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**SUSTAINABLE ENTREPRENEURIAL ECONOMIC GROWTH IN AFRICA**

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**SUSTAINABLE ENTREPRENEURIAL ECONOMIC GROWTH IN AFRICA**

By

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***“No matter how long and winding  
the road might be,  
it will always lead you to your destination”***

Proverb from Malawi

# DEDICATION

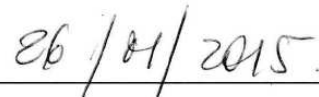
*To my adorable and beloved parents  
Pa . Issa and Ya. Mabinty*

## DECLARATION

I solemnly declared that the thesis "Sustainable Entrepreneurial Economic Growth in Africa" is my own work and that all sources that I have utilized or cited have been indicated and acknowledged by means of references.



**Michael Sheriff**



**Date**

# PREFACE

In the past decade, I have transited from engineering to management out of a desire to take on more responsibility. But for this transition to be effective, new knowledge, skills and competencies must be acquired followed by new motivations. It is a fact that engineering is quite distinct from management, as it a science based discipline characterized by proven theories, precision and reproducibility. It can therefore be deducted *ipso facto* that engineering is a universe of producing products be they goods or services. In contrast, management is an art based discipline characterized by intuition, risks, leadership, decision making and working through others which make this discipline to be considered as a universe of people and products. Since the behavior of people cannot be accurately predicted, managers should be effective at motivating and leading others.

To acquire management knowledge, skills and competencies, I have gradually shifted my studies and research interests towards subjects that are germane to the management discipline. This has led me to read for a Masters in Project and Innovation Management and I have also had the opportunity to work as Project Manager for several projects. Projects as we all know, have a finite duration and a goal to be achieved within a specified budget. To fill the gap between the end of one project and the commencement of another and to increase the depth of my knowledge and simultaneously participate in research in the management discipline, I enrolled for a doctorate degree in management engineering.

By the dawn of the 21<sup>st</sup> century, entrepreneurship has gained momentum globally as the driver of economic growth. The recent entrepreneurial revolution observed in the industrialized world in particular has brought home this point. Albeit the apparent benefits of entrepreneurship, least developed countries still lag behind in formulating public policies that will unleash and promote entrepreneurship for economic growth. During the course of the doctorate seminars, my appetite to carry out research about entrepreneurship with regards to the least developed countries was whetted.

We all know that entrepreneurship exists in every nation on earth but what makes some nations to use their entrepreneurial potential more effectively than others has been a question that scholars have deliberated on for a considerable period of time with no precise and absolute answers . Over the years, anecdotal evidence has shown that there have been numerous studies that try to understand the differences in the pursuit of entrepreneurship although most of these studies are based in the industrialized world.

This work, then, seeks to highlight and describe the current state of entrepreneurship in least developed countries with particular reference to Africa. The research is exploratory and it is designed to provide an overview of the entrepreneurial landscape of the countries being investigated. The main topics investigated are the entrepreneurship environments, the entrepreneurship systems and the entrepreneurship policies of these countries. The central emphasis is to propose a framework of entrepreneurship ecosystems specific to each country that will enhance sustainable entrepreneurial economic growth. The challenge is that Africa is a continent with many sovereign states so the choice of countries for the case studies is a difficult task coupled with budget constraints and the timeframe to carry out the research.

The thesis is organized and arranged in such a way as to enhance a logical flow from the introduction to the conclusion. Chapter 1, gives the background and motivation of the research. The research problem, propositions and contributions are also presented alongside the justification, methodology and definition of the main concepts. The chapter concludes with the key assumptions, delimitations and a summary. Chapter 2 is concerned with the research and theory review to identify the research gaps. In Chapter 3, the methodology, research design, selection of cases and research protocols and methods are presented. The limitations and challenges and the collection of the data were also elaborated on. Chapter 4 gives a detail of the case studies whilst Chapter 5 presents the analysis and the results. Chapter 6 which is the last chapter is dedicated to the conclusions, implications, recommendations and limitations.

The aim of this work as in any typical research work is to answer the research questions, as well as cover the latest and most important issues concerning the subject under investigation. The conclusions should have practical implications and recommendations should highlight areas for further research. But above all there should be a genuine contribution to the body of knowledge.

I have done my best to make the thesis reflect the aim above and I hope anyone reading this work will gain from it.



# ACKNOWLEDGMENTS

Pursuing a doctorate degree is a collaborative effort involving many people who are not always mentioned on the cover. I must take this opportunity to say a special thank you to the many professors, mentors, colleagues, relatives and family who made it possible for me to complete this work.

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During my stay in Italy, I have been lucky to have received social and financial assistance from the late Don Oreste Benzi of the Comunità Papa Giovanni XXIII, the late Padre Giuseppe Berton of the Xaverian Fathers, the late Padre Antonino Maculan, and Don Giorgio Siro of the Josephite Fathers whilst during my stay in Scotland, I have been assisted by Father. Eugenio Montesi SX and Dan Houston of Scotia Aid – Sierra Leone. I sincerely appreciate their many contributions and amazing support. I wish to express special thanks to Chris Luthi and family in Switzerland, a long standing friend I met in France during an international course. I would like to take this opportunity

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# ABSTRACT

The mainstay of the economies of most African countries is dominated by the exportation of primary products. But over the years, the reliance on the exploitation of natural resources for economic development has become a major challenge for these countries since these resources are being depleted at an alarming rate and they are dwindling. Environmental degradation concerns as a result of the activities of the extractive industries have also been raised at the local, national and international levels.

In addition to the above challenges, the relatively high population growth in these countries coupled with evidences of a high percentage of unemployment and a majority of the citizenry living below the poverty line, has forced most African governments to start to respond to the clarion call to diversify the economy away from the exportation of raw materials, to the development of internal economic growth mechanisms that could reduce the incidence of poverty through the creation of employment and at the same time raise the standard of living of the general population.

Entrepreneurship could be a viable candidate for such diversification since it has played and continues to play a pivotal role in the economic growth of many countries that are not endowed with natural resources. It can be considered as a vital source of economic growth and competitiveness in the modern global economy when channeled properly. It is evident that the public policies in African countries focus mainly on the privatization of state owned enterprises and the support of established Micro, Small and Medium Scale Enterprises. These policies have been unproductive either because they are poorly designed or are not effectively implemented in most cases. Research about entrepreneurship policies and ecosystems in Africa that could be useful to policymakers is very limited and it is assumed that almost all countries in the continent are lagging behind in the formulation and implementation of appropriate entrepreneurship policies that could lead to the cultivation of country specific entrepreneurship ecosystem for sustainable economic growth. To fill these gaps, this explorative research aims to evaluate the present state of the

entrepreneurship environments and policies that relate to entrepreneurship development of countries in Africa. Specifically, the main objective of this thesis is to analyze the entrepreneurship environments, policies and ecosystems to enhance the development of entrepreneurship policy and ecosystem frameworks and to contribute to the burgeoning literature in the entrepreneurship discipline. The two main research questions developed from the review of the literature are:

*What is the impact of entrepreneurship ecosystems on entrepreneurs in the selected countries?*

*How can entrepreneurship ecosystems in selected African countries be improved through entrepreneurship policies to attain sustainable economic growth?*

As this is an explorative research study and there are diverse countries in Africa, the research methodology follows the case study approach. Ten countries were initially selected using the Analytic Hierarchy Process but was restricted to two (Nigeria and Sierra Leone) as these countries manifested interest in the research among other reasons. Both countries can be found at the extremes of the economic spectrum of Africa.

A mixed method approach has been used with purposeful sampling to conduct the study. Data has been analyzed using descriptive statistics and a general inductive approach. From the analysis, entrepreneurship policies and entrepreneurship ecosystems frameworks were developed for both the selected countries. These dynamic frameworks, when effectively implemented, might form the main pillars for unleashing and supporting the type of entrepreneurship that could yield entrepreneurial economic growth which is sustainable.

As research in entrepreneurship dynamics is mainly focused in the developed world, this work has contributed to the growing body of knowledge since the research was conducted in least developed countries and the findings revealed emerging insights. This is a crucial factor since policymakers most often rely on recent findings in the discipline when formulating policies especially for a discipline that is multidimensional in nature and has eluded an exact definition since its beginnings.

# SOMMARIO

Il pilastro su cui si fonda la maggior parte delle economie dei Paesi Africani è costituito dalla esportazione di prodotti primari. Tuttavia, nel corso degli anni, la dipendenza dallo sfruttamento delle risorse naturali per lo sviluppo economico è diventata una grande sfida per questi paesi, perché tali risorse si stanno esaurendo a un ritmo allarmante. Il progressivo degrado ambientale causato dalle attività delle industrie estrattive ha generato preoccupazioni a livello locale, nazionale e anche internazionale.

Oltre alle sfide elencate sopra, l'elevata crescita della popolazione in questi paesi insieme a un'alta percentuale di disoccupazione e al fatto che la maggioranza dei cittadini vive al di sotto della soglia di povertà, ha indotto i governi Africani a diversificare l'economia dall'esportazione di materie prime, incoraggiando l'instaurarsi di meccanismi di crescita economica interna, che potrebbero ridurre l'incidenza della povertà attraverso la creazione di posti di lavoro e allo stesso tempo aumentare il tenore di vita della popolazione in generale.

L'imprenditorialità si configura una soluzione concreta per tale diversificazione in quanto ha svolto e continua a svolgere un ruolo centrale nella crescita economica di molti paesi che non sono dotati di risorse naturali. Essa può essere considerata come una fonte vitale per la crescita economica e la competitività nell'economia globale moderna, se opportunamente guidata e supportata. Si osserva come le politiche pubbliche nei paesi Africani siano indirizzate principalmente alla privatizzazione delle imprese statali e al sostegno alle Piccole e Medie Imprese (PMI). Finora queste politiche sono state per lo più inefficaci sia perché sono mal progettate, sia perché non effettivamente applicate nella maggior parte dei casi. La ricerca sulle politiche di imprenditorialità e sugli ecosistemi imprenditoriali in Africa, che potrebbero essere utili ai *policymaker*, è invece molto limitata. Inoltre si presume che quasi tutti i paesi del continente africano siano in ritardo nella formulazione e

attuazione di adeguate politiche di imprenditorialità, che potrebbero alimentare un ecosistema imprenditoriale specifico per ogni paese, determinando così una crescita economica sostenibile. Per colmare queste lacune, questa ricerca esplorativa si propone di valutare lo stato attuale degli ambienti imprenditoriali e le *'policies'* che riguardano lo sviluppo imprenditoriale dei paesi in Africa. In particolare, l'obiettivo principale di questa tesi è quello di analizzare gli ambienti imprenditoriali, le *'policies'* e gli ecosistemi per migliorare lo sviluppo delle strutture politiche a favore dell'imprenditorialità e delle strutture degli ecosistemi imprenditoriali, per contribuire nello stesso tempo alla letteratura accademica sulla disciplina imprenditoriale. Le due domande di ricerca principali individuate con la revisione della letteratura sono:

*Quale è l'impatto degli ecosistemi imprenditoriali sugli imprenditori nei paesi selezionati?*

*Come possono gli ecosistemi imprenditoriali nei paesi africani essere rafforzate con le policies di imprenditorialità per raggiungere una crescita economica sostenibile?*

Poiché si tratta di una ricerca esplorativa, che vuole investigare diversi paesi dell'Africa, la metodologia di ricerca segue l'approccio del caso studio multiplo. Dieci paesi sono stati inizialmente selezionati tramite il processo di analisi gerarchica, ma il campione di interesse è successivamente stato limitato a due (i.e. Nigeria e Sierra Leone), in quanto questi paesi hanno manifestato attivo interesse per la ricerca. Entrambi i paesi si trovano agli estremi dello spettro economico dell'Africa.

Per realizzare lo studio, E' stato utilizzato un approccio di metodi misti con un campionamento mirato. I dati sono stati analizzati utilizzando statistiche descrittive e un approccio induttivo generale. Per entrambi i paesi selezionati, l'analisi dei risultati ha permesso di individuare le strutture di imprenditorialità e gli ecosistemi imprenditoriali sviluppati. Queste strutture dinamiche, quando efficacemente attuate, possono costituire i principali pilastri per avviare e sostenere il tipo di imprenditorialità che potrebbe produrre la crescita economica imprenditoriale stabile e sostenibile. Poiché la ricerca sulle dinamiche imprenditoriali si è finora concentrata soprattutto nel mondo sviluppato, questo lavoro ha contribuito al crescente corpo di conoscenze su questi temi, poiché la

ricerca si è focalizzata nei paesi meno sviluppati, e i risultati hanno consentito qualche interpretazione originale. Si tratta di un fattore cruciale dal momento che le policy imprenditoriali spesso si basano su recenti scoperte accademiche, grazie a una disciplina che è di natura multidimensionale e fin dagli albori ha eluso una esatta e precisa definizione.

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# ABBREVIATIONS

<b>AHP</b>	Analytic Hierarchy Process
<b>CAS</b>	Complex Adaptive System
<b>DOCAS</b>	Dynamic Open Complex Adaptive System
<b>EDC</b>	Entrepreneurship Development Center
<b>EDP</b>	Entrepreneurship Development Programs
<b>EVD</b>	Ebola Virus Disease
<b>GCI</b>	Global Competitiveness Index
<b>GDP</b>	Gross Domestic Product
<b>GEDI</b>	Global Entrepreneurship Development Index
<b>GEM</b>	Global Entrepreneurship Monitor
<b>HDI</b>	Human Development Index
<b>LDC</b>	Least Developed Countries
<b>MNC</b>	Multinational Corporations
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>S/LEONE</b>	Sierra Leone
<b>SLIEPA</b>	Sierra Leone Investment and Export Promotion Agency
<b>SME</b>	Small and Medium-sized Enterprises
<b>SMEDAN</b>	Small and Medium Enterprises Development Agency
<b>TEA</b>	Total early-stage Entrepreneurial Activity
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>UNDP</b>	United Nations Development Program
<b>WEF</b>	World Economic Freedom

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## *Chapter 1*

# **Introduction**

*“We shall not cease from exploration and the end of all our exploring will be to arrive where we started and know the place for the first time”.*

**T.S. Elliot (1888-1965)**

### **1.1 Background**

Africa lags behind other continents in the world in terms of development and it is considered to be one of the poorest continents in the world (Sachs and Bloom, 1998; Sachs et.al, 2004; United Nations, 2009) both in terms of chronic and transitory poverty. Paradoxically, it is one of the richest continents in terms of natural resources (Mannak, 2008). This assertion is buttressed by international organizations in various reports such as the World Bank (2007). The national governments of most countries in Africa have failed to maintain a stable economic growth but such growth is a necessary ingredient for development. In fact, in some countries the economy has been in decline for quite a considerable period of time. It is therefore no surprise that out of the forty six (46) low income countries designated by the World Bank, thirty three (33) are found in Africa (Adeboye, 1997). This is equivalent to sixty one percent (61%) of the countries in the continent.

The mainstay of the economy for most of the countries is derived either from the exportation of natural resources or cash crops as primary products (Collier, 2002). The international community has raised serious concerns about the over exploitation and mis(management) of both regenerative and non renewable resources which are diminishing at an alarming rate (Ding, 2003) due to the unsustainable manner in which this exploitation is being carried out and the lack of capacity to take stock of these resources. Besides the fact that the proceeds from these resources have not been fairly and equally distributed, resulting in the emergence of poverty that has engulfed a majority of the citizenry, they have also been used either overtly or covertly to fuel conflicts that have caused



political instability, displaced populations, ruined infrastructure and, most of all, wrecked ailing economies through capital flight and other destructive activities (Bannon and Collier, 2003).

The over dependence on natural resources to achieve national economic growth is not a viable solution in the long term as these commodities are exposed to fluctuations in prices due to global price shocks, albeit the fact that reserves are dwindling. At the other extreme, philanthropic donations and aid are not long-term solutions for economic development as this type of assistance may create a dependency culture and a lack of self esteem besides the fact that it is externally driven. Countries must therefore seek to formulate and implement a suitable strategy that will enhance the development of economic activities that could contribute to sustainable economic growth which is internally driven.

The role of entrepreneurship in economic growth has been recognised as early as the 18<sup>th</sup> century, by Richard Cantillon but the entrepreneur nearly vanished from economic literature by the 19<sup>th</sup> century only to re-surface in the early 20<sup>th</sup> century (Rocha, 2012). The apparent disappearance can be attributed to the fact that in neo classical economics, in particular relating to perfect competition and static market equilibrium where all agents possess perfect information, there is no possible room for the active entrepreneur (Wennekers and Thurik, 1999). Large firms therefore, dominated the managed economy since they can effectively operate in environments where there is stability, continuity and homogeneity (Chandler, 1977; Piori and Sabel, 1984) which are the tenets of the managed economy. During this era, economies of scale were crucial in obtaining optimal efficiency (Thurik, 2008). It is only during the 1970s and beyond when the large enterprises started to decline that the important role the entrepreneur plays started to re-emerge (Piore and Sabel, 1984). The reappearance in economic literature was inspired by the fact that entrepreneurship though being potentially innovative and important for economic growth (Schumpeter, 1911) was characterized by uncertainty and risk (Knight, 1921).

According to Brock and Evans (1989), this re-emergence can be attributed to the following reasons:

- Rapid technological changes minimised the importance of scale economies

- Accelerated globalization and fierce competition
- The changing composition of the work force
- Sophisticated consumer demands
- Deregulation and privatization
- The increased importance of innovation.

The reincarnation of the entrepreneur and entrepreneurship, calls for a dramatic economic shift that will accommodate entrepreneurs. Scholars like Audretsch and Thurik (2004) have called this the switch from the managed economy to the entrepreneurial economy. The field of the entrepreneurial economy according to Audretsch, Keilbach and Lehmann (2006) commenced having importance in the 1990s and the central player in the creation of an entrepreneurial economy is the entrepreneur. Studies about the entrepreneur have been carried out in different disciplines such as sociology, psychology, economics, business, management and anthropology (Swedberg, 2000). But throughout history, the term entrepreneur has portrayed different meaning to different people and the entrepreneur has been seen to fulfil many roles. Hebert and Link (1989) classified these many roles into three main taxonomies; Schumpeterian entrepreneur, Kirznerian entrepreneur and Knightian entrepreneur. Recently, the categories of entrepreneurs are gradually increasing due to rapid globalization from local, ethnic and indigenous entrepreneurs to include International, Transnational, Diaspora and Returnee entrepreneurs (Rabbiosi and Stucchi, 2012).

The United Nations “Unleashing Entrepreneurship: Making Business Work for the Poor” report emphasized the focus of creating domestic employment and wealth by unleashing and supporting the capacity and capabilities of local entrepreneurs (UNDP, 2004). It should however be pointed out that the type of entrepreneurship practised determines the impact on economic growth. Analysis carried out by Stel, Carree and Thurik (2005), using Global Entrepreneurship Monitor (GEM) data in 2005, revealed that there is a positive impact on the GDP growth for developed countries but a negative impact for developing countries and that this anomaly is as a result of the different levels of per capita income. The findings summarized that opportunity entrepreneurship is practiced in

developed countries whilst necessity or survival entrepreneurship is practised in developing countries. This is also supported by another scholar (Brixiova, 2010). Though Baumol (1990), cautioned that the type of entrepreneurship practiced can be “productive, unproductive or destructive” and that the contribution of productive entrepreneurship varies remarkably due to the number of entrepreneurship activities that are unproductive (rent seeking) or even destructive (criminal activities).

Africa is a continent of entrepreneurs where entrepreneurship has existed from ancient times in the form of barter trade before the emergence of the money economy (Otunga et al, 2001) and has persisted throughout the colonial period to modern times. It can therefore be asserted that there is no scarcity of entrepreneurs though a majority of the entrepreneurs are operating in the informal sector. There is therefore a need to encourage entrepreneurs to transit from the informal to the formal sector to enhance the contribution of these entrepreneurs to national economic growth.

## **1.2 Research Problem**

To facilitate the transition from the informal to the formal sector requires the input of government, various stakeholders and entrepreneurs since the successes or failures of entrepreneurial activities depend on entrepreneurs and the environment in which they operate. Wilton and Carter (2006) asserted that an entrepreneur will be motivated to start a venture if the environment is conducive or discouraged if the environment is not favorable. To create environments conducive to entrepreneurship, various key players and institutions are involved. For example, Low and MacMillan (1988) cautioned that entrepreneurial success does not depend entirely on the capacities of the individual but also on the complex and chaotic world in which entrepreneurial activities are carried out.

Several scholars like North (1990), Busenitz, Gomez and Spencer (2000), Bruton, Ahlstrom, and Lin Li (2010) have examined the institutional profile of countries for unlocking the entrepreneurial phenomena whereas others like Seo and Douglas Creed (2002), Bjerregaard and Luring (2012)

have examined institutionalization and institutional change. Furthermore, entrepreneurship in uncertain institutional contexts has been investigated by Tracy and Phillips (2011). In addition to the role played by the environment, there is also the issue of government policy on entrepreneurship.

Government policy needs to be reframed for an effective transition from a managed to an entrepreneurial economy although in one of his articles, Shane (2009) proposed a caveat that encouraging more people to become entrepreneurs is a bad policy. Other works that have looked at the emergence of entrepreneurship policy include Gilbert, Audretsch and McDougall (2003) Audretsch, Grilio and Thurik (2007) Stevenson and Lundström (2001) and Naudè (2010). Entrepreneurship policy is relatively an emerging area of research which is not yet perfectly defined (Stevenson and Lundström, 2001) and there is no clear distinction between SME and entrepreneurship policy. Beyond entrepreneurship policies, there are also entrepreneurship ecosystems that boost entrepreneurial economic growth.

