, for record purposes among many others and the markets as mentioned earlier, there are Kurmi market Kano, Jos Main market, Bodija market Ibadan, Owerri Relief market, Zaki Biam Yam market Benue, Nkwo Mbaise market, and Port Harcourt Oil Mill market, etc. The attractiveness of these markets to investors is whopping in that all of them worth investing in and offer multiple opportunities for high yielding revenue-based financing investments that any local investor can start with to grow any business.

7.3. Small Scale Businesses Attractiveness to Investors

The importance of small-scale businesses (SSB), their growth in the everyday lives of Nigerians, their role in Nigeria economy and developments the paper cannot overemphasize as SSBs stand to be the very lifeblood to the country economic vitality. This SSB sub-sector of the economy carries the most innovative features and ideas one can think of in any nation's economy and the advent of domestic business investors here would genuinely revolutionize and recover the economy. The strategies highlighted in the paper if strictly followed shall address the issues of wealth inequality, reconstruct the economy and bring the much sought-after peace and stability in the country thereby creating the ideal environment so dear for business angels to operate. Above all the paper cannot foresee any wealthy Nigerian individual that would not like to be part of a prosperous nation for even if not for the market attractiveness and its substantial prospective turnovers but the sake of building of the country.

The small-scale businesses alone employ over 50% of Nigerian working population, and over 90% of Nigerians, as such the local business angels shall positively impact significantly on the reduction of the country's endemic unemployment issue that is threatening the nation's unity and security.

Besides, the small-scale businesses seen on every street are the locomotive of the economy, are the base of employment in the country, and solemnly need the influence of domestic Angel Investors, which is lacking.

Evidently, there is even sometimes a certain level of altruism when the business angel feels happy about supporting the next generation of entrepreneurs. In the USA, it is estimated that informal investment provides five times more financing for companies in the start-up phase than formal venture capital investment. For example, in 2002, a total of 36,000 entrepreneurs and young businesses obtained financial backing from a business angel or group of business angels co-investing (200,000 provided financing amounting to \$15.7 billion) [12].

Since the principal aim of investing is the expected rates of return as such, Nigeria is undoubtedly an excellent market

for any investors to realize swift bottom line especially in an economy that consumes far more than it produces and with increasing consumer preference for imported goods. If the wealthy Nigerians start investing in the country, it will push for many reforms lacking in the system and remove the hands of unprepared and corrupt judges for better business climate and boosting foreign investors confidence as they prefer nations where local investors have tested the ground for small businesses and startups. Most important will be the creation of the much called-for financial regulatory body to regulate the management of wholesale and retail trade and service enterprises thus regulating the conducts of every SSB activity, specify product quality and standardization and besides safeguard the financial market integrity to enhance investments and reduce the risk of doing business in the country. The body has to be independent of the judiciary with authority in case of disputes to investigate and deliver judgments.

In the present Nigeria SSBs set up it is challenging for an investor to operate efficiently but with adequate regulations and business reforms to ameliorate the startup and business modus operandi for local business investors investing will be made more accessible. And much more comfortable if the angels or group of angels can devise an innovative system to start operating in the SSBs sub-sector for apart from the significant probability of being assured of an excellent return on investment in exchange for their money the pioneers will also finally solve the Nigerian security issues.

In fact, it does not need any brainstorming to recognize that the diffused sense of hopelessness of the youths due to unemployment is the reason behind the various group agitations and crimes in the country. Invariably the influence of the local angel investors in the economy would be of great benefit to the nation.

7.4. Investing in Big Businesses

Local angel investors can operate conveniently in the small and medium-sized enterprises (SME) in the country even though the sector has been moribund for the past three decades.

Before the promulgation of the infamous Indigenization Decree, SME sub-sector was leading the country into industrialization with places like Lagos Ilupeju/Apapa, Port Harcourt, and Kano, etc. at the forefront. And just as the civilian Nigerian Second Republic in the 1980s was trying to revive the nations SMEs heedlessly there was a return to a military government that lasted needlessly for many years during which there was suppression of social, political, economic, and sustainable development. The 1972 promulgation of Indigenization Decree, the 1986 launching of the Second-tier Foreign Exchange Market (SFEM) and the return of military regime in 1983 with its shortsighted and puerile insular economic policies destroyed the existing SME and terminated every entrepreneurship avenue to further SME sub-sector developments in Nigeria. As generally known, SME also called Micro, Small and

Medium Sized Enterprise (MSME) is usually the backbone of any nation's economy, the hub for investors and entrepreneurs, locomotive for growth, fertile ground for innovation, and indispensable job opportunities creator.

