

**“ACCELERATING THE GROWTH OF ENTREPRENEURSHIP IN
INDUSTRY FOR SUSTAINABLE DEVELOPMENT” BY PROFESSOR
WILLIAM OTOO ELLIS AT LAUNCH OF PENTEX 2010**

SALUTATION

INTRODUCTION

It is an honour to be invited to be the Event Launch Speaker at the launch of the first ever Pentecost International Trade exhibition (PENTEX 2012) to be undertaken in Ghana by a christian organization and I want to applaud the Church of Pentecost for this bold initiative. The theme for this fair is a very important one since entrepreneurship is key to any developing economy due to the strategic niche entrepreneurs play in the transformation of countries and the creation of jobs. There are various examples to learn from and one such example is that of the American success and currently what we see with China. Entrepreneurship influences the rate and pattern of growth. Rates of entrepreneurship vary substantially between

countries, with low rates being associated with poorer countries and high rates with countries that have been better able to deliver and sustain high rates of growth and incomes.

Mr. Chairman, the current global economic crisis has increased the urgency for countries especially in the developing economies like Ghana to identify new sources of growth and develop a sustainable path to economic success. Traditional reliance on natural resources is insufficient to support long-term growth. Only through entrepreneurship and innovation can countries enhance competitiveness, diversify their economies, and realize all the benefits of the rapidly expanding digital economy.

Even as we look at the issue at hand it is important for us to have an appreciation of the concept of entrepreneurship. The concept of entrepreneurship has been variously defined. The most common understanding of entrepreneurship is ‘the process of creating new ventures. Others see it as ‘the process of uncovering and developing an opportunity to create value through innovation. A more comprehensive definition is that entrepreneurship is not only about starting a business but also a way of thinking and of doing that involves opportunity recognition, gathering resources as well as building a team.

Within our environment, even though some efforts are being made to grow the private sector there are still challenges. These include but not limited to the following;

- i. Access to productive resources especially capital, particularly start-up capital for the young entrepreneur.

Rates and patterns of entrepreneurship are affected also by access to productive resources, in particular, access to capital. Lack of access to capital limits entrepreneurship. More generally, if the level of incentive is low, growth is likely to be confined to a few sectors and regions and accelerated growth will remain unattainable. An accelerated growth is facilitated by a virtuous circle whereby entrepreneurship and investment lead to higher productivity, which increases the return on investment, and thus the availability of additional resources for future investment.

- ii. Lack of the culture of entrepreneurship and education
- iii. Managerial knowledge continues to be a challenge in many cases
- iv. Lack of innovation and creativity
- v. Requisite Government support and the Creation of the right environment

Accelerating the growth of entrepreneurship is a dual responsibility involving Government and Society or the Private sector. Institutional change and policies that lower the risk and cost of doing business and providing greater access to productive resources increase the incentive for entrepreneurship leading to accelerated pattern of growth, particularly if they establish a level playing field for all. The risk of doing business is likely to be lower if the rules of the game are transparent, predictable and well enforced, property rights are secure and there is a level playing field in competing against other businesses. The cost of doing business is affected by the level of barriers to starting, operating and closing businesses, the bureaucracy involved in doing business, access to and the cost of infrastructure and the cost of enforcing contracts.

vi. Critical role of the media

As we appreciate some of these challenges in the sustainable development of the industry, one of the fundamental questions we would ask ourselves is, how do we overcome these challenges and make significant progress or simply put what is the way out?

ACCELERATED GROWTH STRATEGY - A WAY OUT

Access to Capital

Access to Capital is one of the challenging barriers to accelerating entrepreneurship growth in the country. This is even more difficult to young and upcoming entrepreneurs who lack the requisite security and experience to access loan facility from the financial institutions. Thus there is therefore the need for government and the Private sector to set up efficient low or interest free loans that would provide greater access to capital to entrepreneurs. An example of such a scheme is that of MASLOC, which greatly support several in the SME sector. Other schemes, such as the SOCIAL INNOVATION FUND can also be set up by Government to support entrepreneurial innovation and creativity. These start-up capitals should attract low interest rates. Currently, the Private sector are provided various support through the rural banks and the savings and loans schemes. However, the level of interest in some cases cannot support the Small and Medium scale businesses. To actually support accelerated growth in entrepreneurship, the church should think of setting up some of these schemes to increase access to capital.

Harnessing Culture and Education to Support Entrepreneurship

Ideally, culture and education will be mutually re-enforcing and complementary in fostering a spirit of enterprise throughout Ghanaian

society, strengthening the motivation and capacity of entrepreneurs and potential entrepreneurs. In doing so, Ghana could have as its core vision: *a Ghana being characterised by a strong entrepreneurial culture and recognised for the innovative quality of its entrepreneurs.*

Harnessing Culture for Entrepreneurship

Though the impact of Ghanaian culture on entrepreneurship has not been fully assessed, it appears that generally there is currently a very supportive environment for entrepreneurship, there are areas that remain to be further improved. Possible ways to develop a more supportive culture include:

Involving the education system in re-enforcing positive perceptions by introducing students to the concept of entrepreneurship, encouraging openness to investing in a new business, developing recognition of entrepreneurs and understanding that risk and failure are part and parcel of entrepreneurship.