Entrepreneurship ecosystem is also an emerging area that is associated with the entrepreneurial economy since entrepreneurship is a complex phenomenon, complex adaptive systems from the biological and physical sciences are being applied to understand the agents, the interactions amongst these agents and their environments to understand the reasons responsible for the success or failure of entrepreneurship in nations. Since this concept is very recent, the existing body of knowledge is very limited nevertheless there are strands of literature from scholars like Isenberg (2010), Bloom and Dees (2008) and Nadgrodkiewicz (2013). The report of Chisholm et al (2014) provides a practical example of an entrepreneurship ecosystem that shows the collaboration and interactions between different stakeholder groups.

The existing body of knowledge described so far has been developed by research conducted in countries in the developed world and the focus is squarely on those countries. Research in emerging countries is relatively lacking (Bruton, Ahlstrom and Obloj, 2008; Naudè and Havenga, 2005; Bidhè, 2000). Though research in developed countries has increased the understanding of

entrepreneurship in general, what it fails to capture is the spatial differences in the practice of entrepreneurship. This in a nutshell means that what is effective in the developed world may not be applicable in the least developed world. Importing best practices from the developed cannot therefore be an optimal solution for the creation of successful entrepreneurship in these countries. A wide gap therefore apparently exists, when it comes to entrepreneurship policies and ecosystems as each country must endeavor to develop or nurture its own. This aim of this project is to narrow this gap by developing theoretical frameworks of entrepreneurship ecosystems for countries in Africa.

### ***1.2.1 Problem Statement***

It is evident that entrepreneurship in low income countries especially in Africa is faced with a lot of constraints which impede its popularity and contribution to the wealth of countries. In contrast, in the developed world, entrepreneurship usually contributes meaningfully to employment generation and economic growth. Most of the economies of countries in Africa are largely dependent on the export of raw materials and minerals. The contribution of the entrepreneurial economy to the GDP is very low when compared to income from the export of low value added primary commodities. In a global business environment characterised by free markets, the competitiveness of enterprises from least developed countries (LDCs) is negligible when compared to emerging and developed countries. The failure of LDCs to compete fiercely is not due to lack of entrepreneurs but can be attributed to the lack of environments that are conducive for entrepreneurs to operate.

Since creativity and innovativeness cannot be easily transformed into successful enterprises in an environment marred by a lack of adequate infrastructure, limited access to finance, unreliable institutions and scarcity of human capital (Bailey, 2007), there is a dire need for the entrepreneurship environments in LDCs to be modernised and improved. According to Levie and Autio (2011), when institutional conditions favor venturing into entrepreneurship for example by enhancing hiring decisions and making exit easy, accumulation and appropriability of

entrepreneurship returns will be facilitated. The scholars further stated that under such conditions, individuals will not hesitate to invest their human and social capital in new growth ventures.

An approach that integrates entrepreneurship and economic policy is therefore crucial (Munoz, Encina and Canibano, 2009). The relationship between entrepreneurship policy and entrepreneurial activity will require an in-depth study to understand the type of coupling between the two. A problem therefore exists for LDCs which is formulated as follows:

*Limited research is available on entrepreneurship policies and ecosystems for countries in Africa that could be useful to policymakers and practitioners in fostering sustainable entrepreneurial economic growth.*

### ***1.2.2 Statement of the research questions***

From the review of the literature, the following gaps were identified. These gaps are described in more detail in the literature review chapter.

**Gap No.1:** There is a scarcity of research with regards to entrepreneurship in Africa (Bruton, Ahlstrom and Obloj, 2008; Lingelbach, De La Vina and Asel 2005; Kiggundu, 2002; King and McGrath, 1999; Naudè, 2008).

**Gap No.2:** The relationship between the institutional environment and the entrepreneurial activities especially the link between the needs of entrepreneurs and the dimensions of the entrepreneurship environment is an understudied topic (Gynawali and Fogel, 1994; Hoy, 1989; Wright, 2011; Horgth, Jones and Gartner, 2008; Spencer and Gómez, 2004).

**Gap No.3:** There is a need to conduct an in-depth diagnosis of the state and nature of entrepreneurship in countries in Africa as a prerequisite for the mapping entrepreneurship of ecosystems as such systems are idiosyncratic (Isenberg, 2010; Kantis and Federico, 2012; WEF, 2013; Chisholm et al, 2014).

**Gap No.4:** Policies are usually formulated without the benefit of substantive research findings. The existing knowledge and information on what and how to formulate entrepreneurship policies is

insufficient which resulted in a gap when formulating these policies especially for countries in Africa (Stevenson and Landstrom, 2001; Wagner and Stenberg, 2004; Michael and Pearce II, 2009; Spencer and Gomèz, 2004).

From these gaps and to be in line with the focus of the problem statement, the following research questions were formulated:

**Research question 1:** *What is the impact of entrepreneurship ecosystems on entrepreneurs in selected African countries?*

**Research Question 2:** *How can entrepreneurship ecosystems in selected African countries be improved through entrepreneurship policies to attain sustainable economic growth?*

### ***1.2.3 Research Propositions***

Propositions are required for most scientific enquiries as the validity of a research is usually evaluated on the criteria of its propositions (Avan and White, 2001). In general, most “how” questions do not indicate what one should study unless in cases where one is expected to state some propositions to guide the researcher to move in the right direction (Yin, 1994). In looking for relevant evidence and to aid the researcher to navigate in the right direction with regards to the research problem and the subsequent research questions, the following study propositions were developed:

- **Proposition 1:** *Entrepreneurship ecosystems can be supported with a combination of pertinent entrepreneurship policies and the entrepreneurship environment of the country.*

This proposition was derived from the assumption that many countries have made to stimulate national entrepreneurship by improving environmental factors (Venkataraman, 2004). A conducive entrepreneurship environment is a prerequisite for fostering high growth entrepreneurship though this is absent in most emerging and least developed countries. Stenholm, Acs and Wuebker (2013) proposed the conducive pillar as the fourth dimension to a country’s institutional profile. Most of the entrepreneurship ecosystem frameworks reviewed consist of components that show the

significance of the entrepreneurship environment (Isenberg, 2009; Booz & Company, 2011; WEF, 2013)

- **Proposition 2:** *Entrepreneurial capital is influenced by the types of entrepreneurship policies implemented in a country.*

Entrepreneurship policy poses significant challenges since its effectiveness require an appropriate trade-off between market concentration and productivity performance (Minniti, 2008). Governments should focus their efforts in targeting the entrepreneurship sector rather than aiming to improve the overall national business sector. The policy framework of growth drivers for entrepreneurship provided by Gabr and Hoffman (2006), described the demand side (opportunities) and the supply side (ability and capital), the entrepreneurs' cognitive model of motivation and the culture.

- **Proposition 3:** *Niche entrepreneurship policies could transform altering and evading entrepreneurs to abiding entrepreneurs in a country.*

These are policies that target particular groups according to the framework developed by Stevenson Lundstrom and Stevenson (2002). Such a framework could be useful in targeting entrepreneurs that evade or alter institutions.

- **Proposition 4:** *An holistic entrepreneurship policy could upgrade survival entrepreneurs to high-growth entrepreneurs in a country.*

According to the framework of Lundstrom and Stevenson (2002), a holistic entrepreneurship policy encompasses all the other policies such as the SME policy, target groups policy and new venture creation policy. Survival entrepreneurs also referred to as necessity entrepreneurs are mostly the unemployed and redundant workers venturing into entrepreneurship (Acs, 2006). But Fayolle (2011) admonished that to encourage the creation of new ventures the creation of new ventures by



the jobless, jobseekers, underemployed and people in precarious situations may result in some kind of ‘forced’ entrepreneurship.

- **Proposition 5:** *The rate of increase in entrepreneurial economic growth is directly proportional to the rate of increase in high growth entrepreneurs whether innovative or imitative in a country.*

In the framework provided by Peneder (2009), growth refers to productivity, income and employment. There is evidence that the key to entrepreneurial economic growth lies in the entrepreneurial capacity of an economy (Audretsch, Keilbach and Lehmann, 2006). Entrepreneurial capital is assumed to have a positive impact on growth and competitiveness in a number of ways (Romer, 19886; Porter, 1990; Cohen and Klepper, 1992).

These aspects are discussed in more detail in the methodology chapter.

#### ***1.2.4 Research contributions***

It is expected that the research will contribute significantly to enrich and extend literature from research conducted in this part of the world. The findings could also be useful for policymakers who have to balance the policies of a managed economy with those of an emerging entrepreneurial economy. Entrepreneurs and other stakeholders participating in entrepreneurial activities in countries in Africa will also benefit from this study. Further directions for research will also be revealed by this study that may interest local and International researchers.

### **1.3 Justification for the research**

The shift generated by the new poverty reduction paradigm towards policies that focus more on private sector initiatives which are less centred on philanthropic donations since the latter have so far ultimately failed to effectively combat global poverty (Shirima, n.d.), has motivated this research. Another salient reason concerns the development of strategies for the formulation of

programs that can capture and implement ideas necessary to promote and support entrepreneurship in least developed countries in order to enhance the generation of wealth on an ongoing basis which is more sustainable than capital donations (Chu, 2009).

The scope is to understand the factors that can foster sustainable entrepreneurial economic growth in Africa. The research will therefore focus on the entrepreneurial context, entrepreneurship policies and entrepreneurship ecosystems with the assumption that all the countries that will be analysed have an abundant supply of entrepreneurs. Researchers have repeatedly concentrated on finance as the major impediment to successful entrepreneurship in Africa. This study will instead look at the promotion of entrepreneurship through the creation of an enabling environment. This is due to the fact that the link between the wealth or poverty of developing countries and the entrepreneurial nature of their economies has not been profoundly investigated and existing models of entrepreneurship programs are based largely on research conducted in developed countries (Lingelbach, de la Vina & Asel, 2005) that do not normally reflect the way entrepreneurship is being practiced in developing countries.

According to some scholars, there is a paucity of research in and for Africa with regards to entrepreneurship when compared to research conducted elsewhere in the world (Naudé and Havenga, 2005; Naudè, 2008; Bruton, Ahlstrom, and Obloj, 2008) but despite the lack of research there are indications and claims that entrepreneurship can play a critical role in supporting the growth of the economy. To ascertain these claims, more research on entrepreneurship in Africa needs to be executed and diffused (Naudé and Havenga, 2005). Other scholars have also expressed the need for more research to be undertaken with regards to the effects of the institutional context and the environment on serial or portfolio entrepreneurship (Ucsbasaran, Alsos, Westhead and Wright, 2008).

Zahra and Wright (2011) in their article titled 'Entrepreneurship's Next Act', explained that the key changes required to reconstruct the entrepreneurship field and make it more pragmatic include among other issues the full engagement with the context when researching entrepreneurship and

linking entrepreneurship research to public policy formulation. The scholars therefore called for further research that focus on the entrepreneurial context as such research will contribute in enriching the field and simultaneously contribute to public policy formulation with regards to entrepreneurship.

Recently, governments of emerging and least developed have started to appreciate the importance of entrepreneurship in creating wealth on an ongoing basis that is sustainable, replicable and could reverse the high dependency on aid and exploitation of natural resources to boost the national economy. These governments are now bent on formulating strategies, policies and programs that could best satisfy the entrepreneurial context of their countries in order to enhance the diversification of the economy. The choice of bad policies will have an adverse effect by slowing down economic growth and could be unproductive or destructive. There is therefore a need to analyze the present state of entrepreneurship strategies and policies in these countries in order to be able to present recommendations that could be useful to policy makers.

Entrepreneurship is a necessary ingredient for the development of countries in Africa. Although according to Naudè (2009), it is not a binding constraint for economic growth and development in the poorest countries. Nevertheless, understanding the contribution of entrepreneurship to economic growth, will guide governments in the design of country specific entrepreneurship ecosystems that can promote entrepreneurship in the 21<sup>st</sup> century.

It is evident that countries that fail to encourage and promote the entrepreneurial capability and capacities of its citizenry are lagging in terms of overall prosperity as governments all over the world have embraced entrepreneurship as a solution to economic and social problems (Carter and Wilton, 2006). For example, in Africa's resource rich countries, the reserves of natural resources which are the mainstay of national economies are dwindling due to massive exploitation coupled with the adverse effects of environmental degradation. In addition the dependency of these countries on the export of these resources makes them vulnerable to fluctuations in commodity prices (OECD, 2011). It is imperative that these countries develop strategies to diversify their

economies. Developing countries especially least developed countries in Africa, must create productive jobs for the ever increasing youthful population and they must also deal with the employment challenge in an open-economy context especially in a rapidly globalizing world (UNCTAD, 2011). The acknowledgement that formal large enterprises are not expanding employment and that public sector employment is overstretched complimented the need for a higher degree of entrepreneurial activities (Friedrich, 2000).

As a response to this critical situation, this research will analyse the current contribution of entrepreneurship to the economy growth of the countries being researched and subsequently develop theoretical frameworks that could improve the overall performance of entrepreneurship activities in these countries. The results may be extended under similar settings, to other countries in the African continent.

Though this is an explorative work, its implication could be useful to scholars and researchers interested in this particular sub-discipline in grasping what is at stake, extend and enrich the knowledge and utilise it as a foundation for further in-depth research.

#### **1.4 Research objectives**

The primary objective of the research is to develop theoretical entrepreneurship ecosystems frameworks for countries in Africa considered in this study that could lead to more productive entrepreneurial activities. The primary objective will be achieved by the following secondary objectives:

- Understand the public policies that deal with entrepreneurship
- Understand the impact of the environment on entrepreneurs
- Suggest how to develop conducive entrepreneurship environments

## **1.5 Methodology**

This research is explorative in nature and since many countries make up the continent of Africa, the best methodology is a multiple case study as each country is considered as a case study. In addition, the case study methodology permits the combination of existing theoretical knowledge with new empirical insights according to Yin (1994). It is also useful in investigating topics that have not yet attracted full research attention (Vissak, 2010). The case study method is particularly useful for the discovery, description, mapping and relationship building (Hillebrand, Kok, and Biemans, 2001; Johnston, Leach, & Liu, 1999) and it allows the researcher to gain a holistic understanding of the phenomenon being researched (Eisenhardt, 1989). Traditionally, some research methodologies are associated with particular paradigms (Howorth, Tempest and Coupland, 2005). However, this study is associated with a variety of paradigms, since it is exploratory in nature but the dominant paradigm that has been considered is ‘pragmatism’ since it is compatible with the mixed method research approach.

Since the focus of the study is on practical applied research that integrates different perspectives, the mixed method (quantitative and qualitative) has been used. This method when used in case studies for country level analysis offers substantial benefits in terms of data quality, depth of understanding and policy analysis (Hulme, 2007).

## **1.6 Definition of terms**

It is open knowledge that definitions usually adopted by researchers are not uniform. The key terms frequently used in this work are therefore defined below. The scope is to help the reader to grasp an understanding of the way the terms have been used in this study and to establish the position taken by the researcher.

### ***1.6.1 Entrepreneurship***

Entrepreneurship is a polysemous and a multidimensional concept whose definition is still elusive and a consensus has yet to be reached by scholars and practitioners as to the exact meaning of entrepreneurship and the role of the entrepreneur (Amit, Glosten, and Muller, 1993). The existing definitions of entrepreneurship, often relates to the functional role of entrepreneurs and these are linked to three major intellectual traditions: German - Joseph Schumpeter and von Thuenen; Chicago - Knight and Schultz; Austrian - von Mises, Kirzner and Shackle (Carree and Thurik, 2002). The definition adopted for this study is the one proposed by Carlsson, et al. (2013, p. 914): “Entrepreneurship refers primarily to an economic function that is carried out by individuals, entrepreneurs, acting independently or within organizations to perceive and create new opportunities and to introduce their ideas into the market, under uncertainty, by making decisions about location, product design, resource use, institutions and reward systems. The entrepreneurial activity and the entrepreneurial ventures are influenced by the socioeconomic environment and result ultimately in economic growth and human welfare.”

### ***1.6.2 Entrepreneurship environment***

An entrepreneurship environment can be defined as a combination of all the factors that play a significant role in the development of entrepreneurship. These factors range from the overall economic, socio-cultural, and socio-political factors that influence an individual’s willingness and ability to venture into entrepreneurship to the availability of assistance and support service that facilitate the startup process (Gnyawali and Fogel, 1994).

Entrepreneurship environments also manifest considerable novelty since they are in the embryonic stage of development with boundaries that are changing continuously due to the dynamism of the actors and processes involved (Zahra and Wright, 2011).

### ***1.6.3 Entrepreneurship policy***

Entrepreneurship policy is a policy measure formulated to stimulate entrepreneurship, encompassing the pre-start, start-up and post start-up phases of the entrepreneurial process and is designed to stimulate motivation, opportunity recognition and exploitation and enhances skills and competences development with the primary aim of encouraging more individuals to venture into entrepreneurship (Lundström and Stevenson, 2002).

Entrepreneurship Policy is not synonymous with SME Policy though the dividing line is very thin and blurred because both policies are inter-related. Nevertheless, it is necessary to distinguish the two policies at this point. The former is concerned mainly with the establishment of new ventures while the latter deals with established firms. Entrepreneurship policies focus on individuals or groups of individuals whilst SME policies focus on firms. The scope of entrepreneurship policy is to positively influence the environment in favor of entrepreneurship and to introduce measures that will encourage more people to see entrepreneurship as a viable career option. On the other hand, the focus of SME policy is to create good conditions for improved productivity and competitiveness of the firm once it is established (Lundström and Stevenson, 2005).

### ***1.6.4 Entrepreneurship ecosystem***

An entrepreneurship ecosystem is a set of interconnected actors, organizations, institutions and processes which coalesce formally and or informally to connect, mediate, promote and govern the performance of entrepreneurial firms within the entrepreneurial environment (Mason and Brown, 2013).

The entrepreneurial ecosystem consists of all economic actors and the entrepreneurship environmental factors existing in a geographical area. The quality, capability and capacity of the entrepreneurship ecosystem are determined by the number of actors with adequate entrepreneurial experience and potential (Spilling, 1996). It is well established that geographical areas or regions varies with respect to the level of entrepreneurship activities

### ***1.6.5 Entrepreneurial economy***

The entrepreneurial economy is defined as an economy that is increasingly been dominated by knowledge, entrepreneurship capital, entrepreneurial capability and capacity to engage in entrepreneurial activities (Thurik, 2009).

It is an economy that is derived from the entrepreneurial activities of a country with regards to the overall economic activities in the country (Audretsch, Keilbach and Lehmann, 2006). It is yet to be clearly defined and measured but it is gaining global importance as governments are encouraging entrepreneurial economic growth due to mounting evidence that the key to sustainable economic growth lies in the entrepreneurial capacity of an economy (Audretsch, Keilbach and Lehmann, 2006).

## **1.7 Delimitations and key assumptions**

### ***1.7.1 Delimitations***

The research project was executed within the following limits or boundaries:

- The field of research is limited to Least Developed Countries (LDCs) in Africa
- Only two countries in West Africa were considered (Nigeria and Sierra Leone)
- The cost, time, language barriers and the practicality of carrying out the research limited the choice.
- Purposive sampling was used
- More countries are needed for generalization

### ***1.7.2 Key assumptions***

The key assumptions of this research are as follows:

- The countries selected will represent the situation of a vast majority of countries in Africa
- Landlocked countries have the same opportunities with coastal countries for the exploitation of natural resources



- There is an abundant supply of entrepreneurs
- The informal sector is larger than the formal sector in terms of entrepreneurship activities
- Entrepreneurship can contribute to the economic growth of countries
- Researchers may use this work as a foundation for further research in entrepreneurship policies and ecosystems in Africa.

## **1.8 Conclusion**

This chapter described the background and justification of the research. The research objectives were identified and the research problem and the methodology used for the execution of the research have been stated. The key terms frequently used in this work have been defined. Finally, the delimitations and key assumptions of the research were stated.

The next chapter documents the review of extant literature and theory on the key concepts and at the same time identifies the key contributors to research conducted so far with regards to these concepts. The gaps identified were also highlighted within the frontiers of least developed countries in Africa.

## Chapter 2

### Research and Theory Review

*“The greatest obstacle to discovery is not ignorance - it is the illusion of knowledge.”*

**Daniel J. Boorstin (1914-2004)**

#### 2.1 Introduction

To examine the existing body of knowledge related to the research problem stated in chapter 1, this chapter will focus on reviewing the relevant literature related to the main concepts, the extant theories and theoretical frameworks that are germane to these concepts. The review of the literature is divided into three main themes namely; (a) selective and illustrative general entrepreneurship literature review theme, (b) selective and illustrative specific entrepreneurship literature review theme and (c) review of the main concepts and theories. The reasons and relevance for this division are explained in the sub-sections 2.1.1, 2.1.2 and 2.1.3. The primary aim of the review is to support the originality and relevance of the research problem and to identify the gaps in the literature which will lead to the formulation of the research questions and the research propositions. The secondary aim is to broaden the researcher’s knowledge horizon with regards to the subject, to enhance an in-depth understanding of the theories, paradigms and terminologies in common use and to have an idea of the trends in research with regards to the study subject.

##### *2.1.1 Selective general entrepreneurship literature review theme*

Entrepreneurship research tends to be highly eclectic due to the individualistic nature of the field as researchers and scholars manifest diverse interests (Landström, Harirchi, and Åström, 2011). Research in entrepreneurship tends to be also ahistorical as scholars from various established disciplines such as sociology, psychology, economics and management (Curran and Blackburn, 2001) are in perpetual transition in the field (Landström 2001). The field still relies heavily on borrowing theoretical frameworks in main-stream disciplines. This borrowing tendency coupled with the transience in the discipline might be responsible for the low convergence within the field.

It is against this background that the general entrepreneurship review is based. The ubiquitousness of entrepreneurship calls for a thorough general review of the literature with regards to the subject of the study but the burgeoning extant literature requires a period longer than the allocated period of the doctorate program to be thoroughly reviewed. This time constraint necessitates and justifies the careful selection of the literature to be reviewed.