The importance of the SME sub-sector is well recognized worldwide due to its significant contribution to gratifying various socioeconomic objectives, such as a higher employment growth of employment, output, promotion of exports and fostering entrepreneurship [13].

Factors mostly used in the classification of SMEs depend on the country or the sovereignty in the world as the variables are usually the total number of employees, revenue, assets, and access to finance, etc. However, companies with less than ten employees are termed micro, those with less than fifty employees are small and medium-sized have less than 250 employees for USA and Europe while in Canada businesses with fewer than 500 employees and gross revenues less than \$50 million are referred as medium-sized.

While in Nigeria the Central Bank of Nigeria (CBN) determine small and medium enterprises based on the asset and the number of staff employed the criteria primarily are, an asset base equal or less than N5 million and a staff strength same or less than 100 employees.

Apparently, the height of development and industrialization of any country be it in the first, second or third world are determined by the strength of the impact SMEs on the economy. Evidently, SMEs besides their significant contribution to ameliorating the quality of life also achieve and maintain high output, thrive towards an export-driven economy that the country is striving to make and sustain national cohesion. It is evident that SMEs are the seabed for investments and because of the inadequacy of the subsector in Nigeria, every wealthy Nigerian has to earnestly start investing in the country before the government can successfully woo foreign investors. Furthermore, over the years' wrong governances and policies had deterred the developments and technologies much need in the subsector because of sectionalism and Nigerian divide and rule politics of the individuals that had occupied the position of authority. Therefore, the revival and development of Small Scale Enterprises (SMEs) in Nigeria is an essential for the sustainable economic growth and extinguish the rising tensions and the painful financial situation of the country before it gets out of hand because of unemployment.

7.5. The Affliction should not Arise the Second Time

In the Europe and United States, private section of the economy is very predominant. The sector provides massive employment that results in multiplier effects on all their social and economic lives [14].

In 2012, Enterprise Baseline Survey revealed that there are 17 million Small and Medium Scale Enterprises in Nigeria, employing 32.41 million persons and makes a contribution of about 46.54 percent to the nation's Gross Domestic Product in nominal terms [15]. The paper finds it appalling for a country of 167.3 million in 2012 with over

\$3.46 billion about N692 billion per annum from oil, gas sales [16] to jubilate over such a report. Let's review the news using employment which is one of the variables; in Australia of 22.73 million in 2012, the SMEs made up 97% of all businesses, produced one-third of total GDP and employed 4.7 million people. As a matter of factly in the same year, Nigerian SMEs engaged only 19% of the population against 21% in Australia, so nothing to rejoice about of the report.

There are visible shreds of evidence of lacking in all sectors of the economy, and the society for this is the time wealthy Nigerians should come and play a vital role to recover the economy with personal examples of hard work and no more ostentatious lifestyles without salvation. It is no more a time to build several kilometers of Church Assembly and Mosque auditoriums instead of establishing cottage industry to provide extensive employment for their congregations. The federal government on Thursday 28 September 2017 said the recent exit from recession does not mean that the country is immune to economic dip. That despite the improvements the Nigeria's economy was still deemed vulnerable to shock [17]. And no potential domestic angel investors or wealthy Nigerians should live to see it happen.

8. Conclusions

In 2014, the Nigeria Vanguard published a report from South Africa stating that a significant number of Nigerians with investable assets of at least \$1 million will jump to 23,000 by 2017. Revealing Lagos is home to 9,500 millionaires, Port Harcourt with 1,300 millionaires and the capital Abuja with 600 millionaires, [18] and including cities like Aba, Onitsha, Nnewi, Kaduna and many others it shall amaze the world the numbers of millionaire and billionaire in the country.

Even the Oxfam international not long ago published that the combined wealth of Nigeria's five wealthiest men - \$29.9 billion - could end extreme poverty in the country [19].

A practical example to emulate of where such wealthy individuals contributed to solving a national economic downfall was the Portuguese 2010-2014 financial crisis.

The results would be surprising if the estimated 2300 decide to work as business angels with the five already known wealthiest people; all this for the benefit of the masses regarding jobs creation and economic growth. Such well-articulated moves shall create various types of businesses to ignite a proliferation of the informal sector that shall inevitably transform into sizeable secondary sector businesses.