Building on emerging positive media interest and goodwill in relation to entrepreneurs and their new businesses, recognising the need to encourage more informal investment and to foster respect for honest entrepreneurial endeavour even if not always successful.

Developing entrepreneurial *ambassadors* amongst Government and political representatives, successful entrepreneurs, those within the financial and educational sectors and opinion leaders within communities to celebrate entrepreneurial endeavour whenever possible.

Entrepreneurship and education

The contribution of education to entrepreneurship goes much further than reinforcing a positive culture. It can also provide training to students on how to start a business and facilitate the development of important personal attributes and skills like creativity, initiative and self-confidence that are associated with entrepreneurs. A number of educational initiatives are currently being undertaken in Ghana, facilitating students to come into contact with entrepreneurs and entrepreneurial concepts and helping to create the necessary knowledge and skills to foster greater entrepreneurial activity. While a bit of progress has been made in developing a culture of entrepreneurship in schools and third level institutions, the following areas for further development are suggested:

Improving recognition of entrepreneurship as a career choice, amongst students, parents and teachers.

Making enterprise education a more formal part of the education system in Ghana.

Embedding entrepreneurship training in professional teacher training qualifications.

Ensuring that entrepreneurship is part of the third level curriculum for students from non-business and business courses alike. Initiatives are being taken in this area especially at Kwame Nkrumah University of Science and Technology..

Linking the new knowledge developed by the researchers at third level to entrepreneurs who have the perception, skills and motivation to commercialise it.

A key aspect of education is the development of *entrepreneurial mindsets* which could help foster more entrepreneurs and drive up the rate of entrepreneurial activity. In this respect, the following should guide national policy on entrepreneurship:

Better integrating entrepreneurship programmes/ activities in the established curriculum for schools at all levels (primary, secondary, vocational) and integrating entrepreneurship across different subjects of study programmes at the tertiary level.

Ensuring sustained funding/support for entrepreneurship education activities, and for the implementation of concrete enterprise projects in school.

Adopting innovative methods to train teachers in entrepreneurship.

Testing the entrepreneurial competences of students in evaluating programmes or course in entrepreneurship and accrediting the acquisition of those skills.

Associating students/internships with real companies and business people.

Supportive policies and programmes:

To build the foundation for sustained entrepreneurship and innovation, Government needs to develop favourable policies and programmes that support these important areas:

Information and *Communication Technology (ICT)*. Entrepreneurs as well as national economies benefit from reliable and affordable access to broadband connectivity, localized software, technology services, and an IT infrastructure that supports ongoing innovations. It is imperative the Government takes concrete steps to make ICT widely available to all business.

Education and training. Through traditional schools, workforce training, vocational schools, and related settings, youths and adults can receive training, and support to help them become successful entrepreneurs. Transforming education to integrate ICT, support entrepreneurship, and actively encourage improvements in science and technology can lead to long-term social and economic benefits. Specialized training centres or bodies such as NBSSI, Empretec and currently the KNUST has opened the Center for Business Development (CBD), which also provides services such as business research, consultancy, and training for small and medium scale enterprises and also new and young entrepreneurs.

Research and Development (R&D). The economic crisis provides a competitive advantage for enterprises and Governments that continue to invest in R&D and in mechanisms that support the transfer and commercialization of R&D output into the private sector. The benefits of investing in R&D and having ready access to capital and financing makes enterprises more competitive, creates opportunities for expansion and also for growth. This is illustrated by businesses such as Google and Samsung Electronics, which greatly benefited from increasing their R&D expenditures during the IT bust of 2001.

Even as we consider all these factors as very important in the acceleration of entrepreneurship growth, one element which facilitates

the process and quickens whilst at the same time nurturing the next generation of entrepreneurs is **Networking**. Networking is very vital since it enables you to have participates who speak the same language as you, provides the opportunity for trading, provides the platform for sharing of experiences and nurtures the concept of mentoring. This I believe has been the drive behind the church's intention of organizing this fare which we are launching today. For this I say it is a brilliant idea and the chosen theme is also very appropriate.

As I draw my speech to a close, I will also want to touch on the critical role of the media in entrepreneurship development. If you have to be known the media is important since they provide the final link to society. In this vein, I will like to encourage the media to see entrepreneurship development as a responsibility and work towards projecting especially the young and innovative and creative entrepreneurs.

CONCLUSION

Mr. Chairman, the vision for this programme is a very good one and I want to encourage the church to continue with it and make it a platform for the business community. Church of Pentecost, is made up of business people ranging from small, medium to the large scale and thus creation of this environment is excellent for members of the

church. In this respect, I want to encourage everyone in business in the church that we need to work hard to own this initiative so that we can reap maximum benefit from it. Finally, I want to take this opportunity to thank the Chairman, the executives of the church, PEMEF executives all the pastors and the general congregation of the church for the honour done by nominating me to be the speaker for the launch. Finally, I thank God for the provision, thought and ideas shared here today, thank you and God bless you.

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VICE CHANCELLOR, KNUST