### ***2.1.2 Selective specific entrepreneurship literature review theme***

The geography of the study is Africa. Reviewing extant entrepreneurship literature about and from this geography is essential to avoid the pitfall of reinventing the wheel and simultaneously be able to acquire knowledge about what has been researched and what needs to be researched to justify the novelty of the study subject. The subject of the study is extraordinarily broad, this therefore necessitates and justifies a selection of the literature that shows the general direction and the contemporary context of research that has been conducted with regards to the study subject within the discipline that specifically targets Africa though there are claims from different scholars that entrepreneurship literature with regards to Africa is very limited (Naudè and Havenga, 2005; Bruton, et al., 2008; Lingelbach, et al., 2005).

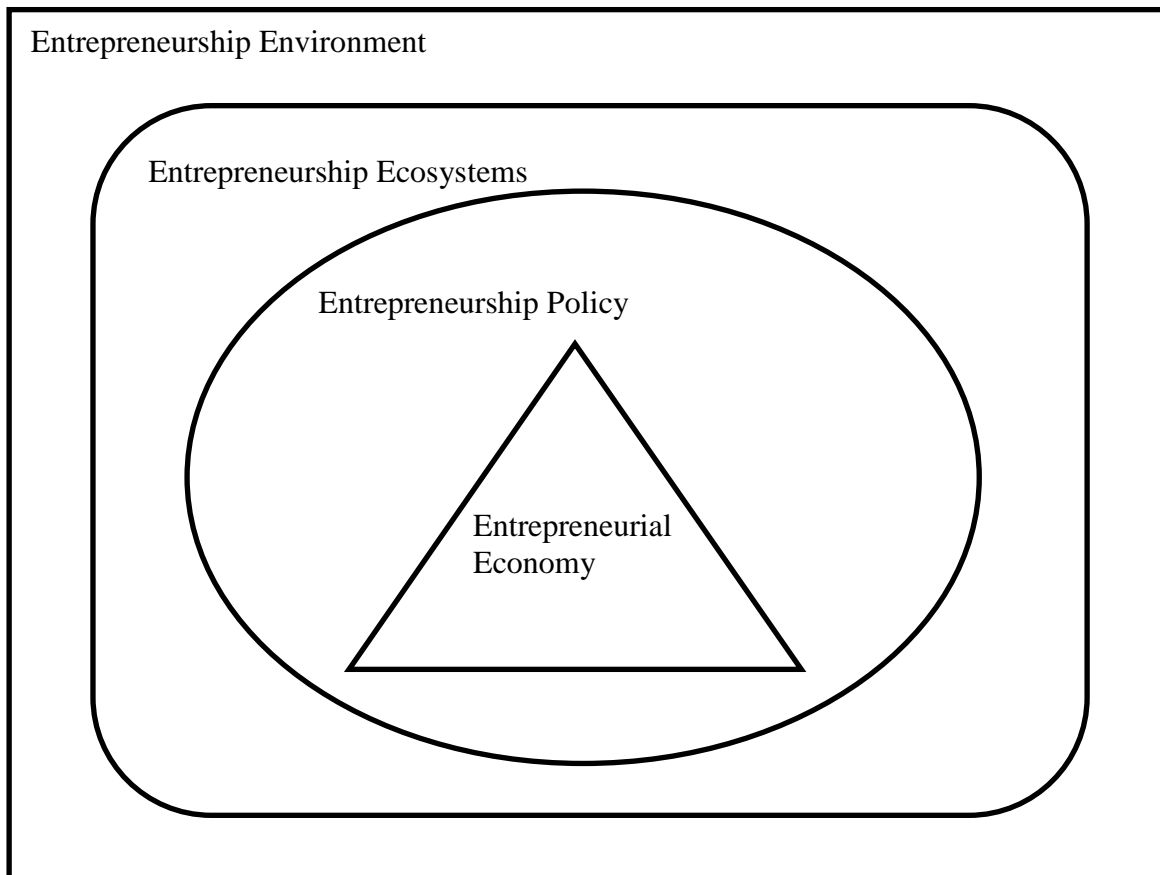
A specific occurrence that transformed Africa is the occupation and the colonialization of the continent (Austin, 2010). This episode triggered many changes that have unique relevance to the entrepreneurial landscape of Africa. Reviewing entrepreneurship literature before, during and after this era is crucial to gain a better understanding from the available body of knowledge of how entrepreneurship evolves or devolves during each era.

### ***2.1.3 Review of concepts and theories***

The concepts introduced briefly in Chapter 1 will be reviewed in detail in this chapter but to facilitate the review, a conceptual framework is necessary. The framework developed by Bolton and Thompson (2000), which contains three main elements of entrepreneurship: the entrepreneur; the

entrepreneurial environment; and the entrepreneurial process; has been adapted and modified. The schematic diagram of Figure 2.1 illustrates the modified conceptual framework that consists of the key concepts which was developed by the researcher and used throughout this study for these sections: research and theory review; the research design and the comparison of the research results. The detailed review is presented in section 2.6.

Figure 2.1 Conceptual framework for the study.



#### **2.1.4 Sources and methods**

The study subject has both practical and academic importance and relevance and as a consequence, various sources from the academic and non academic fields were consulted during the review to

create a vast pool where information will be gathered and processed to extract the available knowledge. The sources used were: academic journals; unpublished articles (grey literature); research, discussion, working and conference papers; documents and reports; newspapers and briefs (blogs); textbooks; monographs; lecture notes; magazines; mass media news broadcasts.

In reviewing the literature, two main approaches, the narrative review and the systematic review are usually considered. The systematic review is defined as a scientific and transparent process which is replicable and aims at minimizing bias caused by the subjectivity of the researcher (Tranfield, et al. 2003). In this type of review, the purpose must be defined and alongside the definition, the inclusion and exclusion criteria for the selection of studies to be reviewed. It is usually recommended for research in which the essence of the investigation is to answer the question of 'what works' which is common in fields such as medicine but is unsuitable in disciplines where there is low consensus with regards to research questions as a result of different theoretical frameworks or when the subject frontiers are dynamic which is usually the case in social science and entrepreneurship research (Bryman, 2008).

In contrast, the narrative review approach helps the researcher to acquire preliminary knowledge about the topic. These types of reviews therefore tend to be very extensive compared to systematic reviews (Bryman, 2008). The criticism of this approach is that reviews tend to be biased by the perspective of the reviewer and are difficult to be generalized (Tranfield, et al., 2003). The use of either of the approaches depends upon the epistemological base of the research. If the base is that of accumulating knowledge (Positivist epistemology) then the suitable approach is the systematic approach whilst if the goal of the research is to generate understanding (Interpretative epistemology), the narrative approach is more suitable (Bryman, 2008). For the purpose of this research the narrative approach has been used as the aim of the research is to gain an understanding of the potential insights that are necessary for the formulation of entrepreneurship policies and the mapping of ecosystems.

## 2.2 Selective general entrepreneurship review

Entrepreneurship has been in existence from ancient times, but research into the phenomenon is still in its early stages compared to the well-established disciplines such as medicine, philosophy, economics, sociology and engineering. Researchers and scholars in the discipline started to emerge during the mercantile age when the concept of economic markets began to gain importance and as a consequence, triggered significant attention and interest in the phenomenon (Long, 1983; Landström, Harirchi and Åström, 2011). The individual formally acknowledged to have introduced the concept of entrepreneurship is Richard Cantillon in the 18<sup>th</sup> century (Long, 1983; Murphy, Liao and Welsch, 2006; McKenzie and Sud, 2009; Gedeon, 2010). A group of individuals also associated with entrepreneurship around about the same period are the physiocrats, who starting from their leading figure François Quesnay and his disciples, notably Nicolas Baudeau, also stressed the importance of the concept (Hoselitz, 1951). A list of notable pioneers that emerged during the 19<sup>th</sup> Century is shown in the Table 2.1.

Table 2.1 Pioneers in the 19<sup>th</sup> and 20<sup>th</sup> century

<b>PIONEERS</b>	<b>PERIOD</b>
Jean Baptiste Say	1810
Alfred Marshall	1890
Joseph Schumpeter	1910
Frank Knight	1920
Edith Penrose	1960
Harvey Leibenstein	1970
Isreal Kirzner	1975

Source: Adapted from Long (1983)

A summary of the historic research type and areas of focus of main contributors according to Timmons (1994) is illustrated in Table 2.2. From the 1980s and beyond, many scholars emerged that have contributed in various ways in building a systematic body of knowledge in

entrepreneurship literature according to Landström et. al (2011). This knowledge is divided into two main groups: the knowledge producers (groundbreakers) and the knowledge users (followers). The knowledge users apply the core contributions of the ground breakers and focus their research into entrepreneurship mainly on the business and management themes (ibid.). Most of these themes consist of the concepts considered in this thesis.

Table 2.2 Summary of research on entrepreneurship

<b>Date</b>	<b>Author</b>	<b>Characteristics</b>	<b>Normative</b>	<b>Empirical</b>
1847	Mill	Risk bearing	X	
1917	Weber	Source of formal authority	X	
1934	Schumpeter	Innovative; Initiative	X	
1954	Sutton	Desire for responsibility	X	
1959	Hartman	Source of formal authority	X	
1961	McClelland	Risk taking; Need for Achievement		X
1963	Davids	Ambition; desire for Independence, responsibility, self-confidence		X
1964	Pickle	Drive/mental; Human relations; communications ability; technical knowledge		X
1971	Palmer	Risk measurement		X
1971	Hornaday & Aboud	Need for achievement; autonomy; aggression; power; recognition; innovative and independent		X
1973	Winter	Need for power	X	
1974	Borland	Internal locus of control		X
1974	Liles	Need for achievement		X
1977	Gasse	Personal value orientation		X
1978	Timmons	Drive/self confidence; goal oriented; moderate risk taker; locus of control; creativity /innovation	X	X
1980	Sexton	Energetic/ambitious; positive setbacks		X
1981	Welsh & White	Need to control; responsibility seeker; self-confidence/drive; challenge taker; moderate risk taker;		X
1982	Dunkerberg & Cooper	Growth oriented; independent oriented, craftsman oriented		X
1982	Hoy and Hollriegl	Preference for technical versus managerial tasks		X
1983	Pavet & Lau	Conceptual, human and political competences; technical familiarity in a specialized field	X	
1985	MacMillan, Siegel & SubbaNarisimha	Familiarity with the market; a capacity for intense effort	X	
1986	Ibrahim &	Ability to delegate, manage customer and	X	

1987	Goordwin Aldrich & Zimmer	employee relations; interpersonal skills Networking with people who control important resources and who have relevant skills and abilities	X	
1987	Hoffer & Sandberg	Drive to see firm creation through fruition; ability to clearly communicate goals; ability to motivate others to behave in a synergistic manner		X
1987	Schein	Strong management skills with high levels of responsibility and authority; specialist versus general manager		X
1987	Timmons, Muzyka, Stevenson & Bygrave	Ability to recognize and envision taking advantage of opportunity		X
1989	Wheeler & Hunger	Ability to implement strategies with programs, procedures, budgets, evaluations etc		X
1992	Chandler & Jansen	Self assessed ability to recognize opportunity	X	
1992	McGrath, Macmillan & Scheinberg	High individualism; poor distance; uncertainty avoidance; and masculinity		X

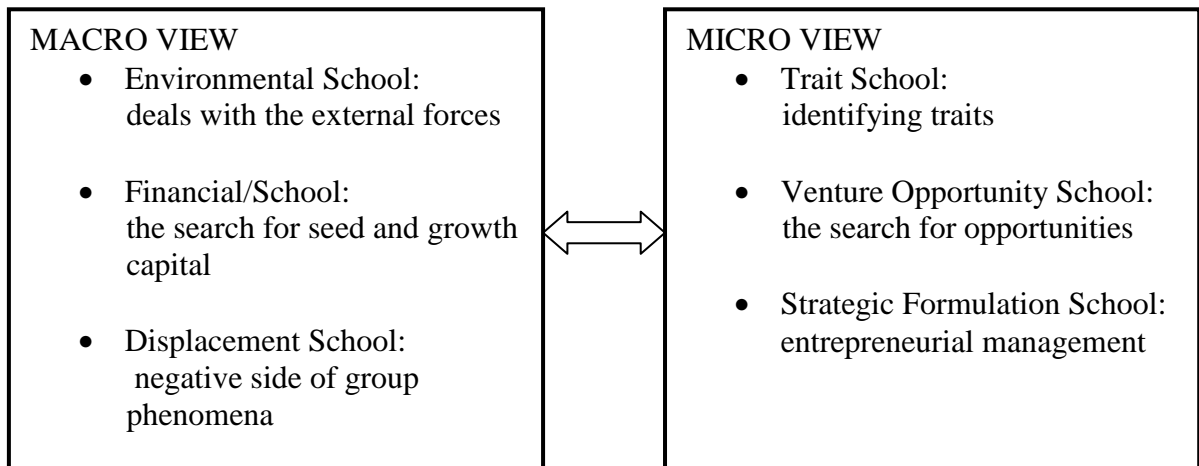
Source: Timmons (1994, p. 189)

### ***2.2.1 The different definitional attributes about entrepreneurship and entrepreneurs***

Entrepreneurship is a complex and multidimensional phenomenon and it is multidisciplinary in nature (Low and MacMillan, 1988; Spencer and Gomèz, 2004; Landström et. al, 2011). The multidisciplinary aspect is due to the fact that the entrepreneurship discourse is evident in disciplines such as philosophy, economics, management, sociology, anthropology and psychology (Weber, 1904; Schumpeter, 1934; McClelland, 1961). Entrepreneurship research therefore, constantly relies on the support of established disciplines. Entrepreneurship is also viewed from two main perspectives; the macro view and the micro view according to Kuratko (2009), who proposed six distinct schools of thoughts, three in each view. A summary of the schools of thought in each view is given in Figure 2.2.



Figure 2.2: Macro and micro views entrepreneurship schools of thought.



Source: Adapted from Kuratko (2009).

Though the focus of the study is on the macro view, there are instances when the micro view should be considered for example when considering entrepreneurial traits and entrepreneurial behavior as the entrepreneur is the central player in entrepreneurship ecosystems.

Various scholars have made efforts to conceptualize this phenomenon in ways that are pertinent to the perspective with which they view entrepreneurship. Some of the noted early scholars that have attempted to define the concept of entrepreneurship and entrepreneurs are listed in Table 2.3 along with the definitional attributes.

Table 2.3 Definitional attributes

<b>Scholar</b>	<b>Definitional attributes</b>
Richard Cantillon	An entrepreneur is a self employed person who proportions his activities to market demands and in the process, bears additional risks.
Jean – Baptiste Say	Managerial talents are required to become a successful entrepreneur and there are obstacles and uncertainties that accompany entrepreneurship.
Alfred Marshall	The abilities to be an entrepreneur are different yet contemporary to those of a manager.
Joseph Schumpeter	At its essence, entrepreneurship is the finding and promoting of new combinations of productive factors and it is the prime creative socio-economic factor.
Frank Knight	The courage to be risk prone and to assume managerial functions such as responsible direction and control.
Edith Penrose	Managerial capacities should be distinguished from entrepreneurial capacities. The identification and exploitation of opportunistic ideas for the expansion of smaller enterprises is an essential aspect of entrepreneurship.
Harvey Leibenstein	Entrepreneurial activity is aimed toward the reduction of organizational inefficiency and to the reversal of organizational entropy.
Israel Kirzner	The identification of market arbitrage opportunities is the fundamental functions of the entrepreneur

Source: Adapted from Long (1983)

Although the definitions are still debated and the likelihood of convergence to a single robust definition seems challenging, almost all of these definitions can be condensed into three main intellectual traditions each one tracing its roots to Richard Cantillon. These are the Schumpeterian, Knightian and Kirznerian traditions (Hèbert and Link, 1989) commonly also referred to as the German, Chicago and Austrian traditions (Wennekers and Thurik, 1999; Rocha, 2012). Although these traditions share a common heritage and language, they view the functions of the entrepreneur from different angles. The Schumpeterian entrepreneur being responsible for creative destruction or the disturbance of equilibrium was seen as a source of economic upheaval. On the other hand, the Knightian entrepreneur is considered as the uncertainty and risk bearer who assumes uninsurable business hazard and is the opposite of the Schumpeterian entrepreneur who is never a risk bearer. The Kirznerian entrepreneur is credited as being an equilibrating force with the tendency of

changing the state of disequilibrium to equilibrium by spontaneous learning that allows the identification of profitable exchange opportunities such as market arbitrage (Wennekers and Thurik, 1999; Rocha, 2012).

These early traditions concentrated on the entrepreneur and the situations or conditions in which opportunities are identified but this represents just one aspect of entrepreneurship. However, entrepreneurship comprises other aspects such as the entrepreneurial process and the entrepreneurial environment which were less considered by these early researchers. Scholars such as Bygrave and Hofer (1991) seeking to integrate these neglected elements, proposed a paradigm shift towards the process. Although this was a breakthrough, it also fell short of addressing the other elements which prompted other scholars like Timmons (1994), Gnyawali and Fogel (1994) to suggest another paradigm shift towards an holistic approach which includes all the elements of entrepreneurship. This became the trend in the entrepreneurship research in the 1990s and beyond.

Recent definitions included aspects that have extended and broadened the entrepreneurship concept but these definitions seemed to contradict each other. For example, Gartner's (1985) definition of entrepreneurship as the study of the creation of organizations shifted away the focus from the sole entrepreneur (Hernández, 2010) to a more complex process of how organizations are created. However the definition forwarded by Shane and Venkataraman (2000), which defined entrepreneurship as a discipline that seeks to comprehend how opportunities that bring into existence future good and services are discovered, evaluated and exploited by whom and with what consequences not only for the entrepreneur but also for the stakeholders and the society as a whole, is in contrast with that of Gartner by refocusing on the individual entrepreneur. Similarly, the more recent work of Baum and Locke (2004) has focused on the influence of the individual skills, motivation and personality traits on venture performance. Though these traits may be general leadership qualities, they may have an indirect influence on entrepreneurship. This rediscovery of the individual is worrisome as it raises new questions about the impact of the environmental factors commented upon by Davidsson, Low and Wright (2001).

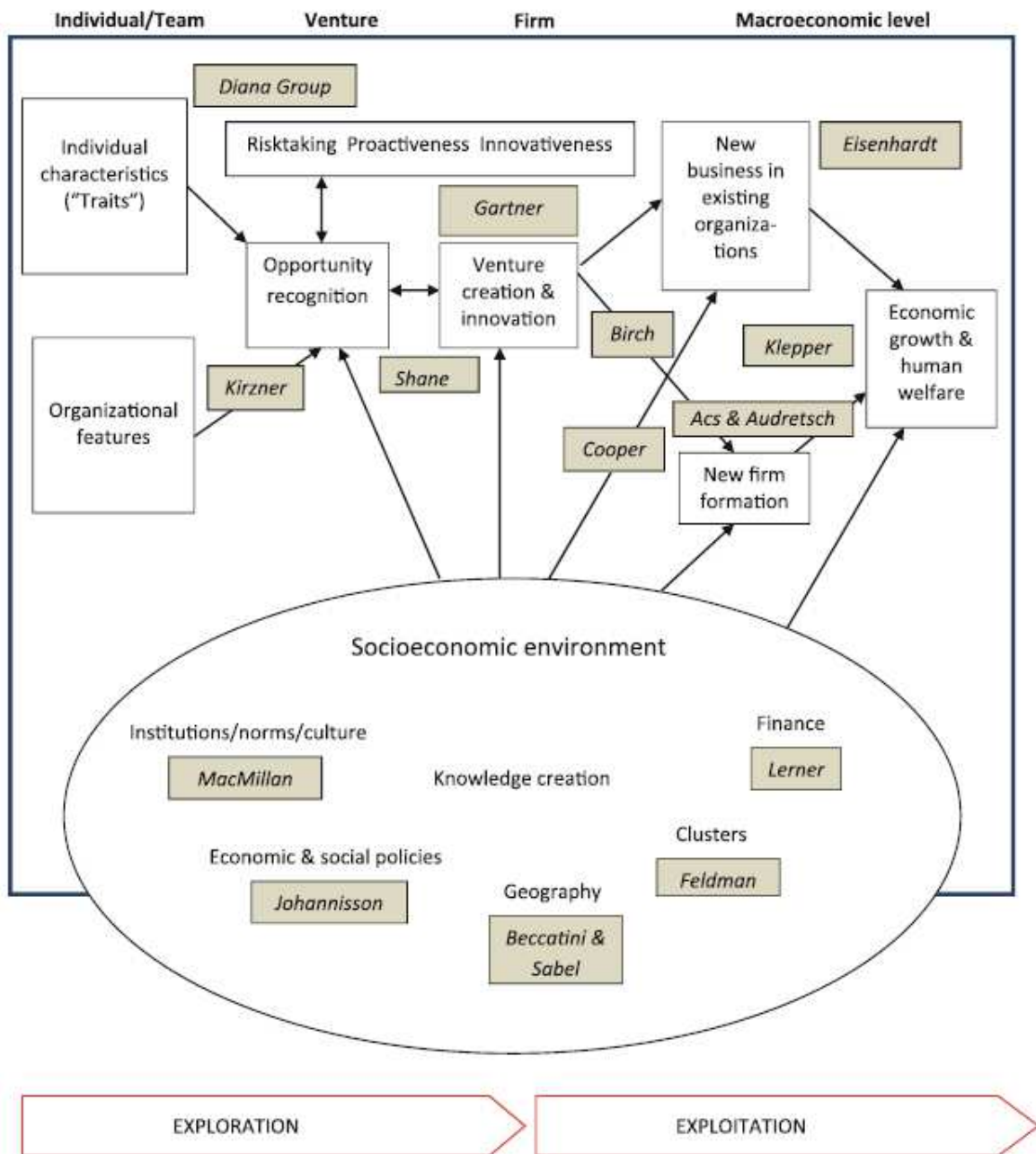
One of the definitions that takes into account the holistic approach was posited by Hèbert and Link (1989), which in summary considers an entrepreneur as someone who specializes in identifying and exploiting opportunities taking into consideration judgmental decisions and responsibility about the coordination of scarce resources under uncertainty that is affected by location, the context and the utilization of institutions. Other scholars view entrepreneurship through a different lens as seen in the definition by Acs and Audretsch, (2003) which elaborated on the fact of embracing all businesses that are new and dynamic regardless of the size and line of business which resonates with the propositions of Baumol (1990), that entrepreneurship can be productive, unproductive and even destructive. As the purpose of this work is concerned with sustainable entrepreneurial economic growth, productive entrepreneurship seems to be the most appropriate for this type of growth to be achieved but as the latter definition encompasses all types of entrepreneurship it may not be applicable in this situation. Although most of these definitions capture to some extent an aspect or aspects of entrepreneurship, none seems to produce the whole picture as entrepreneurship draws from a complex set of intertwined constructs with fuzzy boundaries as observed by Low and MacMillan (1988).