Furthermore, will lead the country to a real economic diversification while fostering local made consumer products allowing tenacious entrepreneurs grow their business to light or heavy industries; drive the economy to export and service sector-oriented while keeping the environmental impact that usually accompanies the

extensive economic growth of the economy under control.

For Nigeria to achieve the economic structure mentioned above business reforms that will ease startup and business modus operandi for local business investors are paramount.

Since, the paper is underscoring the importance of a set of people that manage their own money, who usually would not like to lose their wealth and because the Achilles heel of Nigeria business is fraud and abuse of every novelty introduced into the country. Hence, the need for an appropriate establishment of an authority and series of regulatory requirements critically regarding ways of conducting business that would reflect on every sector of the economy. It is advisable that the group does not wait for the advent of a complete change of the business environment before operating instead should come into the field and take the bull by the horn, to contribute significantly to shaping and developing every necessary business reforms to function better.

Besides in Nigeria, there stands a bed of oceans of undiscovered entrepreneurs, and the government should do its best to encourage more people with high disposable incomes or accumulated wealth to consider the merits of becoming an angel investor [20]. These people are crucial in developing the economy, as they will materially invest in Nigerian start-up or small business besides vital immeasurable experiences they can offer to grow enterprises. Patently, the country needs a vigorous birth rate of brand new businesses that will grow with time to medium size or large and make a valuable contribution to the economy, revenue and tax base for the government, employment and douse the tension in the country.

For there is no more time, for wealthy Nigerian individuals to procrastinate. Time does not solve fundamental issues of life, as the only decision does. They have to take actionable and practical steps to help change things. They should not push a matter of life and death in the country where they and their future generations will spend life spans any further [21].

9. Recommendations

Altogether, the country is full of various categories of entrepreneurs with amazing convincing businesses particularly startups that necessitate financing hence the paper is emphasizing to the wealthy Nigerian individuals the importance to revolutionize the economy by using an heirloom the local markets and others to develop and create a typically Nigerian new world local market-based economy.

1) The Central Bank of Nigeria should continue to stimulate and improve on its policies of the intervention of reinforcing and providing the market with surplus dollars and the particular window for Investors, Exporters, and end users, as they will surely help to boost local investors' confidence to operate in the country.

2) The success of the role of the local angel investor in the society and the gain they and the nation are going to acquire

from their work depend highly on the capacity of the pioneers and reforms, aimed at improving the complexities involved in developing every single business, especially as regards to starting ups.

For a modern economy cannot function without regulation and the challenge of development is to tread this narrow path by identifying rules that are good and necessary, and shunning ones that thwart creativity and hamper the functioning of small and medium enterprises." [22]

3) Furthermore, any reform and policy that would attenuate the impediments to identifying, recognize and evaluate investment opportunities should always be swiftly implemented to strengthen the works of the local business angels. For any process that aspires to pose the slightest implications to the growth and future of the economy should be quickly addressed for the motto should be Start small and grow into big since the attractiveness to investment destination is immanently abundant in the country.

4) No underestimating any investment for none is better than another, the fundamental policy is to find an investment that suits an investor's appetite to maintain a sufficient level of diversification. Apart from the fact that diversification should become an instrument for effective risk management for those who may like to build different kind of investment within a market, markets or SMEs. For the nation also needs to achieve a sustainable economic growth, diversify the export base and achieve independence from oil economy with all its harsh effect on Dutch Diseases.

5) It is paramount to form a panel, advisory body even better and an association of local angel investors to lobby sound legislation, ensure maintenance by the law of trust in business, promote and protect the interest of all potential members. Among others, it is also vital to create and ensure easy access to information and guidelines for investors, entrepreneurs and public especially for early-stage and start-up businesses. The association should focus on building and connecting member angels to Nigerians and the world besides generating job opportunities and wealth.

REFERENCES

- [1] Ycharts, (2017). Nigeria Crude Oil Production: 1.869M bbl/day for Feb 2017. YCHARTS. Available at: https://ycharts.com/indicators/nigeria_crude_oil_production.
- [2] Adegoke, Y. (2017). UN: Half of world's population growth is likely to occur in Africa. CNN. Available at: <http://edition.cnn.com/2017/06/25/africa/africa-population-growth-un/index.html>.
- [3] Ahiuma V. (2016). Poverty: 112m Nigerians live below poverty line. Vanguard. Available at: <http://www.vanguardngr.com/2016/10/poverty-112m-nigerians-live-poverty-line/>.
- [4] Olori I. (2016). Nigeria experiences worst economic recession in 29 years. NAIJ.com. Available at: www.naij.com/951498-finance-minister-raises-alarm-nigeria-worst-economic-recession.html.