For the purpose of this study, there is a need to consider all the elements of entrepreneurship both at the macro and micro point of view. In this pursuit, Carlsson, Braunerhjelm, McKelvey, Olofsson, Persson and Ylinenpää, (2013, p. 914) offer a meaningful insight with the following definition. “Entrepreneurship refers primarily to an economic function that is carried out by individuals, entrepreneurs, acting independently or within organizations to perceive and create new opportunities and to introduce their ideas into the market, under uncertainty, by making decisions about location, product design, resource use, institutions and reward systems. The entrepreneurial activity and the entrepreneurial ventures are influenced by the socioeconomic environment and result ultimately in economic growth and human welfare”. This definition is adopted for this study as one of the aims this study is to examine the entrepreneurship environments and policies in the selected countries for the mapping of country-specific entrepreneurship ecosystems which could

play a significant role in achieving sustainable entrepreneurial economic growth. These ecosystems are usually influenced by the socioeconomic and sociopolitical environments. Figure 2.3 illustrate this definition.

The diversity in the definitions reflects the various intellectual roots of the entrepreneurship research field and it also confirms the complexity and multidimensionality of entrepreneurship (Zahra and Wright, 2011). From the different definitions of entrepreneurship and entrepreneurs, taxonomies were developed which are concise, simple and contains the main lexicons of entrepreneurship. These taxonomies are elaborated on in section 2.2.2.

Figure 2.3 Entrepreneurship definition at micro and macro levels illustrated



Source: Carlsson, Braunerhjelm, McKelvey, Olofsson, Persson and Ylinenpää, (2013 p.925).

### 2.2.2 A classification of entrepreneurship taxonomy

Various schools of thought and theories have emerged with regards to the entrepreneurial activities of entrepreneurs due to the different definitions of entrepreneurship and entrepreneurs. But instead of looking at the limitations of these definitions, the extraction of the elements of truth that most of

these theories contain serves in developing sub-domains of entrepreneurship (Gedeon, 2010). This is a way of obtaining the truth from a definition without totally condemning the definition which creates synergies in the accumulation of knowledge and simultaneously thwarts definitional supremacy usually found in academic battles.

A taxonomy structure for entrepreneurship involves the in-depth understanding of the ‘what, why and how’ questions, which are related to the effects, causes and behaviors and ‘where and when’ questions, that are related to the context and finally ‘who’ question, that reflects the impact of the context on entrepreneurship (Stevenson and Jarillo, 1990; Whetten,1989; Gedeon, 2010). The lexicon is crucial when formulating entrepreneurship policies and mapping entrepreneurship ecosystems as the causes, behaviors, effects and contexts should be considered. Another importance of the taxonomy is connected with the grouping of the associated fields of research as this allows the interrelatedness of theories to be easily spotted. A partial lexicon adapted from Gedeon, (2010) is shown in Table 2.4. The lexicon terms illustrated are not exhaustive, they are a selection of those pertinent to this study.

Table 2.4 A partial lexicon of entrepreneurship sub-domains

<b>Lexicon term</b>	<b>Taxonomy</b>	<b>Associated Fields</b>
Business Entrepreneurship	What	Economics
Social Entrepreneurship		Sociology
Academic Entrepreneurship		Praxeology
Political Entrepreneurship		
Corporate Entrepreneurship	Who	Psychology
Independent Entrepreneurship		Organizational Behavior
Gender-Based Entrepreneurship		Change Management
Minority Entrepreneurship		Agency Theory
Immigrant Entrepreneurship		
Innovative Entrepreneurship	How	Innovation
Imitative Entrepreneurship		Creativity
Adaptive Entrepreneurship		Cognitive science
Arbitrage Entrepreneurship		Engineering
High-Tech Entrepreneurship		Technology
Acquisitive Entrepreneurship		Knowledge Management Strategic Management
Necessity Entrepreneurship	Why	Psychology

Opportunity Entrepreneurship High-Expectation Entrepreneurship Small Business Entrepreneurship		Sociology Economics Praxeology
Emergent Entrepreneurship Nascent Entrepreneurship Startup Entrepreneurship Transformation Entrepreneurship	When	Population Ecology
International Entrepreneurship Local Entrepreneurship Grass-roots Entrepreneurship Indigenous Entrepreneurship Diaspora Entrepreneurship Transnational Entrepreneurship	Where	Economics Political Science Sociology Social Network Theory

Source: Adapted from Gedeon (2010).

Applying this partial lexicon of sub-domain terms, it was possible to filter the different types of entrepreneurship to select the type of entrepreneurship that is the focus of this study namely business entrepreneurship which is shown in Table 2.5. From the associated fields of research, the most common theories that are applied in entrepreneurship research were identified and these are presented in section 2.4.

Table 2.5 Taxonomy for business entrepreneurship

<b>What</b>	<b>Why</b>	<b>How</b>	<b>When</b>	<b>Where</b>	<b>Who</b>
Business Entrepreneurship	High Expectation Opportunity Necessity Small Business	Innovative Imitative Adaptive Arbitrage	Growing Businesses	Local Diaspora Transnational	Independent

Though there are various types of entrepreneurship from the ‘What’ taxonomy, the focus of this study is on ‘ Business entrepreneurship’ as it is this type of entrepreneurship that is directly linked



to entrepreneurial economic growth. In section 2.3, the literature on the link between entrepreneurship and economic growth is reviewed.

### **2.3 The link between entrepreneurship and economic growth**

What causes economic growth is a question which is ubiquitous and has been around since the beginning of economic activities to date. The field of economics which directly investigates the economies of societies, attempts to provide an answer to this question during the 18<sup>th</sup> century from two main perspectives; the Adam Smith (1776) perspective and the David Ricardo (1821) perspective. The idea of Smith was that the division of labor is limited by the extent of the market and as a consequence, as markets grow, entrepreneurship would lead to innovation which would need a further division of labor due to increased productivity. In contrast, the idea of Ricardo was that economic output is a function of the inputs of land, labor and capital which means investments can produce more capital but due to the diminishing factor productivity and the influence of fixed factors such as land, population growth will affect economic growth and the reverse is also true (Tylecote, 1991), most of the population would therefore be kept at a subsistence level of income (Holcombe, 1998).

In retrospect, the view of Smith on economic growth appeared to be more accurate than that of Ricardo but the economics discipline preferred that of Ricardo due to the simplicity with which economic models could be developed because the economy is assumed to be static (Holcombe, 1998). Although the idea of Smith seems accurate, the process was not thoroughly explained until the intervention of entrepreneurship scholars notably Schumpeter (1934) with the creative destruction concept connected with the disequilibrium in economies juxtaposed with Kirzner's (1973) concept of arbitrage opportunities which is connected with the equilibrium of economies. Other models include the neo-classical models of economic growth proposed by Solow (1956) usually referred to as the capital economy which emphasized two key factors of production; physical capital and labor with an acknowledgement of the contribution of technical change which

was considered to be an unexplained residual like manna from heaven (Audretsch, Keilbach, and Lehmann, 2006). A more recent growth model pioneered by Romer (1986) is endogenously determined and it emphasizes the importance of knowledge. This model recognizes some aspects of entrepreneurship (Wong, Ho and Autio, 2005).

The identification of entrepreneurship opportunities is crucial in both Schumpeterian and Kirzorian entrepreneurship but entrepreneurship opportunities tend to be perceived within the context of specific political and socio-economic conditions prevailing in a society (Holcombe, 1998). A decentralized economy where individuals are allowed to act on their entrepreneurial intentions and get fairly rewarded produces an environment that enhances the multiplicity of entrepreneurship insights (Hayek, 1945). For example, after the fall of the Berlin Wall, many factories were closed because they were not economically viable in Central Europe which led to an increase of laid off workers venturing into necessity entrepreneurship (Acs, 2006). Along complimentary lines, Fayolle (2011), argued that to encourage the creation of new ventures by job seekers or redundant workers may contribute to the development of some kind of 'forced' entrepreneurship. The scholar cautioned that such a situation may result in dramatic consequences for the persons concerned and society in general. However, the contribution of this type of entrepreneurship to economic growth has been shown to be negative (Van Stel, Carree and Thurik, 2005) and it is predominant in less developed countries. A high percentage of such countries are found in Africa. Several studies have shown that entrepreneurship contributes to economic growth in developed countries (Storey, 1994; Van Stel, Carree and Thurik, 2005; Valliere and Peterson, 2009) but the negative contribution of entrepreneurship to economic growth in less developed countries does not imply that entrepreneurship should be discouraged in these countries instead, it creates an opportunity to investigate the causes of the dismal performance of entrepreneurship in contributing to economic growth (Van Stel, Carree and Thurik, 2005). This necessitates an examination of entrepreneurship in Africa which is presented in the next section.

Although entrepreneurship has been acclaimed to contribute to the growth of economies especially in developed countries, there are criticisms to these claims and a notable one comes from a study titled “On some of the misconceptions about entrepreneurship” by Hunter (2012). In this work, the author argued that entrepreneurship does not necessarily contribute to economic growth. He based his argument on the following points.

1. Entrepreneurship does not always bring innovation
2. Entrepreneurship has been turned into a myth that is not supported by research
3. Entrepreneurship is more of a narrative about survival and subsistence than growth and glory
4. There is no such individual as an entrepreneur but only an individual who acts entrepreneurially
5. Very few entrepreneurs have much ambition for growth
6. Entrepreneurs are survivors of capitalism
7. Entrepreneurship creates less employment than many people think.
8. Educational institutions are teaching about entrepreneurship rather than teaching entrepreneurship.

The author concluded that the misconceptions about entrepreneurship have led many countries to have developed the wrong policies towards entrepreneurship and development, followed by misguided perceptions and images about entrepreneurs. The scholar also warned that if entrepreneurship is to be accepted as a behavior, then it is more related to creativity than to intelligence and it will no longer be based upon innovation but on value creation for all the stakeholders. Educational institutions should therefore concentrate on teaching how value is created rather than the traditional curriculum. A critical look at some of these statements (for example

entrepreneurship does not always bring innovation) revealed contrasting positions taking into consideration the Schumpeterian, Knightian and Kirznerian traditions explained in detail in section 2.2.1. Another statement 'entrepreneurship creates less employment than many people think', contradicts with the finding of Birch (1979), that 80% of new jobs were created by small firms rather than large corporations in the United States of America. On the statement with regards to educational institutions, the work of Fayolle and Lassas-Clerc (2006), emphasized the importance of entrepreneurship education but lamented that there is scarcity of research in addressing the educational or pedagogical issues in the field of entrepreneurship. The scholars concluded that the situation might have adverse effect to entrepreneurship either as a research or a teaching domain.

#### **2.4 Entrepreneurship in Africa**

It is an undisputed fact that Africa is endowed with an abundance of natural resources, but the continent's performance in terms of entrepreneurship is arguably very weak (Kshetri, 2011). The causes of this weakness have been attributed to many factors that are both internal (ineffective institutions, bad governance, political instability, small domestic markets, lack of affordable and inadequate finance) and external (colonial legacy, flawed structural adjustment programs and aid dependency) according to several scholars (Teal, 1998; Robson and Obeng, 2008; Alamine, 2006; Hubbard and Duggan, 2009; Austin, 2010; Mbaku, 2003). Although claimed to be weak, entrepreneurship has been in existence long before the scramble for the continent followed by the subsequent partition into many countries and colonialization. Anecdotal sources from the Arabic writings of early travelers and geographers which date back to the 8<sup>th</sup> century, contain much information about entrepreneurship and trade routes within the continent and with other regions such as southern Europe, Arabia and Asia.

This trend was disrupted during the occupation because according to Austin (2010), by the eve of partition of the continent, Africa had already registered a comparative advantage in export agriculture especially Western Africa. The subsequent colonialization of the continent reversed this

trend with the introduction of policies that were meant to exploit the continent in all sectors for the benefit of the home governments of the colonialists (Austin, 2010), an act that suppressed indigenous entrepreneurship. Nevertheless there were positive impacts of the colonial rule though they were very rare like the introduction of mechanized transportation and investment in transport infrastructure. The legacy of the colonial rule affected the post-colonial period due to the phenomenon of path determination as it was difficult to deviate from already established paths as such deviation would have been difficult and costly.

There was a beam of hope for the revival of entrepreneurship in the post-colonial period, as it was assumed that the despotic, exploitative and repressive policies used by the colonialists would be replaced by policies that focused on maximizing indigenous entrepreneurship (Mbaku, 2003). Unfortunately, during this period, a development model that emphasized the state control of the economy (the managed economy) became the choice of most African countries (Mbaku, 2003). In such a model, entrepreneurship is usually marginalized and relegated to the survival and informal sectors. For example, the classic anthropological study carried out in Darfur in Sudan that examined the impact of entrepreneurial activity upon a culture's social system by Barth (1967), illustrated a typical example of type of entrepreneurship being practiced in geographically remote regions of the continent half a century ago.

The geography of the continent should also be taken into account when examining the entrepreneurship landscape in Africa as geographic variation in the rates of entrepreneurship has been shown by recurring research findings (Thornton and Flynn, 2003). Though Africa is endowed with an abundance of natural resources, these resources are unevenly distributed which renders some parts to be resource rich and other parts resource scarce. The partition of Africa into many countries resulted in many of these countries being landlocked and others coastal (Collier, 2007). The human and political geography superimposed on the physical geography makes the economic geography of Africa very distinctive and disadvantageous with dismal economic performance (Venables, 2010). As market size and access is one of the ingredients for entrepreneurship to

flourish, the situation in Africa characterized by small markets and difficulties in accessing these markets hinders economic growth (Bosker and Garretsen, 2008) and this applies also within countries as there is a difference between urban and rural economic settings albeit both settings must be taken into account when assessing the economic performance of countries.

Besides the internal and external factors influencing African entrepreneurship stated in the previous paragraph, the weakness of African entrepreneurship is also due to the absence of a dynamic and powerful class of indigenous entrepreneurs. Most entrepreneurial ventures of appreciable scale in Africa are established by non-Africans since African entrepreneurs are constantly being marginalized and or subjugated and there is a lucid prejudice against the indigenous business class in almost every country according to Tshikuku (2001). The presence of a diffused cultural and a political environment hostile to the activities of African entrepreneurs triggers a perennial phobia of the threat of dissolution of their firms as echoed by Tshikuku (2001). There is a tendency that under such constant threat, the zeal of potential entrepreneurs is sometimes dampened. These threats usually originate from the existing socio-political, politico-legal, and socio-cultural systems and monopolies. These hurdles are in many ways responsible for the poor performance of entrepreneurship in Africa as they have produced a business climate that is less favorable to entrepreneurial activities as indicated by the views of scholars such as Elkan (1988), Kiggundu (2002), Kallon (1990), and Tshikuku (2001). For example, in Kiggundu (2002, p.250), Kallon and Baume observed that “ public attitudes and societal values in Ghana and Sierra Leone respectively are not supportive of the underlying values of capitalism in general and entrepreneurship in particular”.

The emergence of the informal sector entrepreneurship which is predominant in Africa is an outcome of repressive business environments (Webb, Tihanyi, Ireland, and Sirmon, 2009). The situation is changing gradually especially in recent times when some positive and encouraging signs are being spotted as governments in both resource rich and resource scarce countries are embracing

entrepreneurship as a means of achieving internally-driven wealth creation and accumulation according to Kshetri (2011).

A new challenge of entrepreneurship in Africa is that posed by the minimal prerequisites necessary to compete in the global market since the business climate is being determined by both national and international factors due to globalization. Scholars like Ekeledo and Bewayo (2009), Ogundele and Hassan (2010), are beginning to view African entrepreneurship from the globalization perspective by identifying the environmental challenges that African entrepreneurs are facing in a globalized world. They indicated that if African entrepreneurs, who are oblivious of the factors that are pushing global reality continue to concentrate their time and energy in the domestic market, they may risk losing in the globalized competitive market.

#### ***2.4.1 The link between entrepreneurship and economic growth in Africa***

Africa is characterized by a dual economy due to the existence of a managed economy and an entrepreneurial economy (Thurik, 2009; Alby and Auriol, 2011) with a small number of large-scale enterprises at one extreme and a large number of small enterprises at the other extreme with a configuration spanning the formal and informal sectors, traditional and modern sectors, indigenous and foreign owned enterprises that are geographically dispersed in both urban and rural areas (McDade and Spring, 2005). In between these two extremes there is a missing middle (Olomi, 1999). This situation is attributed to the spillover effects of the colonial period economic strategies, the failed attempts at import substitution and the mixed results of the export promotion policies and strategies (Elkan, 1988; Acs and Virgill, 2009). The large size of the informal economy which is estimated at 42% of the national economy is hindering the entrepreneurship efforts (Kshetri, 2011). As a consequence, the contribution of the African economy to global GDP is less than 1% (Alamine, 2006) and the impact of African entrepreneurship to the local economy is very limited. For example, the linkages of the garment manufacturing industry to the domestic economies are few and sometimes weak (Kshetri, 2011). In summary, the slow growth in Africa remains a major

challenge as the continent is the largest and the most complex challenge facing the world today (Azam, Fosu and Ndungu, 2002). Having examined entrepreneurship and its link to economic growth, a review of the literature with regards to entrepreneurship in Africa is presented in the next section.

#### ***2.4.2 Entrepreneurship literature about Africa***

The existing literature on entrepreneurship for emerging and least developed countries is very limited as entrepreneurship research is mostly focused in North America and Europe and this observation has been confirmed by a study conducted by Bruton et al. (2008) that reviewed outstanding management and entrepreneurship journals. Taking into consideration articles published between 1990 and 2006, the results show that only 43 of a total of 7,482 articles reviewed address entrepreneurship in emerging economies. Out of these 43 articles, 16 concentrated on China and 17 focused on the former Soviet Union states whilst a single study was devoted to India, thus, there was a conspicuous absence of studies that focused on Africa.

Furthermore, anecdotal evidence show that the existing body of knowledge of entrepreneurship mainly originating from the Western world, is unlikely to apply directly to situations in developing countries such as those located in sub-Saharan Africa and according to Elkan (1988), much of what has been written about entrepreneurship in Africa is unfavorable as it stresses the difficulties that African entrepreneurs face without offering an effective solution. Although entrepreneurship in developing countries is an important aspect of global entrepreneurship, scholars are of the opinion that less attention has been paid to entrepreneurship research in Africa making it an under researched social and economic phenomenon (Lingelbach, De La Vina and Asel 2005; Kiggundu, 2002; King and McGrath, 1999; Naudè, 2008).

Research about entrepreneurship in Africa that has been published in main stream journals during the twentieth century is very limited as shown by the bibliometric analysis conducted by Naudè and Havenga (2005). The analysis is presented in Table 2.6 and Table 2.7. Scholars that have



contributed in one way or the other to enriching and extending the literature from studies about entrepreneurship in Africa include among others King and Mcgrath (1999), Baume (1996), Trusson (1997), Mead and Leidhloim (1998), Frese (2000), Fick (2002), Boettke (2007) and Brixiova (2010).

Table 2.6 Distribution of entrepreneurship research output per country in Africa

Country	Total number 1963-2001	1960- 1969	1970- 1979	1980- 1989	1990- 2001	Percent (%)
Africa general	62	3	7	7	45	11.92
Algeria	1	-	-	1	-	0.19
Angola	1	-	-	1	-	0.19
Botswana	13	-	1	2	10	2.50
Cameroon	4	-	-	1	3	0.76
Central African Republic	1	-	-	-	1	0.19
Egypt	1	-	-	-	1	0.19
Ethiopia	2	-	-	1	1	0.38
Ghana	16	1	6	4	5	3.07
Ivory Coast	3	-	-	-	3	0.57
Kenya	19	-	2	7	10	3.65
Liberia	1	-	-	1	-	0.19
Libya	1	-	-	1	-	0.19
Malawi	3	-	1	-	2	0.57
Mozambique	1	-	-	-	1	0.19
Namibia	1	-	-	1	-	0.19
Nigeria	20	2	4	8	6	3.84
Sierra Leone	2	-	-	1	1	0.38
South Africa	318	3	25	49	241	61.15
Sudan	2	-	1	-	1	0.83
Swaziland	2	-	1	-	1	0.83
Tanzania	3	-	-	1	2	0.57
Uganda	2	-	1	-	1	0.83
Zaire	5	-	-	1	4	0.96
Zambia	8	-	2	2	4	1.53
Zimbabwe	26	-	-	5	21	5.0
<b>TOTAL</b>	<b>520</b>	<b>9</b>	<b>52</b>	<b>94</b>	<b>365</b>	<b>100</b>

Source: Adapted from Naudè and Havenga (2005).

The articles were further classified in subject areas as shown in Table 2.7. though an area in the discipline that was conspicuously missing in the list is the entrepreneurship ecosystem. The

omission is unintentional and might be attributed to the fact that the interest in the phenomenon is recent and since it is in its embryonic stage, it has not gathered enough research momentum.

Table 2.7. The distribution of articles by subject

<b>Subject</b>	<b>No. of Articles</b>
Definitions, Concepts & methodologies	13
The Role of Entrepreneurship in Africa	54
Characteristics of African Entrepreneurship	22
Determinants, Constraints & Opportunities	73
Government, Support & Policy	33
Women Entrepreneurship	30
Informal Sector	25
Agriculture & Rural Development	19
Technology & Innovation	11
Culture, Network and Clusters	49
Management, Education & Skills	74
Legislation, Institutions & Regulations	16
Financial factors, Credit & Information	8
History	29
General	64

Source: Adapted from Naudè and Havenga (2005).

In an another study which looks at international entrepreneurship in sub-Saharan Africa, the continent though made up of 54 sovereign nations, is represented in the sample by only ten studies, four of which focus is on South Africa and the rest are divided as follows; Ghana (two studies), Nigeria (one study), Swaziland (one study), Kenya (one study) and Uganda (one study) (Kiss, Danis and Cavusgil, 2012). One of the books that examines entrepreneurship literature in Africa is the volume edited by Spring and McDade (1998), titled *African Entrepreneurship: Theory and Reality*.

#### **2.4.3 Recent trends in entrepreneurship research about Africa**

The situation has gradually changed in the last decade as researchers, both domestic and foreign based scholars are venturing to conduct research in the developing world especially at a time when the investigation of entrepreneurship in a diverse global culture is paramount for understanding the

contribution of entrepreneurship in a closed knit global economy since new ventures are being formed at an alarming rate and they are critical in redefining economies around the world (Minniti, Bygrave and Autio, 2005). The research conducted by McDade and Spring (2005), exemplifies the direction in which modern African entrepreneurs are heading, since some entrepreneurs in Africa especially the Diaspora, Returnees and Transnational entrepreneurs are leapfrogging the norms of necessity entrepreneurship which has been associated with Africa to opportunity entrepreneurship which is claimed to generate economic growth. The introduction of entrepreneurship curricula at tertiary institutions has encouraged research into the discipline to some extent (Kabongo, 2008). Although such research should not only investigate what is happening at present but it should also be capable of understanding and unbundling the trajectories of African entrepreneurship in the not too distant future. A majority of the recent studies are still centered on the functioning of established businesses and are country specific. In another development, the concepts of indigenous, gender, youth and social entrepreneurship have attracted a lot of attention from scholars both in and out of the continent and considerable progress has been made in understanding these entrepreneurship sub-disciplines with regards to Africa. For example, the proceedings of the 2010 conference about entrepreneurship in Africa which was held in Canada, included topics from different sub-domains such as: “Institutional and economic foundations of entrepreneurship in Africa; An overview”; “Women entrepreneurship in Africa; The cowpea food street sector in Niger and Ghana”; “Social entrepreneurship and a new model for international development in the 21<sup>st</sup> Century” (Koveos, Yourougou, and Amouaku-Adu, 2011). Several scholars have concluded that there is a paucity of research about entrepreneurship in Africa when compared to other regions (Kiggundu, 2002; Naudè and Havenga, 2005; Bruton et al., 2008; Lingelbach et al., 2005). To fill this gap, more research is needed that examines different aspects of entrepreneurship in Africa. This study is an attempt to examine the sub-domains of entrepreneurship with regards to entrepreneurship ecosystems and entrepreneurship policies in Africa which are emerging areas that are fertile and interesting for scholarly inquiry with findings that could have both theoretical and

practical importance. Entrepreneurship in general and in Africa with the accompanying literature has been reviewed in the preceding sections. In the next section the parental theories that are utilized in this study will be reviewed.

## **2.5 Theoretical framework**

There is a plethora of theories related to entrepreneurship as the concept is multidisciplinary and multidimensional. The use of multi theoretical frameworks has been advocated as they are assumed to be more appropriate in explaining the complexity of the entrepreneurial process (Robson, Haugh and Obeng, 2009). To create a holistic account of entrepreneurship ecosystems and policies for sustainable entrepreneurial economic growth in Africa, there is a need to establish a general framework even though the directions and trends of this study are relatively new. The study will therefore adopt a multi theoretical framework. The academic works of scholars such Cai, Liu, Deng, and Allon (2012) and Simpeh (2011), provide a common view on the sources of the theories that are popular in the field of entrepreneurship. Most of these theories have their origins in disciplines such as economics, management, sociology and psychology. Anthropology is added due to the recognition of the importance of culture on attitudinal differences as well as entrepreneurial behavior differences (North, 1990; Shane, 1994; Baskerville, 2003). The importance of culture is buttressed by scholars, like Amit et.al (1993) who claimed that the tendency for certain cultures to produce entrepreneurs more than others made it intuitively appealing to consider culture as one of the determinant of entrepreneurship.

Adopting and adapting the classical framework developed by Timmons and Spinelli (1979) as cited by Cai et al.(2012) which classified themes of entrepreneurship into five categories; entrepreneur, opportunity, resource, team and environment and the inclusion of entrepreneurial networks since they are gaining prominence (Larson and Starr, 1993), a sixth entrepreneurship element was added to the framework. Table 2.8 summaries the categories of theories in each research theme. The entrepreneurship themes of interest for this study are the entrepreneurship environments and the

entrepreneurial networks since their combinations results in entrepreneurship ecosystems A detailed review of the theories associated with these themes follows in the next section.

Table 2.8. Theories applied to the six themes

<b>Themes</b>	<b>Economics</b>	<b>Management</b>	<b>Sociology</b>	<b>Psychology</b>	<b>Anthropology</b>
Entrepreneurial Opportunity	Transaction cost Industrial organization New growth Human capital Evolutionary economics	Real options Resource based view Organizational learning	Structure Social network Social capital	Social cognitive Entrepreneurial learning Social learning	
Resource and Capability	Agency Industrial organization	Human resource Dynamic capabilities Resource dependent Resource based view Organization learning Contingency Strategic alliance	Social network Social capital	Social cognitive	
Entrepreneur	Human capital Behavior economics	Behavior decision		Social cognitive	
Team	Human capital	Upper echelon perspective Organization behavior Strategic management Organization learning	Social capital	Social cognitive	
Entrepreneurial Networking	Agency		Social network Social capital Social exchange		Culture
Entrepreneurial Environment	Institutional	Contingency Resource dependent			Culture

Source: Adapted from Cai, Liu, Deng, and Allon, (2011)

From Table 2.8, the theories associated with the entrepreneurial environment and entrepreneurial networking are as follows;

- Agency theory
- Institutional theory
- Contingency theory
- Resource dependent theory
- Social network theory
- Social capital theory
- Social exchange theory
- Culture theory

### ***2.5.1 Specification of a theoretical perspective***

The classical work of Low and MacMillan (1988), specified two main theoretical perspectives of entrepreneurship research. The first is the ‘Strategic adaptation perspective’ which links entrepreneurial success to the individual entrepreneur and has been used in entrepreneurship research for most of the time. The second adopted recently is the ‘Population ecology perspective’ which considers the environment as the most important determining factor of entrepreneurial success. Building on the work of Low and McMillan (1988), Amit et. al (1993) classified entrepreneurship theory literature according to perspectives and purposes and proposed the following theories:

- Explanatory theory – explains entrepreneurial behavior and performance
- Predictive theory – characterizes conditions and predict outcomes

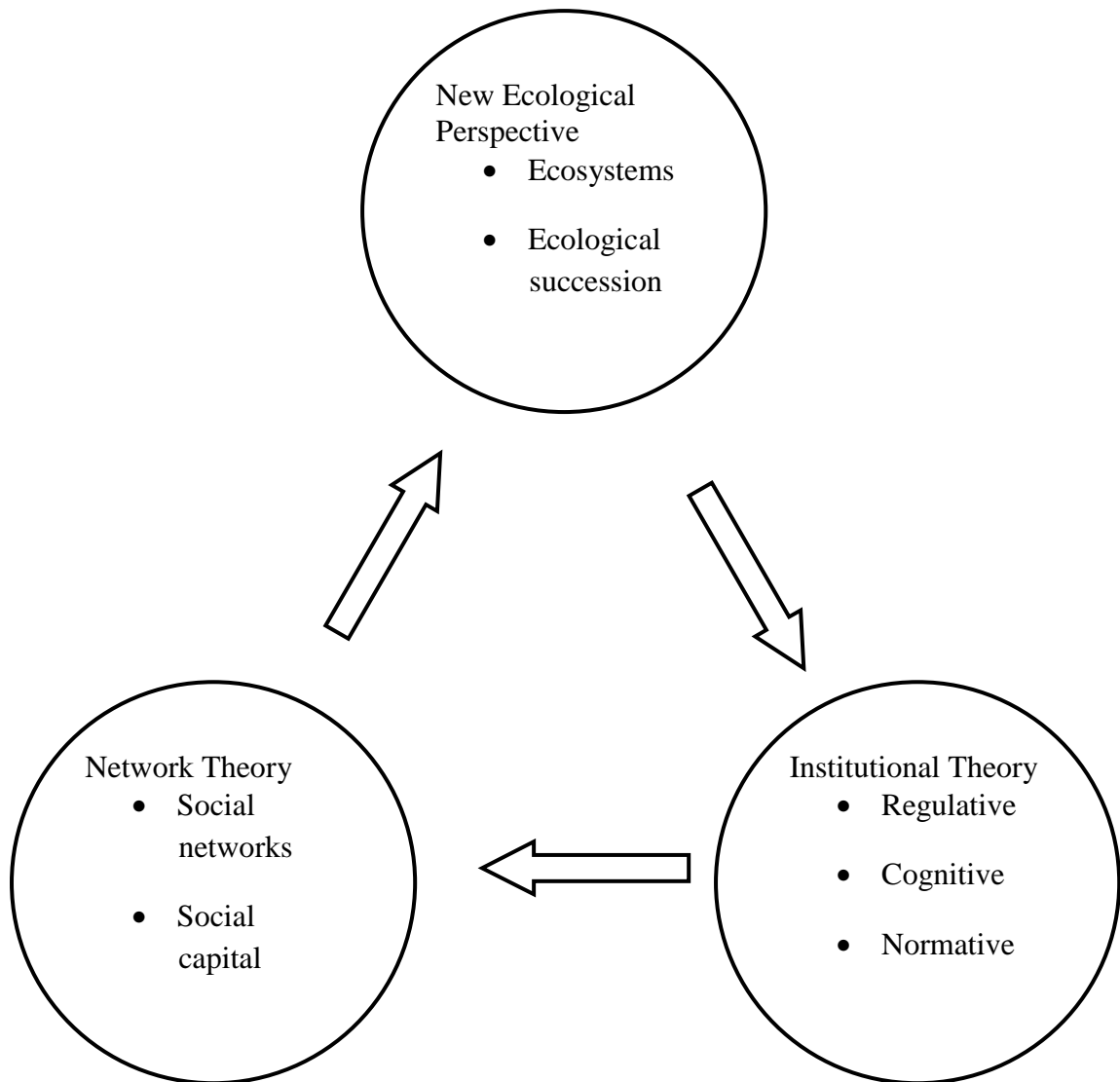
- Normative theory – provides guidance for practice
- Social/Cultural theory – linking entrepreneurship to the larger social and cultural context
- Personality based theories – specific psychological characteristics
- Network theory – social links that facilitate or hinders entrepreneurs
- Population ecology theory – environmental factors as essential determinants
- Finance theory – focus on capital markets
- Economic theory – centers on equilibrium analysis.

McKenzie and Sud (2009), stressed that the ecological perspective is an approach to overcome the limitation of the study of entrepreneurship on the actions of individuals and organizations and proposed a new ecological perspective.

Combining the theories associated with the entrepreneurial environment, the ecological perspective and the network theory, the theoretical framework to be used for this research was developed. It is illustrated in Figure 2.4. A brief description of the dimensions of these theories follows in the next section.



Figure 2.4. Theoretical framework for the Research.



### 2.5.2 *The ecological perspective*

The field of ecology explores on the relationship between living organisms and the external environment (the world) and it originated from the biological discipline. The ecological perspective has been applied to different disciplines such as anthropology, education, management economics and social justice (Steward, 1955; Gardner, 2005, Blewitt, 2006; Sisaye, 2006; Tisdale, 2004; Nelson and Winter, 1974; Ehrenfeld, 2000). In entrepreneurship, the ecological perspective has

been applied using two ontological platforms; ecosystems and ecological succession (McKenzie and Sud, 2009).

### *2.5.2.1 Ecosystems*

A natural ecosystem is fundamentally a multidimensional and complex ecological concept. The first basic definition of a natural ecosystem can be traced back to Sir Arthur Tansley, who in 1935, defined an ecosystem as a community of living organisms (biotic) and its associated physical environment (abiotic) in a particular place (Pickett and Cadenasso, 2002). Groups of organisms are normally associated with three different levels of organization: populations, communities and ecosystems. A population is a group of individuals often referred to as a single species (e.g. entrepreneurs, policymakers, suppliers, clients and professionals). A community includes all of the population occupying a physical geographical area. The community with the environment and the interactions therein make up the ecosystem (Tansley, 1935). But both the strategic choice and the ecological perspective clearly make the same assumptions with regards to system dynamics that successful systems (individuals organizations and populations) are driven by negative feedback processes that predict the different states of adaptation to the environment (Stacey, 1995). Furthermore the author (ibid.) posited that both perspectives assume that there are clear cut links between specific causes and specific effects. Negative feedback then ascertains movements targeted towards the achievement of a predictable equilibrium state where stable and regular behavior dynamics apply. For positive feedback on the other hand, virtuous cycles are some examples of positive feedback loops especially in organizations according to several scholars such as Gouldner (1964), Merton (1957) and Arthur (1988). Other scholars that have demonstrated that nonlinearity and positive feedback loops are fundamental properties of organizational life are Forrester (1958), Hall (1976) and Senge (1990) and they emphasized that patterns of behavior can emerge without being intended and at times they emerge contrary to intentions thus producing unexpected outcomes.

The three main issues that are addressed by this perspective are as follows; (a) systematic properties – what are the evolutionary and transformational processes that make organizations changeable? (b) intentions versus emergence – what is the possibility of determining the long-term future outcomes of a changeable system and (c) free choice versus determinism and constraint – are agents in a changeable system free to make a choice or are their choices determined (Stacey, 1995). This perspective combines the study of nonlinear and network feedback systems that incorporate self-organization and emergent order with systems being characterized by both negative and positive feedback as they coevolved far away from equilibrium in a manner that is self-organizing towards unpredictable long-term outcomes (Stacey, 1995).

#### *2.5.2.2 Ecological succession*

Ecological succession is a process by which a natural community moves from a relatively basic level of organization to a relatively sophisticated level of organization. Four theoretical explanations were utilized by Van de Ven and Poole (1995) to explain how and why change occurs; Life cycle theory – from the pre-configured form to the next form.

Teleological theory - philosophical doctrine of the entity forms its guiding movement

Dialectical theory – organizations exist and compete in a pluralistic world

Evolutionary theory – entrepreneurial outcome, the processes and contexts using the basic concepts of variation, adaptation, selection and retention (Aldrich, 1999).

Ecological succession focuses on how populations of organizations change over time especially through demographic processes. It is concerned with business churning while paying attention to organization dynamics particularly the competition of organizations for limited resources (Hannan and Freeman, 1989).

### ***2.5.3 Institutional Theory***

Institutions according to North (1991) are constraints that are artificially designed to provide checks and balances on political, economic and social interactions. The constraints can be informal (taboos, customs and traditions) and formal rules (constitutions and laws). They evolve gradually and link the past with the present to the future. It is assumed that institutions provide an incentive structure to an economy and as that structure evolves, it determines the direction of economic change towards growth. The literature on institutions focus on the aspect that institutions are considered to be efficient solutions to problems of organization in a competitive setting (Williamson, 1985).

Baumol (1990), in his seminal piece contributed to the literature by illustrating that institutions do not only determine the level but also the type of entrepreneurship and introduced the concepts of productive, unproductive and destructive entrepreneurship. There is a bilateral relationship between institutions and entrepreneurs where institutions control entrepreneurs and entrepreneurs in turn, control institutions (Henrekson and Sanandaji, 2010). This means that organizations are not always passive, but they sense and respond to institutional pressure according to their resource dependencies (Oliver, 1991). If institutions are firmly rooted, then to change them and even create new ones due to the exigencies of individuals and organizations seems paradoxical. Scholars have tried to solve this dilemma by moderating notions of institutional rigidity with notions of prudence and strategic compliance based on the interest of organizations (Holm, 1995; Seo and Creed, 2002) which resulted in the agency versus structure debate.

Kostova (1997) posited the concept of a three dimensional country institutional profile in explaining how a country's government policies, social knowledge and value system affect business activities. The dimensions are; the regulative, the cognitive and the normative. They are briefly explained in the sub-sections that follow. These dimensions were originally developed by Scott (1995).

### *2.5.3.1 Regulative dimension*

This consists of the laws, rules and regulations and governments policies that provide support to entrepreneurial ventures and reduce the risks for nascent entrepreneurs launching a new venture (Busenitz, Gomez and Spencer, 2000). It also facilitates the efforts of entrepreneurs in acquiring resources. This pillar provides guidelines for new entrepreneurial ventures and leads to organizational and individual compliance with laws (Bruton, Ahlstrom and Lin-Li, 2010).

### *2.5.3.2 Cognitive dimension*

This dimension comprises the skills and knowledge of the population of a society that pertains to the launching and operating of an enterprise (Busenitz, Gomez and Spencer, 2000). Particular sets of knowledge become institutionalized within certain countries but in other countries, knowledge is not readily available. This pillar operates more at the individual level in terms of culture and language. It is becoming increasingly important in entrepreneurship in terms of how societies accept entrepreneurs, inculcate values and sometimes create a cultural milieu that encourages an entrepreneurial society (Bruton, Ahlstrom and Lin-Li, 2010).

### *2.5.3.3 Normative dimension*

This dimension focuses on evaluating to what extent a society admires entrepreneurial activities and values creative and innovative thinking (Busenitz, Gomez and Spencer, 2000). Normative institutions exert influence because of a social obligation to comply which is rooted in social necessity or what is expected of an organization or an individual (March and Olsen, 1989). Certain societies have norms that facilitate and promote entrepreneurship and its financing while other societies discourage entrepreneurship either intentionally or unintentionally though it is not illegal by introducing norms that constraint entrepreneurial activities (Soto, 2000).

#### *2.5.4 Network Theory*

Networks can be defined from various perspectives. However, they are often defined as collaborative relationships between actors. These actors can be individuals, groups, communities and organizations (Aldrich and Zimmer, 1986). They may take the form of joint ventures, strategic alliances, licensing arrangements, sub-contracting or joint marketing activities (Groen, 2005). But networks lack the legitimate organizational authority to arbitrate or settle the disputes that may arise during the relationship (Thornton and Flynn, 2003).

Networks furnish entrepreneurs with the opportunities to obtain information from a wide variety of sources, to test their ideas and to gain moral support (Birley, 1985). Networks have been seen to be crucial in the creation and development of new ventures as they have been shown to improve entrepreneurial effectiveness by providing access to resources out of the reach of the entrepreneur and competitive advantage without much capital investment (Slotte-Kock and Coviello, 2009). Although there is agreement among scholars on the importance of networks for entrepreneurial performance, there are arguments about which aspects of the network enhance entrepreneurial performance. Two contrasting arguments known as the closure argument and the structural holes argument persist (Klyver and Schott, 2011). The main domains of the network theory that are embedded in entrepreneurship are the social network and the social capital. These domains are therefore considered in this study.

##### *2.5.4.1 Social network*

This domain demonstrates the nature and effect of the interaction that occurs between actors (individuals, groups, communities and organizations). It perceives the actors as being related to each other by transactions and exchanges and that the synergies derived are broader than the exchanges themselves (Mitchell, 1973). It assumes that individuals and organizations are dependent on other individuals and organizations and that the interacting social entity can manipulate others and be manipulated by others (Boissevain, 1973). Social network analysis encompasses two

different paths. One path is concerned with the mechanisms and processes that yield certain outcomes whilst the other path refers to processes which determines the reasons for particular network structures (Borgatti and Halgin, 2011).

Social networks are not fixed or static; they are the dynamic social context of businesses that could be triggered at any point in time according to various imminent needs (Granovetta, 1985). They can be bounded by political, social and geographic jurisdiction that may influence entrepreneurial activities (Thornton and Flynn, 2003). An example is the different legal institutions among nations in supra national unions like the European Union (EU) and the African Union (AU).

#### *2.5.4.2 Social capital*

Social capital is defined as the real and virtual contacts that accrue to entrepreneurs through the social structure to facilitate the attainment of entrepreneurs' goals (Gabbay and Leeneders, 1999; Lin, 1999). This means that entrepreneurs search for contacts to help them accomplish goals and these could be primary (personal) contacts of the entrepreneur or secondary (persons known to the entrepreneur) who could extend their contacts to the entrepreneur. When all these contacts contribute to the goals of the entrepreneur, they then qualify to become the social capital of the entrepreneur (Burt, 1992). These contacts can be informal and formal, work and non-work relationship, colleagues from school, earlier jobs colleagues, friends and family.

The social glue that produces cohesion is partly considered to be the social capital. It can be seen as a collection of social networks where an entrepreneur is socialized or aspires to be socialized and relations within and outwith the firm are being considered to be social capital (Stiglitz, 2000). Social capital may be considered as a necessary productive asset according to Coleman (2000), without which it would be difficult to achieve certain outcomes.

In the entrepreneurial context, it is assumed that firms with less social capital are susceptible to opportunistic behavior and are incapable of building a long term cooperative and collaborative relationship with partners, and this incapability often culminates in these types of firms spending

more time monitoring relationships. On the other hand, firms with more social capital save resources in relationship maintenance to be utilized for the establishment of new ones (Walker, Kogut and Shan, 1997).