- [5] Ugwuanyi U., (2017). World Economics Says Nigeria's Economy Has Come out of Recession. Invest Advocate. Available at: <http://Investadvocate.Com.ng/2017/04/19/world-economics-says-nigerias-economy-come-recession/>.
- [6] Clemente J., (2017). Nigeria's Oil Production Helps Keep Oil Prices Low. Forbes. Available at: <https://www.forbes.com/sites/judeclemente/2017/07/30/nigerias-oil-production-helps-keep-oil-prices-low/#15ddce5e74fe>.
- [7] Nwazuoke A. N., & Okene O. V.C., (2006). The Impact of Ndoma-Egba v. -Chukwuogor on Abandoned Properties Statutes. ABAKALIKI BAR JOURNAL. Available at: file:///C:/User%201/Downloads/fulltext_stamped.pdf.
- [8] Philips B., (2000). Biafra: Thirty years on. BBC NEWS. Available at: <http://news.bbc.co.uk/1/hi/world/africa/596712.stm>.
- [9] Cusack B., (2017). Dragons 'needed to fire up the economy' FREE METRO Newspaper London.
- [10] Ohwovoriole O., (2017). Nigeria's 2016 foreign investment drops 46.86%, lowest since 2007. AsokoInsight Available at: <https://asokoinsight.com/news/nigerias-2016-foreign-investment-drops-46-86-lowest-since-2007>.
- [11] Baker J., (2017). Wealth, Innovation & Diversity. STAR THROWER. Available at: <http://www.starthrower.com/p-87-wealth-innovation-diversity.aspx>.
- [12] Roure J., (1991). The role of business angels. Smart capital for new businesses. Available at: http://www.ee-iese.com/91/word_roure.htm.
- [13] Keskin H., Sentürk C., Sungur O., & Kiris H. M., (2010). The Importance of SMEs in Developing Economies. 2nd International Symposium on Sustainable Development, Sarajevo. Available at: http://eprints.ibu.edu.ba/151/1/ISSD2010_Economy_Management_p183-p192.pdf.
- [14] Balogun Y., (2017). What Are We Doing Wrong in Nigeria? Nigeriaworld. Available at: <http://nigeriaworld.com/articles/2017/jul/141.html>.
- [15] Elebeke E., (2012). SMEs contribute half of Nigeria's GDP. Vanguard. Available at: <http://www.vanguardngr.com/2012/12/smes-contribute-half-of-nigerias-gdp/>.
- [16] Udo B., (2016). Nigeria earned N692 billion from oil, gas sales in last one year under Buhari. PREMIUM TIMES. Available at: <http://www.premiumtimesng.com/business/business-news/208294-nigeria-earned-n692-billion-oil-gas-sales-last-one-year-buhari.html>.
- [17] Tchikay (2017). Federal Government says Nigeria may still slip back into Recession. BuzzNigeria. Available at: <https://buzznigeria.com/federal-government-recession/>.
- [18] Omoh G., (2014). Nigerian millionaires to hit 23,000 in next four years— Study. Vanguard. Available at: <http://www.vanguardngr.com/2014/03/nigerian-millionaires-hit-23000-next-four-years-study/>.
- [19] Oxfam, (2017). Wealth of five richest men in Nigeria could end extreme poverty in country yet 5 million face hunger. Oxfam. Available at: <https://oxfam.org/en/pressroom/pressreleases/2017-05-17/wealth-five-richest-men-nigeria-could-end-extreme-poverty-country>.
- [20] The Growing Business Team (2014). What are business angels and what can they offer? Startups. Available at: <http://startups.co.uk/what-are-business-angels-and-what-can-they-offer/>.
- [21] Fayemiwo M. A., & Neal M. M., (2015). THE KINGDOM OF SATAN EXPOSED! Alternative Lifestyle Communication, DBA Chicago IL. ISBN: 978-1-63490-089-8 (pp- 347).
- [22] The World Bank, (2015). Doing Business Report Finds More than 60% of World's Economies Improved Their Business Rules in Past Year. PRESS RELEASE. Available at: <http://www.worldbank.org/en/news/press-release/2015/10/27/doing-business-report-finds-more-than-60-of-worlds-economies-improved-their-business-rules-in-past-year>.