A multi theoretical approach is used in this study to show that the main concepts can be explained using a combination of different theories and at different levels of analysis. It also enhances viewing the concepts from different theoretical perspectives. Table 2.9 developed for this study shows the relationships between the concepts and the multi theories at multi levels. The emphasis of the levels of analysis both at the micro and macro levels is due to the fact that micro phenomena is embedded in macro level contexts and macro phenomena is an outcome of the interaction and dynamics of elements at the lower level (Kozlowski and Klein, 2000). However, in entrepreneurship, researchers tend to use either the macro or the micro level.

Table 2.9. Relationships between concepts, theories and level of analysis

<b>Concept</b>	<b>Theory</b>	<b>Level of analysis</b>
Entrepreneurship Ecosystems	Ecological perspective Network Theory	Individual, organization, society
Entrepreneurship Environments	Institutional Theory Network Theory	Individual, organization, society
Entrepreneurship Policies	Institutional Theory Ecological Perspective	Individual, organization, society

The concept of the entrepreneurial economy being linked to the findings of this study is not included in Table 2.9. However, it is reviewed alongside the other concepts to enhance a thorough understanding of all the concepts so as to be able to identify gaps in the literature that will enable the formulation of the research questions. In the next section, a review of the concepts is presented.

## **2.6 Review of the major concepts**

The major concepts of the entrepreneurship phenomenon that are used in this work are; entrepreneurship environment, entrepreneurship policy, entrepreneurship ecosystem and



entrepreneurial economy. Assuming that the supply of entrepreneurs is constant over time in any society (Baumol, 1990), The study focused on the other aspects that determine the rate, level and type of entrepreneurship of countries in Africa.

### ***2.6.1 Entrepreneurship environment***

According to the Oxford English dictionary, an environment is defined as “the surroundings or conditions in which a person, animal or plant lives or operate” (Oxford English Dictionary, 2006 p.333). In this work, the emphasis is on the conditions or surroundings in which entrepreneurs operate which is inclusive of the physical infrastructure (roads, electricity, and logistics) and non-physical resources (education, finance, support). The importance of the entrepreneurship environment is gaining attention from scholars and practitioners due to the connection between entrepreneurial activities, the environment and entrepreneurial outcomes. Entrepreneurship contexts are in the embryonic phase of emergence and as a consequence, exhibit considerable novelty (Zahra and Wright, 2011) and they are also challenging as the frontiers of such contexts are changing continuously and rapidly because of the dynamism of the actors and processes involved. The context is also important in understanding when, why and how entrepreneurship happens (Welter, 2011). The importance of studying entrepreneurship environments is also echoed by Van de Ven (1993), who stated that the study of entrepreneurship is deficient if it focuses only on the characteristics and behaviors of entrepreneurs on one hand and treat the environment influencing entrepreneurship as an external statistics on the other hand.

Contexts can either be substantive or methodological where substantive contexts refer to the context individuals or groups face whilst methodological contexts refer to the detailed information of research studies (Welter, 2011). The substantive contexts are further divided into the omnibus context which is concerned with the broad perspective relating to who, when, where, what and why whilst the discrete context is concerned with specific situational variables (Johns, 1991). In the management research perspective the context refers to circumstances, conditions, situations or

environments which are external to the entrepreneurial phenomenon but promotes or discourages it (Welter, 2011). In the organizational theory, the environment is viewed using two lenses; environmental determinism which portrays the environment as an external set of conditions to which an organization must adapt (Aldrich, 1979; Hannan and Freeman, 1977) and strategic choice which views the environment as a kind of reality that organizations create through the selectivity of their own perceptions (Starbuck, 1976; Weick, 1979). Entrepreneurship research has considered both perspectives (Gartner, 1985).

Thornton (1999), identified two perspectives for viewing entrepreneurship environments; the supply side perspective where the role of entrepreneurs in strengthening an entrepreneurial environment is stressed and the demand side perspective, where the availability, accessibility and distribution of environmental resources is emphasized. It appears evident that entrepreneurial success at the macro level does not only depend on the psychological and sociological behavior of the entrepreneur but also on the environment in which entrepreneurship occurs (Wilken, 1979; Lee and Peterson, 2000) though Kiggundu (2002), cautioned that an enabling entrepreneurial environment in itself is necessary but insufficient by itself to ensure successful entrepreneurial performance.

Several scholars have shared common views about a country's institutional profile that influences the entrepreneurship environment. There is concordance that such a profile comprises three pillars; the regulative, the cognitive and the normative (Kostova, 1997; Scott, 1995; North, 1990; Myer and Rowan, 1977; Busenitz, et. al, 2000). Despite this agreed view on the pillars, no widely accepted set of environmental conditions has emerged from primary studies although several scholars do agree on the importance of these conditions (Gnyawali and Fogel, 1994; Bruno and Tyebjee, 1982; Van de Ven, 1993).

Gnyawali and Fogel (1994) in their seminal study lamented that the literature on entrepreneurship environments is highly fragmented. For example, a group of scholars have concentrated on the environmental conditions (Bruno and Tyebjee, 1982; Gartner, 1985; Staley and Morse, 1971) whilst another group has concentrated on examining what is out there (Dana, 1987; Davidsson, 1991;

Pennings, 1982; Takyi-Asiedu, 1993) and another group sought to understand the role of government in developing entrepreneurship (Mokry, 1988; Segura, 1988; Vesper, 1983; Westhead, 1990, El-Namaki, 1988).

Recognizing the fragmentations in the entrepreneurship environment literature and in the list of environmental conditions, Gnyawali and Fogel (1994), developed a conceptual framework that attempted to integrate the different strands of literature. It somehow includes the major environmental conditions. The conceptual framework is illustrated in Table 2.10.

Table 2.10. A framework for entrepreneurial environments

<b>Environment Dimension</b>	<b>Sub-components</b>
Government Policies and Procedures	<ul style="list-style-type: none"> <li>• Restrictions on import and export</li> <li>• Provision of Bankruptcy laws</li> <li>• Entry barriers</li> <li>• Procedural requirements for registration and licensing</li> <li>• Number of institutions for entrepreneurs to report to</li> <li>• Rules and regulations governing entrepreneurial activities</li> </ul>
Socioeconomic Conditions	<ul style="list-style-type: none"> <li>• Public attitude towards entrepreneurship</li> <li>• Presence of experienced entrepreneurs</li> <li>• Successful role models</li> <li>• Existence of persons with entrepreneurial characteristics</li> <li>• Recognition of exemplary entrepreneurial performance</li> <li>• Proportion of small firms in the population of firms</li> <li>• Diversity of economic activities</li> <li>• Extent of economic growth</li> </ul>

## Entrepreneurial and Business Skills

- Technical and vocational education
- Business Education
- Entrepreneurial Training programs
- Technical and vocational training programs
- Availability of information

## Financial Assistance

- Venture capital
- Alternative sources of financing
- Low-cost loans
- Willingness of financial institutions to finance small entrepreneurs
- Credit guarantee programs for start-up entrepreneurs
- Competition among financial institutions

## Non-Financial Assistance

- Counseling and support service
- Entrepreneurial networks
- Incubator facilities
- Government procurement programs for small businesses
- Government support for research and development
- Tax incentives and exemption
- Local and international information networks
- Modern transport and communication facilities

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Source: Adapted from Gnyawali and Fogel (1994)

This framework is one of the frameworks that has been adopted in developing the questionnaires for this study since the five major dimensions presented in this framework will be examined for each of the countries selected to understand the nature and state of the entrepreneurship environment.

Governments play a crucial role in determining the entrepreneurship environment of countries as they have the task of promulgating rules, laws and regulations and have the authority to devise and administer a judicial system that enforces these laws, rules and regulations. Frye and Shleifer (1997) divided governments' intervention into three main modes: the grabbing hand – where government functionaries pursue their own agendas and as such, corruption and bribery is high; the helping hand – where bureaucrats are actively involved in promoting entrepreneurial activities but in the process, support firms that they have close links with and kill off the rest; the invisible hand – where the government is relatively incorrupt and incorruptible, organized and munificent. It is theoretically evident that if a government offers an invisible hand, the creation of a conducive entrepreneurial environment is enhanced and the opposite is true when the government offers a grabbing hand. A looming question is why these hands take different forms in countries and how can this be changed (Fogel, Hawk and Yeung, 2006).

A conducive entrepreneurship environment is a prerequisite for the fostering of high growth entrepreneurship as it influences both the rate and type of entrepreneurship. This is missing virtually in all emerging and least developed countries. Scholars such as Stenholm, Acs and Wuebker, (2013), have proposed the conducive pillar as a fourth dimension to a country's institutional profile for entrepreneurship. Their argument is based on the premise that the established three pillars of a country's institutional profile for entrepreneurship influence the quantity of entrepreneurship in a country but to influence the quality of entrepreneurship, the conducive pillar is most appropriate as this dimension it is assumed, could contribute significantly to the emergence of high growth firms which contributes to entrepreneurial economic growth (Acs, 2010).

As the literature on entrepreneurship environments is still limited and fragmented especially from research conducted in emerging and least developed countries particularly from geographies like Africa, there have been signals that more research needs to be conducted. The importance of the entrepreneurship environment calls for more research and this call has been recognized by scholars and practitioners (Welter, 2011). The missing elements identified are illustrated in Table 2.11.

Table 2.11. Missing elements in the entrepreneurship environment literature

GAPS	AUTHORS
The relationship between the institutional environment and entrepreneurial processes and outcomes is an understudied topic that has received little attention from institutional scholars.	Aldrich (1999)
Most of the research conducted has not paid adequate attention to the entrepreneur who is the main beneficiary of the entrepreneurship environment. There is no explicit link between the needs of entrepreneurs and how the environment fulfill these needs.	Gynawali and Fogel (1994)
Existing literature fails to address the needs of entrepreneurship policy makers.	Hoy (1989)
There is a need for more research to address the heterogeneity of the contexts in which entrepreneurship activities takes place.	Hjorth, Jones and Gartner, (2008) Wright (2011)
There is a limited understanding of what factors are associated with high rates of entrepreneurship in a country and what governments can do to promote entrepreneurship.	Spencer and Gomez (2004)

### 2.6.2 *Entrepreneurship ecosystem*

It has been observed that the prevailing paradigm of management theories of an epoch closely imitate the prevailing paradigm of that epoch's scientific theories (Ackoff and Emery, 1972). As an example, the scientific theories of the 19<sup>th</sup> century held that a system is in a natural state of equilibrium and that departure from this state will be damped out. The system is considered to be reductionist and deterministic and by understanding the components of a system and the manner in which they interact, the future states of the system could be predicted (Bohm, 1957). Management theories also held reductionism, determinism and equilibrium as core principles (Hayles, 1991). But, as science progressed, different paradigms of the scientific phenomenon have emerged, similarly, different paradigms of the management phenomenon have also emerged (Dooley, 1997). One such paradigm is the Complex Adaptive System (CAS) which uses systematic enquiry to build

multivalent, multilevel and multidisciplinary representations of reality. A Complex Adaptive System is both self-organizing and learning (Dooley, 1997) a view also shared by Allen (2001), who emphasized that if a system could be understood at all, it is a co-evolving learning system with multiple possible futures. Recently, scholars have proposed the concept of a Dynamic Open Complex Adaptive System (DOCAS) and entrepreneurship to be viewed as part of such a system (Etemad, 2004). The main characteristic of a DOCAS is that a minute change in one part of the system can propagate large effects in other parts as time goes on and the system as a whole differs from the sum of its parts in its evolutionary path. When the whole is greater than the sum of the parts, positive energy occurs and when the whole is less than the sum of its parts, negative energy occurs (Holbrook, 2003; Stacey, Griffin and Shaw, 2000). Examples of CAS are social systems, ecologies, economies, politics, cultures and ecosystems. The salience of complexity theory to understanding entrepreneurship has been recognized (Fuller and Moran, 2000; McKelvey, 2004). This recognition juxtaposed with the importance of both non equilibrium systems and multiple levels of analysis in entrepreneurship research brings ecosystems of entrepreneurship in consonance with the Schumpeterian entrepreneurship (Schumpeter, 1934), where entrepreneurship is seen as a discontinuous change that disequilibrates economies.

The ecosystem concept consists of three dimensions; the meaning, the model and the metaphor (Pickett and Cadenasso, 2002). An early definition of an ecosystem was forwarded by Sir Author Tansley in 1935 in which he states that the ecosystem is a biotic community or assemblage and its associated physical environment in a specified space. This definition is general but it is applicable to any case where there is an interaction between organisms and physical processes. Models are generally used to translate the definition and metaphors are used in academic parlance either in the scientific, technological or social disciplines (Pickett and Cadenasso, 2002).

Applying the metaphor dimension in entrepreneurship, an entrepreneurship ecosystem is defined simply as the interaction of the stakeholders of entrepreneurship with the entrepreneurship environment in determining the entrepreneurial performance of a region or a country. Temko (2009)

highlighted the 'Darwin Effect' and stated that if businesses can be considered as living organisms, then entrepreneurial ecosystems are the 'primordial pools' responsible for spawning new types of life. In other words, they are the systems where unique and effective ideas are nurtured and cultivated to effectively revolutionized entrepreneurship. However, McKelvey (2004), in his argument for complexity science to be the basis for entrepreneurship research, stressed emergence in pre-equilibrium conditions at the core of the analysis rather than the Darwinian revolutionary approaches.

Before the emergence of entrepreneurship ecosystems, clusters have represented well known phenomena of either industrial convergence or agglomeration which are two countervailing economic forces for industrial performance (Delgado, Porter, and Stern, 2007). Clusters have since evolved from industrial districts to industrial clusters and then to poles of competitiveness (Ganne and Lecler, 2009). However, extant literature on clusters failed to consider the role of entrepreneurs and entrepreneurship in creating and co-creating organizations, markets and ecosystems (Pitelis, 2012) and this negligence has weakened the conceptual framework of clusters this scholar further asserted. To ameliorate this apparent anomaly, the scholar proposed an entrepreneurial theory of clusters based on the concept of ecosystems.

The entrepreneurial ecosystem consists of all economic actors and the entrepreneurship environmental factors existing in a geographical area. The quality, capability and capacity of the entrepreneurship ecosystem is determined by the number of actors with adequate entrepreneurial experience and potential (Spilling, 1996). It is well established that geographical areas or regions vary with respect to the level of entrepreneurship activities. Some countries enjoy rapid entrepreneurial growth whilst other countries fail to unleash and foster local entrepreneurship (Saxenian, 2000; Arthur, 1994; Krugman, 1991). It is also confirmed that many countries try to stimulate national entrepreneurship by improving environmental factors (Venkataraman, 2004) but the results are not impressive as only a handful of countries have succeeded in unleashing entrepreneurship. This variance in the rate of entrepreneurship has raised the important question of



how a country that lacks entrepreneurial tradition can be transformed to become an entrepreneurial society (Arikan, 2010).

Extant literature, suggests a two phase process for countries that lack an entrepreneurial tradition when attempting transformation to an entrepreneurial society; the first phase is that of emergence and the second phase is that of reinforcement (Feldman, 2001). Research on entrepreneurship has concentrated on the second phase by providing explanations on how existing entrepreneurship begets more entrepreneurship (Porter, 1990; Marshall, 1920; Stuart and Sorenson, 2003; Baum, 1996; Aldrich and Fiol, 1994). However existing literature that has examined the first phase has been relatively limited and the question of how countries that lacked an entrepreneurial tradition will start to unleash entrepreneurship and develop conducive entrepreneurial systems that will lead to the reinforcing phase (Chiles, Myer and Hench, 2004; Feldman, 2001) is still unanswered.

Recalling that entrepreneurship literature has considered both the supply and demand side of entrepreneurship (Thornton, 1999), in most cases scholars have treated each perspective separately, an approach which presents a partial picture of the emergent phase. This incompleteness triggered the search for a conceptual framework that could give a complete picture of the emergent phase *ceteris paribus* for countries that have not yet establish an entrepreneurial tradition. Ecosystems ability to combine the supply and demand sides focusing on the interactions between actors and their environments can be suitable for understanding the drivers of entrepreneurship transformation. Such a transformation in the language of Complex Adaptive Systems is referred to as a bifurcation from a non entrepreneurial society to an entrepreneurial society (Arikan, 2010).

Entrepreneurship ecosystems have also been used as a benchmark for the formulation and implementation of entrepreneurship policies according to Kantis and Federico (2012) as the concept is used to compare successful international best practices. There is a consensus amongst scholars that entrepreneurship ecosystems comprise diverse actors that are interconnected within specific areas which include the following basic building blocks; Universities, Research and Development (R&D) institutions, human capital, networks both formal and informal, government, investors and

venture capitalists, professional service providers, non-governmental organizations and an enterprising culture that connects all of these blocks in a DOCAS mode (Isenberg, 2011; Cohen, 2006; West and Bamford, 2005).

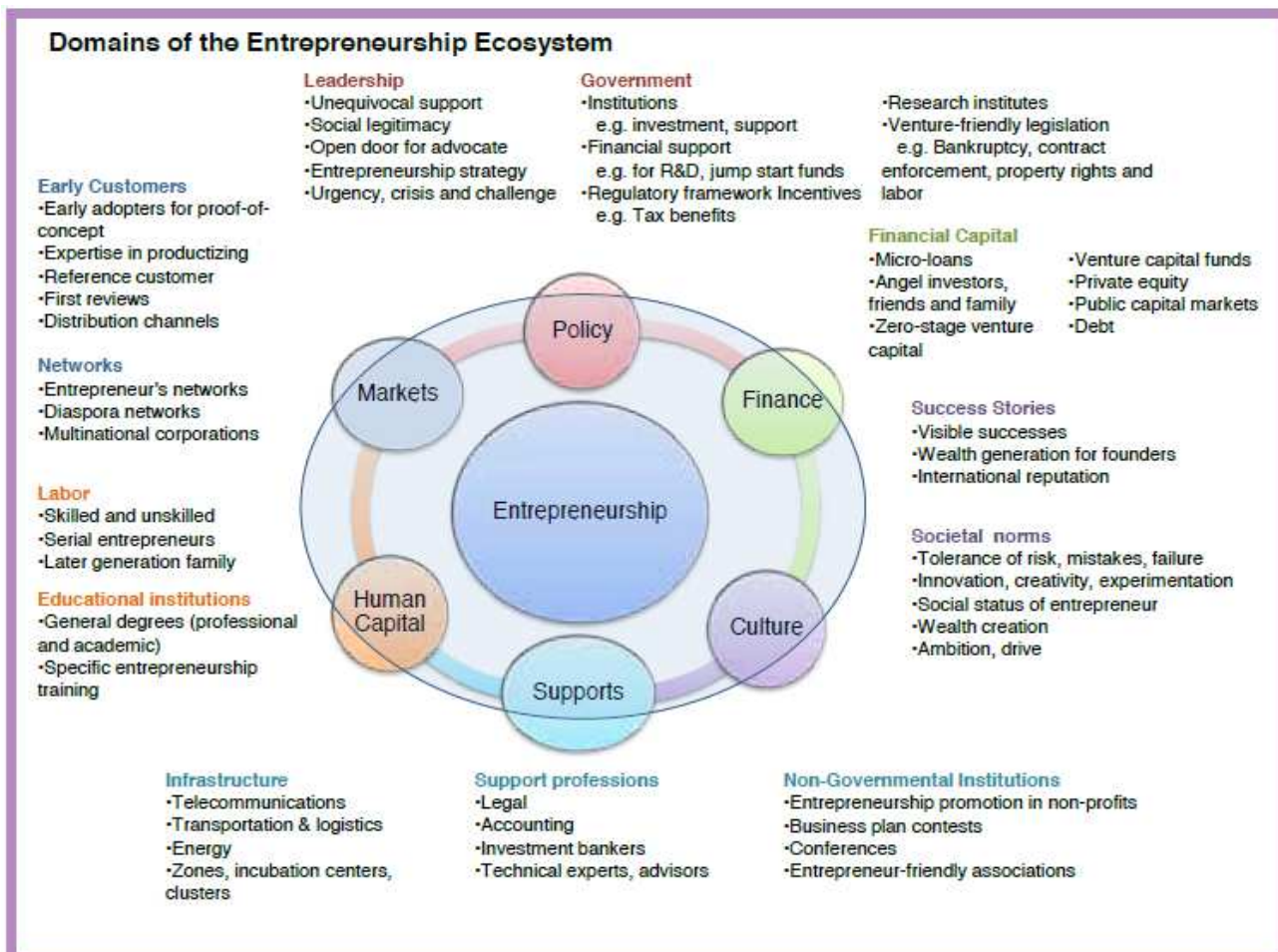
Almost all of these building blocks are locally based and country specific, each ecosystem is therefore unique as a result of the idiosyncratic way in which these building blocks are combined. Although the governing principles are the same, replicating or emulating ecosystems is therefore risky and would not yield the desired results. (Isenberg, 2011; West and Bamford, 2005). For example, the entrepreneurship environment in Africa has been blamed for the poor entrepreneurial performance in the continent (Elkan, 1988; Ng and Yeats, 2000) and there is sufficient anecdotal evidence that there is a scarcity of high growth ventures in the continent. However, research carried out on entrepreneurship ecosystems is very limited as the concept is still emerging (OECD, 2013) and that work which has been conducted is usually based on reports, policy briefs and position papers by international institutes. Also since each country has its own particularities, the ecosystem of a country is unique to that country which necessitates an in-depth diagnosis of the state and nature of entrepreneurship in the country as a first step towards building entrepreneurship ecosystem frameworks (Kantis and Federico, 2012).

In his seminal paper “The Big Idea: How to start an entrepreneurial revolution?”, Isenberg (2010), posited that to stimulate venture creation and growth, there is a need for governments to create an entrepreneurship ecosystem that encourages and sustains entrepreneurship and he presented nine prescriptions for creating an entrepreneurial ecosystem: stop emulating Silicon Valley; shape the ecosystem around local conditions; engage the private sector from the start; favor high potentials; get a big win on the board; stress the roots; do not over engineer clusters; help them to grow organically; reform legal, bureaucratic and regulatory frameworks. The scholar warned that in most cases governments take the misguided approach in building entrepreneurship ecosystems by pursuing some unattainable ideal of an ecosystem and benchmark economies that are completely different from theirs for best practice (Isenberg, 2010). Another approach of mapping

entrepreneurship ecosystems is that presented by Koltai (Nadgrodkiewicks, 2013) which prescribes six pillars that enhance a successful entrepreneurial ecosystem: identify; train; fund; connect and sustain; enable and celebrate entrepreneurs and six key participants who must be involved: government; corporations; foundations; nongovernmental organizations; academic institutions and investors.

There are various conceptual entrepreneurship ecosystems frameworks developed by scholars and institutions. They are mostly based on the prescriptions and pillars mentioned above with variances in the configuration. Some of these frameworks are; The Babson College Entrepreneurship ecosystem project which consists of twelve elements consolidated into six main domains is illustrated in Figure 2.5.

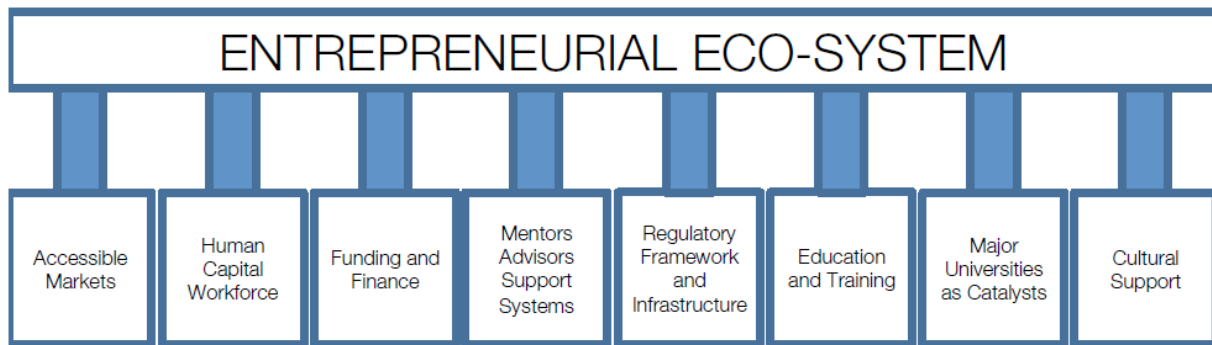
Figure 2.5. Domains of the entrepreneurship ecosystem



Source: Adapted from Isenberg (2009).

Another entrepreneurship ecosystems framework is that formulated by the World Economic Forum (WEF, 2013) which comprises eight pillars. It is illustrated in Figure 2.6 and Figure 2.7 along with the components of each pillar.

Figure 2.6. Entrepreneurship ecosystem from WEF



Source: Adapted from the WEF Report summary (2013).

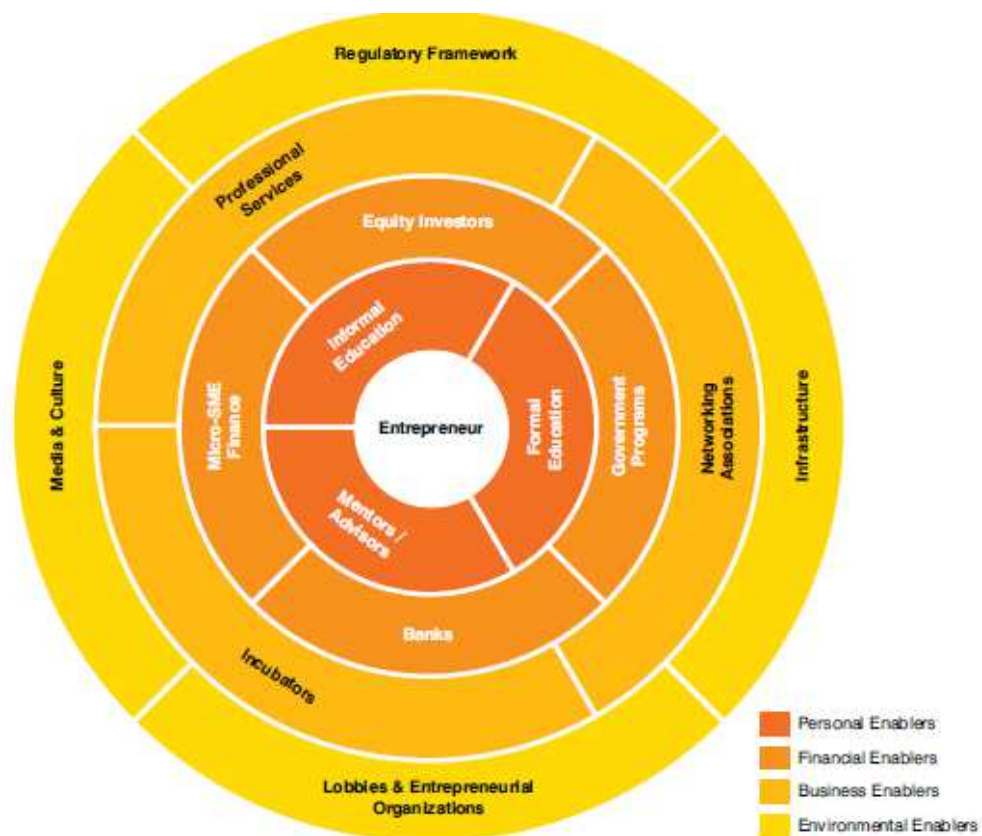
Figure 2.7. Components of the Entrepreneurship ecosystem pillars from WEF

COMPONENTS OF ENTREPRENEURIAL ECO-SYSTEM PILLARS	
<p><b>Accessible Markets</b></p> <ul style="list-style-type: none"> <li>• Domestic Market – Large Companies as Customers</li> <li>• Domestic Market – Small/Medium Companies as Customers</li> <li>• Domestic Market – Governments as Customers</li> <li>• Foreign Market – Large Companies as Customers</li> <li>• Foreign Market – Small/Medium Companies as Customers</li> <li>• Foreign Market – Governments as Customers</li> </ul>	<p><b>Human Capital/Workforce</b></p> <ul style="list-style-type: none"> <li>• Management Talent</li> <li>• Technical Talent</li> <li>• Entrepreneurial Company Experience</li> <li>• Outsourcing Availability</li> <li>• Access to Immigrant Workforce</li> </ul>
<p><b>Funding and Finance</b></p> <ul style="list-style-type: none"> <li>• Friends and Family</li> <li>• Angel Investors</li> <li>• Private Equity</li> <li>• Venture Capital</li> <li>• Access to Debt</li> </ul>	<p><b>Support System</b></p> <ul style="list-style-type: none"> <li>• Mentors/Advisors</li> <li>• Professional Services</li> <li>• Incubators/Accelerators</li> <li>• Network of Entrepreneurial Peers</li> </ul>
<p><b>Regulatory Framework and Infrastructure</b></p> <ul style="list-style-type: none"> <li>• Ease of Starting a Business</li> <li>• Tax Incentives</li> <li>• Business-Friendly Legislation/Policies</li> <li>• Access to Basic Infrastructure (e.g. water, electricity)</li> <li>• Access to Telecommunications/Broadband</li> <li>• Access to Transport</li> </ul>	<p><b>Education and Training</b></p> <ul style="list-style-type: none"> <li>• Available Workforce with Pre-University Education</li> <li>• Available Workforce with University Education</li> <li>• Entrepreneur-Specific Training</li> </ul>
<p><b>Major Universities as Catalysts</b></p> <ul style="list-style-type: none"> <li>• Major Universities Promoting a Culture of Respect for Entrepreneurship</li> <li>• Major Universities Playing a Key Role in Idea-Formation for New Companies</li> <li>• Major Universities Playing a Key Role in Providing Graduates for New Companies</li> </ul>	<p><b>Cultural Support</b></p> <ul style="list-style-type: none"> <li>• Tolerance of Risk and Failure</li> <li>• Preference for Self-Employment</li> <li>• Success Stories/Role Models</li> <li>• Research Culture</li> <li>• Positive Image of Entrepreneurship</li> <li>• Celebration of Innovation</li> </ul>

Source: Adapted from the WEF Report summary (2013).

The consulting firm Booz & Company has formulated an entrepreneurship ecosystem framework which consists of four elements: personal enablers; financial enablers; business enablers and environmental enablers which is illustrated in Figure 2.8.

Figure 2.8. The entrepreneurship ecosystem from Booz & Company



Source. Adapted from Booz & Company (2011).

An example of a practical analysis of an entrepreneurship ecosystem is from the report of Scotland’s participation in the Massachusetts Institute of Technology (MIT) inaugural Regional Entrepreneurship Acceleration Programme (REAP). Five areas that constrain the ecosystem were identified: Improve networking linkages; Improve skills for growth; Improve access to growth finance; Improve the role of universities; Promote innovation driven entrepreneurship. An approach known as the ‘Collective Impact Approach’ that will enhance the creation of lasting solutions was

advocated. This approach is based on a commitment that involves different stakeholder groups. The five main conditions that determine a successful collective impact approach are as follows:

- Common agenda – shared vision
- Continuous communications – consistent and open
- Mutually reinforcing activities – differentiation and coordination
- Shared measurement – data collected and measured consistently
- Backbone organizations – separate special organizations

(Chisholm et al, 2014).

Figure 2.9, illustrates the key stakeholders in the entrepreneurial ecosystem stakeholder model. The report made the following observations with regards to Scotland.

Entrepreneurs: Scotland lacks a substantial body of experienced, talented and well networked entrepreneurs.

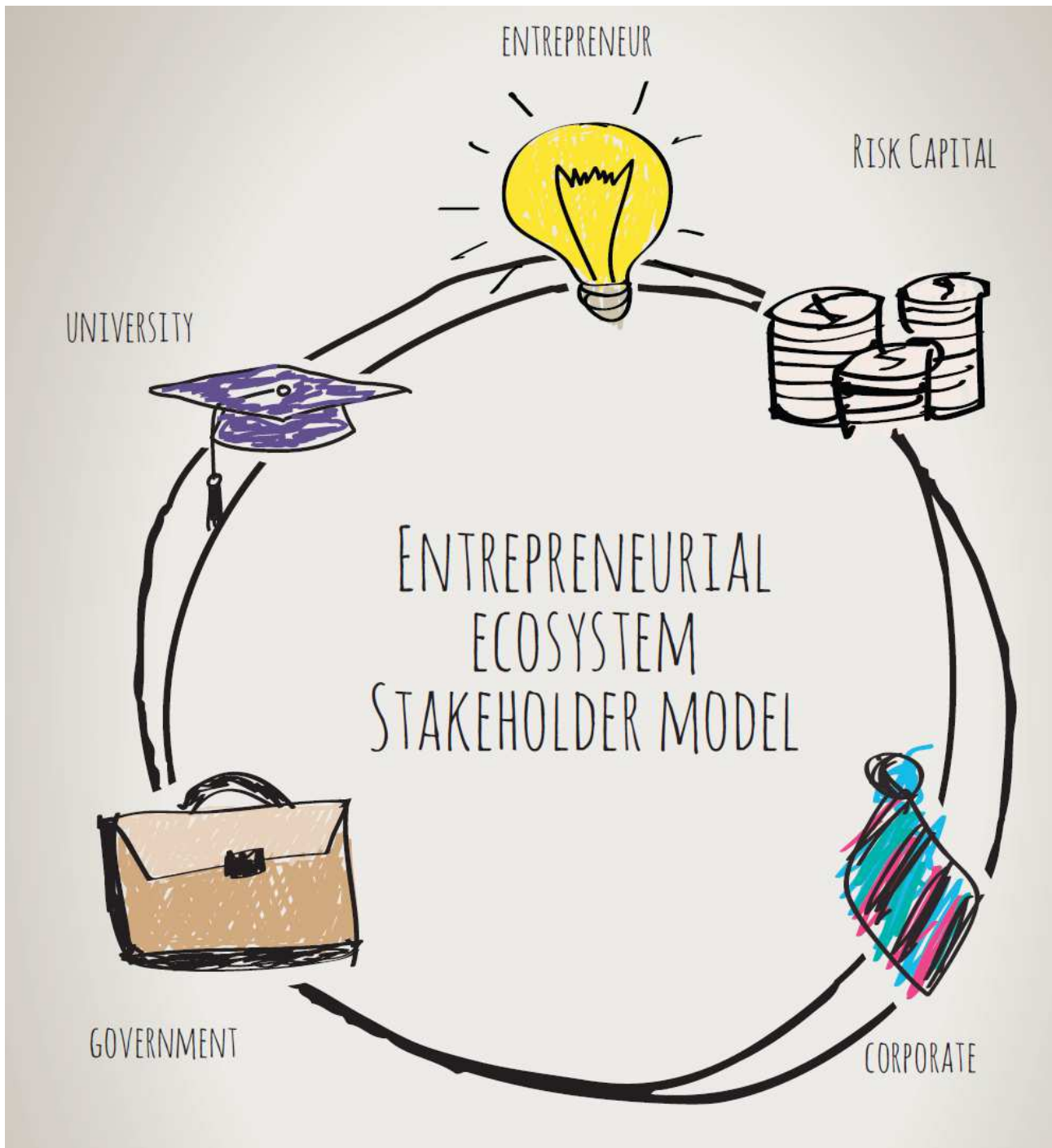
Risk capital: Scotland has a highly sophisticated angel community.

Universities: 19 Universities and Higher Institutions of Education which received public funding of approximately £2 billion from the UK research councils.

Corporate organizations: Large businesses (2270) and medium scale (3705) businesses though only 18% of large businesses and 59% of medium businesses are headquartered in Scotland.

Government: recent renewed commitment to the development of the culture of entrepreneurship (Chisholm et al, 2014).

Figure 2.9 Key stakeholders in the entrepreneurial ecosystem



Source: Adapted from MIT Sloan School of Management

There are many other entrepreneurship ecosystems frameworks in extant literature. However these four frameworks originating from different sources; academic, a global institution, an international consultancy firm and an example from a country within the United Kingdom have been used to



develop the questionnaires for the collection of data for this study. The combination of the four frameworks, it is assumed will lead to the formulation of questions with the wide coverage and depth necessary to reveal the state and nature of national entrepreneurship systems which will lead to the formulation of country specific entrepreneurship ecosystems.

A challenge for scholars studying entrepreneurship ecosystems is to bridge the gap between theory and practice and be able to translate some of the research findings into useful policy recommendations for practitioners (Gulati, 1998). It should be emphasized that the sub-discipline of entrepreneurship ecosystems is an emerging area of research within the entrepreneurship discipline, the extant literature is therefore very limited and there is a chasm in understanding the entrepreneurship ecosystems of countries as these systems are country specific. Other gaps are related to the missing elements in the existing literature with regards to the way entrepreneurs perceive the numerous and different pillars of entrepreneurship ecosystems and which pillars entrepreneurs considered to be most important (WEF, 2013).

### ***2.6.3 Entrepreneurship policy***

Entrepreneurship policy is an emerging concept that is yet to be properly developed according to Lundstrom and Stevenson (2001). These scholars define entrepreneurship policy as a policy measure formulated to stimulate entrepreneurship, encompassing the pre-start, start-up and post start-up phases of the entrepreneurial process and is designed to stimulate motivation, opportunity recognition and exploitation and enhance skills and competences development with the primary aim of encouraging more individuals to venture into entrepreneurship. However, an evident weakness of this definition is that it concentrated on the entrepreneur and excludes the environment, the market and competition though government policy usually has more influence on entrepreneurial activities than it does on the supply of entrepreneurship (Baumol, 1990; Bowen and De Clercq, 2008).

In contrast to the definition of entrepreneurship policy proposed by Lundstrom and Stevenson (2001) above, another scholar Shane (2009), argues that encouraging more people to become

entrepreneurs is bad policy. He based his argument on the fact that in general, typical startups are not the source of economic vitality or job creation and that to obtain higher economic growth, startups should be more productive than existing companies. The focus of entrepreneurship policy should therefore shift from subsidizing typical startups to supporting a subset of businesses with growth potential Shane recommended.

Entrepreneurship policy is quite distinct from small and medium scale enterprises policy. Though the two are used interchangeably and the dividing line is blurred (Lundstrom and Stevenson, 2001). The former is concerned with enhancing the creation of new ventures by entrepreneurs either as startups or in established businesses (intrapreneurship) whilst the latter is concerned with the functioning of established businesses. Another way of distinguishing entrepreneurship policy from SME policy, is that almost every country has a ministry or government agency that is mandated to promote the SME sector whilst no such ministry or agency exist for the promotion of entrepreneurship (Audretsch, 2003). A caveat is that entrepreneurship policies should not be considered as a panacea for entrepreneurial economic growth in least developed countries as they may also lead to crime and social exclusion (Hall, Matos, Sheehen and Silvestre, 2012). To thwart the diversion of entrepreneurship capital towards non productive or destructive activities such as crime and rent seeking, special sets of policies are needed to (1) reward productive entrepreneurship and (2) foster entrepreneurship at grass-roots level since this level is vulnerable to monopoly and foreclosure (Dutz, Ordober and Willig, 2000).

Entrepreneurs have operated before the emergence of entrepreneurship policy since production was undertaken mainly in small scale craft establishments that were usually family owned during the 18<sup>th</sup> and 19<sup>th</sup> centuries. But this trend changed at the turn of the 19<sup>th</sup> century when large scale production was introduced and favored as these artisanal firms were considered inefficient (Chandler, 1977) and as a consequence neglected. Recognizing the superior efficiency of the large scale firms, the problem of what to do with the small firms became evident. Two views emerged

from political debates; (1) small businesses should disappear or (2) small businesses should be maintained for political and social reasons (Gilbert, Audretsch and McDougall, 2004).

The emergence of knowledge as a predominant production factor shifted the market structure as shown by scholars such as Holbrook, Cohen, Hounshell and Klepper (2000), in their multiple case study research which demonstrated how differences in the evaluation of knowledge resulted in the launching of numerous small scale new ventures which are considered to be the vehicles for the transmission of 'sticky' knowledge (Von Hippel, 1994). This shift resulted in a new policy intervention for countries at all levels changing the fundamental role of government from that of an overseer of business to that of a partner of business by enabling and fostering the establishment and growth of new small scale ventures (Gilbert, Audretsch and McDougall, 2004). Such a policy became known as entrepreneurship policy.

In practice, however, entrepreneurship policy poses significant challenges according to Minniti (2008) since its effectiveness requires the presence of an appropriate trade-off between market concentration and productivity performance. Entrepreneurship policy should also be tailored to the specific institutional context of each country as one size does not fit all. (Wagner and Stenberg, 2004). For example the environment required for entrepreneurship in an urban area might be quite different to that of a rural area. Policy design therefore needs to take into consideration local differences.

The breakthrough research of Birch (1979), where his findings demonstrated that 80 percent of new jobs were created by small firms rather than large corporation in the United States of America, with research in other countries confirming these findings, resulted in the importance of entrepreneurship policy being recognized by governments in most parts of the world. The works of Loveman and Sengenberger (1991) and Acs and Audretsch (1993), documented the reemergence of SMEs and entrepreneurship in Europe and America. In the light of this revelation, governments should focus their efforts in targeting policies and programs specifically directed at the entrepreneurship sector

rather than aiming to improve the overall national business sector. Some of the government policy intervention outlined by Verheul, Wennekers, Audretsch and Thurik. (2001) are as follows;

- Demand side of entrepreneurship – impact the type, number and accessibility of entrepreneurial opportunities
- Supply side – impacts the pool or supply of potential entrepreneurs
- Availability of resources – increase the availability of finance and other informational resources
- Shaping entrepreneurial values in the culture – positive attitudes towards entrepreneurship
- Altering the risk reward profile of entrepreneurs – decision making process of individuals and their occupational choices.

On the supply side, there is a strand of literature which posits that government cannot raise the supply of entrepreneurs, interventions merely influence the allocation of entrepreneurial ability (Baumol, 1990).

Designing policies for entrepreneurship in developing countries is complicated according to Naudè (2010). The scholar proposed three fundamental conditions that should be considered when designing such policies. (1) should entrepreneurship be supported, (2) can entrepreneurship be supported and (3) how to establish the most effective means of support taking into consideration the country's level of development as the nature and capability of a country's level should be taken into consideration when designing these policies.

The difference in the level of development of countries influences the coupling between entrepreneurship and public policy. The work of Schott and Jensen (2008), which examined the coupling between entrepreneurship and public policies in developed and developing countries showed that it is weak in developing countries and strong in developed countries due to various reasons ranging from the fact the developing countries implement policies that are based on the experiences of developed countries which do not usually fit in well with the situation in developing

countries, that policies are not implemented fully and are internally inconsistent due to lack of resources and they are more of a paper exercise than actual activity. The scholars argued further that the lack of economic growth in developing countries is not due to the lack of appropriate policies but rather to an implementation void because the existing entrepreneurship policies do not fit into the local socioeconomic context. This assertion is supported by the research of Drori (2003) which confirmed that the coupling between science and policy is weak in developing countries but strong in developed countries.

Lundstrom and Stevenson (2001), in their exploratory study, attempted to provide an holistic overview of the national scenes, the national policy agenda, major program measures and institutions and outlined the evolution from SME policy to entrepreneurship policy, but out of the ten countries selected for the study, no African country was considered. There is therefore a need to examine public policies in countries in Africa with regards to entrepreneurship. Although many countries are finding ways to increase entrepreneurial performance due to the burgeoning evidence that a higher level of entrepreneurship contributes to economic growth and development (Lado and Vozikiz, 1996; Storey, 1994), the strategies for the design and implementation of entrepreneurship policies are still underdeveloped (Lundstrom and Stevenson, 2001). This view is shared with scholars like Michael and Pearce II (2009) who expressed that there is no conceptual framework indicating how and why entrepreneurs need assistance to exploit opportunities and from what threats they need protection. Storey (2000) echoed that where policies existed, there are inconsistencies and contradictions leading to the efforts of governments being seen as less effective. Despite the practical importance of entrepreneurial policy, researchers and policymakers, have a limited understanding of which factors are associated with rates of high growth entrepreneurship and what governments should do to promote entrepreneurship in their countries (Spencer and Gómez, 2002). This stance is supported by Naudè (2010) who has asked what shape and format should policies or interventions take. Unfortunately, the design and implementation of such policies

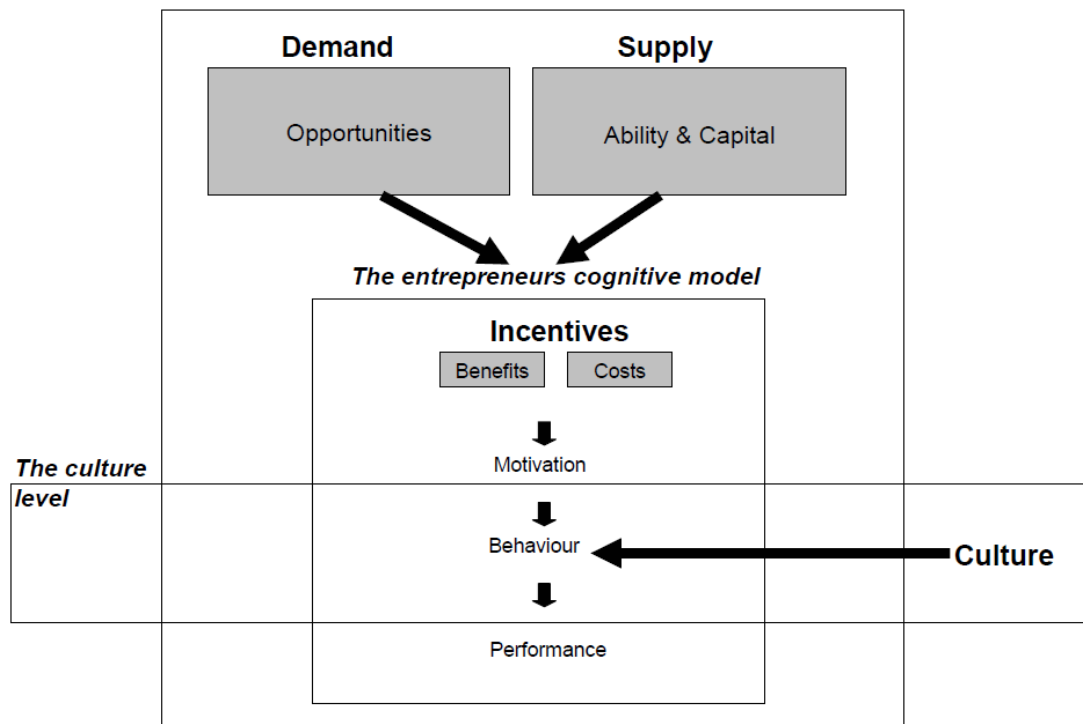
requires less literary but a more prosaic approach which is a seemingly difficult task (Holtz-Eakin, 2000).

Promoting entrepreneurship policy in developing countries is difficult as there is a lack of adequate impact evaluations that show what works and what does not (Lerner, 2009) and many impact evaluations do not attribute impacts or outcomes to interventions (White, 2009). The lack of reliable data makes evaluation and cross country comparisons very difficult. There is therefore a need for more research to understand what works and why with respect to entrepreneurship policies and the impact of these policies (Braunerhjelm, 2010; McKenzie, 2011). It is also noted that researchers, policymakers and practitioners in developing countries live in parallel worlds which makes bridging research and policy difficult though doable (Court and Maxwell, 2005).

Although the theoretical literature on the entrepreneurship discipline is expanding, only a few scholars have developed entrepreneurship policy frameworks (Gabr and Hoffman, 2006). Some of these frameworks are illustrated in Figures 2.9, 2.10 and 2.11. These frameworks will be combined to develop questionnaires that will reveal the actual state of entrepreneurship policy and enhance the formulation of entrepreneurship policy frameworks specific to countries in Africa by utilizing factors that fit into the entrepreneurial landscape of these countries. The frameworks will also serve groups of countries according to the patterns in their dominant policy.

The model in Figure 2.9 separated the factors influencing entrepreneurship into three interacting elements; the demand-supply conditions, the entrepreneur's cognitive model of motivation and culture. All the elements are integrated from policymakers' points of view and possible policy choices that enhance growth (Gabr and Hoffman, 2006). The model in Figure 2.10 illustrates the various determinants, empirical forms and economic impacts of entrepreneurship (Peneder, 2009).

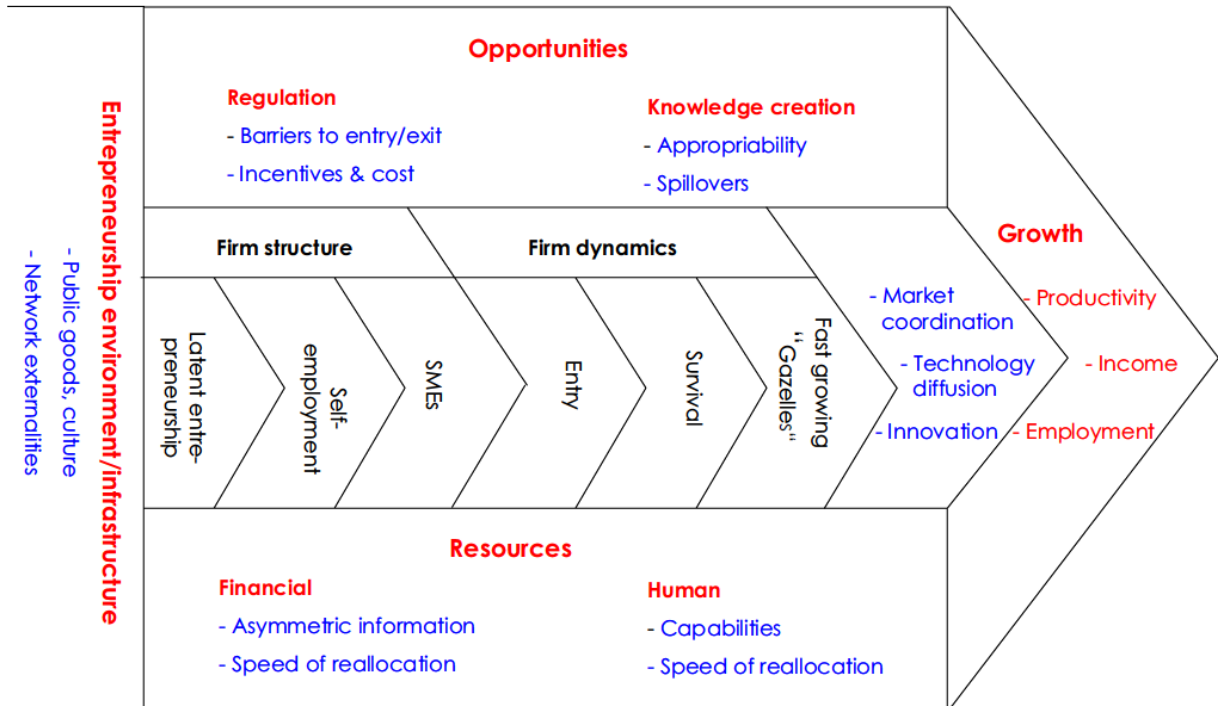
Figure 2.10. The policy framework of growth drivers for entrepreneurship



Source: Adapted from Gabr and Hoffman (2006).

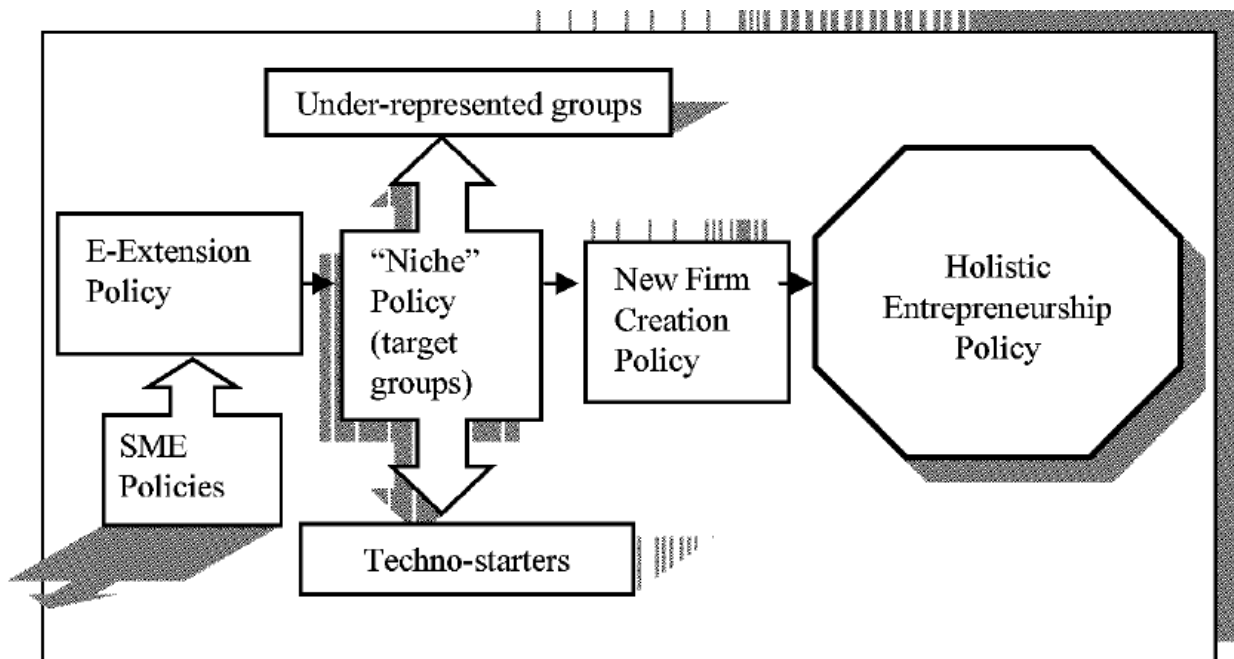
The model in Figure 2.11 illustrates four entrepreneurship policy types: E-extension policy which is an add on to the existing SME policy; new firm creation or business startup policy; niche entrepreneurship policy also referred to as target group policy for groups such as women, youths, high-tech entrepreneurs; and holistic entrepreneurship policy which is the most comprehensive type since it incorporates the other three types. This framework has already been used to group ten countries in research conducted by Lundstrom and Stevenson (2002) and the results show that a government's approach does not fall exclusively in one category but tend to be partially in a dominant category and in a secondary category.

Figure 2.11. The Entrepreneurship policy framework



Source: Adapted from Peneder (2009).

Figure 2.12. Entrepreneurship policy types



Source: Adapted from Lundstrom and Stevenson 2002



#### ***2.6.4 Entrepreneurial economy***

Two economic models are usually considered when describing the macroeconomic situation of countries. These are the managed economy and the entrepreneurial economy. The managed economy has been modeled on the political, social and economic responses to an economy that is centrally planned, controlled by government and dictated by forces of large scale production that reflects the predominant factors of capital, land and labor. By contrast the entrepreneurial economy is modeled as an economy that is increasingly being dominated by knowledge, entrepreneurship capital, entrepreneurial capability and capacity to engage in entrepreneurial activities (Thurik, 2009). The distinction between the two economic models applies to both the developed and developing countries. Whilst developed countries are assumed to easily shift to adopt an entrepreneurial economy model, this assumption is not applicable to developing countries as these countries are still consolidating the managed economy as the managed part of an emerging economy fits in well with the centralized economic system where conformity and homogeneity are credited to play a significant role (Thurik, 1999).

The contrasts between the two models with regards to the different roles they play in entrepreneurship can be summed up as thus; the model of the planned economy based its roots solidly on stability, specialization, homogeneity, scale, certainty and predictability whilst that of the entrepreneurial economy focused on flexibility, turbulence, diversity, novelty and innovation (Thurik, 2009). Understanding the difference between the two models is essential when explaining the causes and consequences of entrepreneurship in the managed and entrepreneurial economies (Wennekers, Uhlaner and Thurik, 2002). Audretsch and Thurik (2004) have identified fourteen dimensions that show the differences between the two models. Table 2.12 illustrates these differences.

The entrepreneurial economy can, therefore, be defined as an economy that is derived from the entrepreneurial activities of a country with regards to the overall economic activities in the country

(Audretsch, Keilbach and Lehmann, 2006). It is yet to be clearly defined and measured but it is gaining global importance as governments are encouraging entrepreneurial economic growth due to mounting evidence that the key to economic growth lies in the entrepreneurial capacity of an economy (Audretsch, Keilbach and Lehmann, 2006). It emerged due to the shift from large scale enterprises to small scale enterprises as knowledge became a vital production factor (Thurik, 2009). Traditional industrial evolution theories posited that entrepreneurship will retard economic growth as these theories neglected the role of knowledge and posited that static efficiency with

Table 2.12 The differences between the model of the entrepreneurial and the managed economy.

<b>Category</b>	<b>Entrepreneurial economy</b>	<b>Managed economy</b>
Underlying forces	Localization	Globalization
	Change	Continuity
	Jobs <u>and</u> high wages	Jobs <u>or</u> high wages
External environment	Turbulence	Stability
	Diversity	Specialization
	Heterogeneity	Homogeneity
How firms function	Motivation	Control
	Market exchange	Firm transaction
	Competition <u>and</u> cooperation	Competition <u>or</u> cooperation
	Flexibility	Scale
Government policy	Enabling	Constraining
	Input targeting	Output targeting
	Local locus	National locus
	Entrepreneurial	Incumbent

Source: Adapted from Audretsch and Thurik (2004).

the ability to utilize economies of scale and scope dictates growth. In contrast, new industrial evolution theories consider dynamic efficiency and stress the role of knowledge in stimulating and generating growth (Audretsch, 2010) as scholars have discovered that the traditional production factors are not sufficient in explaining the causes of growth (Romer, 1986; Lucas, 1988; Krugman, 1991).

At the advent of globalization, concerns were expressed by scholars that the emergence of knowledge which is an important determinant of growth and competitiveness in the global markets would render small firms obsolete due to the additional costs of acquiring knowledge which could

only be incurred by large firms (Vernon, 1970; Caves, 1982; Chandler, 1990). Despite these concerns, small firms have survived and prospered. Though knowledge has been identified as the fourth production factor in addition to the traditional ones, it is a very different yet complementary factor commonly referred to as entrepreneurship capital that dictates economic growth and competitiveness (Audretsch and Keilbach, 2003). Entrepreneurship capital can have a positive impact on growth and competitiveness in a number of ways: (1) by creating knowledge spillovers (Romer, 1986; Lucas, 1988, Grossman and Helpman, 1991); (2) through augmenting the number of enterprises and increasing competition (Jacobs, 1969; Porter, 1990); (3) by providing diversity among firms (Cohen and Klepper, 1992).

Studies that examines the impact of entrepreneurship on performance where the unit of analysis is the country are conspicuously scarce save for the efforts of the Global Entrepreneurship Monitor (GEM) (Reynolds et al., 2000) and the empirical evidence provided by Thurik (1999). Despite the universal claims that link entrepreneurship to economic growth, there is a paucity of theoretical frameworks linking entrepreneurship to economic growth and the reversed causality of economic development as it influences entrepreneurship (Carree and Thurik, 2010).

Wennekers and Thurik (1999) in their work titled “Linking Entrepreneurship to Economic Growth”, concluded that little is known on how entrepreneurship can best be promoted or how entrepreneurship influences economic performance and proposed an agenda of research at the macro level, and has the following major areas:

- Understanding the major determinants of failure, mere survival and success of new startups
- The contribution of Schumpeterian entrepreneurship, intrapreneurship and self-employment to national economies; which roles have institutions and policy played
- How can the results of research conducted in the areas above, be incorporated into econometric models, which are now being used in policy analysis

## **2.7 Gaps identified**

The concepts related to the topic of the research as reviewed are divided into the following four categories:

- Entrepreneurship environments
- Entrepreneurship ecosystems
- Entrepreneurship policies
- Entrepreneurial economy

The extant literature has been reviewed and the existing body of knowledge has been explored to identify the missing elements which are shown at the end of each of the section that deal with each concept (sections: 2.6.1;2.6.2;2.6.3;2.6.4). Synthesizing all these missing elements in each of the concepts, the main gaps for the research were identified.

### **2.7.1 Gap No.1**

There is a paucity of research with regards to entrepreneurship in Africa. The limited research that is available is mainly focused on describing entrepreneurial attributes rather than providing appropriate frameworks for entrepreneurship development and that existing models and frameworks mainly originating from the developed world, are unlikely to apply directly to situations in developing countries such as those located in Africa (Bruton, Alstrom and Obloj, 2008; Lingelbach, De La Vina and Asel 2005; Kiggundu, 2002; King and McGrath, 1999; Naudè, 2008).

### **2.7.2 Gap No.2**

The relationship between the institutional environment and the entrepreneurial processes and outcomes especially the link between the needs of the entrepreneurs and the dimension of the entrepreneurship environment is an understudied topic. There is also a need to examine the

heterogeneity of the contexts in which entrepreneurship activities take place to understand which factors are associated with high rates of entrepreneurship in a country. The needs of policymakers have not been adequately addressed. (Gynawali and Fogel, 1994; Hoy, 1989; Wright, 2011; Horgth, Jones and Gartner, 2008; Spencer and Gómez, 2004).

### **2.7.3 Gap No. 3**

There is a need to conduct an in-depth diagnosis of the state and nature of entrepreneurship in countries in Africa as a prerequisite for the mapping of entrepreneurship ecosystems as such systems are idiosyncratic and there is also a need to understand the way entrepreneurs perceive the numerous and different pillars of the entrepreneurship ecosystem and which pillars entrepreneurs consider to be the most important (Isenberg, 2010; Kantis and Federico, 2012; WEF, 2013).

### **2.7.4 Gap No.4**

Policy is usually being made without the benefit of substantive research findings. The existing knowledge and information on what and how to formulate entrepreneurship policies is insufficient which resulted in a gap in formulating country specific policy frameworks conditions that are conducive to entrepreneurship especially in developing countries in Africa. (Stevenson and Landstrom, 2001; Wagner and Stenberg, 2004; Michael and Pearce II, 2009; Spencer and Gomèz, 2004).

## **2.8 The research questions**

In formulating the research questions, the original research problem is revisited. The research problem states that: ***Limited research is available on entrepreneurship policies and ecosystems for countries in Africa that could be useful to policymakers and practitioners in fostering sustainable entrepreneurial economic growth.*** From the gaps identified in the preceding review and the focus of the research problem, the following research questions were formulated.

### **Research question 1**

*What is the impact of entrepreneurship ecosystems on entrepreneurs in selected African countries?*

### **Research question 2**

*How can entrepreneurship ecosystems in selected African countries be improved through entrepreneurship policies to attain sustainable economic growth?*

## **2.9 Relevance of the research questions**

The first research question is relevant from an entrepreneur's point of view who though being the key player in entrepreneurship is often sidelined when formulating policies or mapping ecosystems. Having the opinions of entrepreneurs is a step in the right direction in cultivating successful entrepreneurship ecosystems.

The second research question is relevant from both a theoretical and a practical point of view as it will enhance the extension of knowledge from research conducted in the developing countries since there are very few studies of this type. From a practical point of view, policymakers in the countries selected for the research could use the findings to benchmark and refine existing policies and ecosystems frameworks.

## **2.10 Conclusion**

In this chapter, the literature was reviewed and parent theories pertinent to the subject of this study were also reviewed. The review looked at the general situation of entrepreneurship as well as the specific situation with regards to Africa. From the missing elements in the literature, the gaps were identified which led to the formulation of the research questions. The next chapter will focus on the methodology of the research which includes the choice of the research strategy and the research design.

## **Chapter 3**

### **Methodology**

*“All truths are easy to understand once they are discovered; the point is to discover them.”*

**Galileo Galilei (1564 - 1642)**

#### **3.1 Introduction**

In the preceding chapter, the research gaps were identified leading to the formulation of the research questions. The aim of this chapter is to describe the paradigm on which the research is based and the methodology used in this study followed by their justifications. The research design, protocols and the research methods adopted for data collection are also discussed. The type of sampling and the techniques used for the selection of the samples are presented. Ethical considerations and the issues of dishonesty when conducting this type of research are highlighted.

#### **3.2 Categorizing entrepreneurship research paradigms and methodologies**

It is evident that many disciplines and theories can be identified as contributing to the field of entrepreneurship research even though sometimes they compete with each other. However to underpin research in the lens of the philosophy of science and a theory of society, it is necessary to justify, consolidate and or solidify the various approaches (Lehner and Kansikas, 2011) but according to Nielsen and Lassen (2010), researchers in the entrepreneurship field tend to base the justification of their research methods predominantly on the unit of analysis or the research design and less on the underlying ontological and epistemological aspects.

Researchers especially in the social sciences, usually base their work either explicitly or implicitly on a range of philosophical assumptions with regards to ontology, epistemology and human nature which may have methodological consequences (Jennings, Perren and Carter, 2005). Within these assumptions, two extreme positions have emerged according to Jennings et al. (2005). These positions have been classified as the sociological positivism which is concerned with realist



ontology, positivistic epistemology, the deterministic view of human nature using nomothetic methodologies and on the other extreme, the sociological interpretivism also known as the “German realism” which looks at areas such as subjective ontology, antipositivist epistemology, and voluntarist view of human nature using ideographic methodologies. These extreme positions are shown in Table 3.1.

Table 3.1 Assumptions in subjective and objective views.

<b>Fundamental Beliefs</b>	<b>Objective view</b>	<b>Subjective view</b>
Ontology	Realism	Nominalist
Epistemology	Positivist	Anti positivist
Human Nature	Determinism	Voluntarism
Methodology	Nomothetic	Ideographic

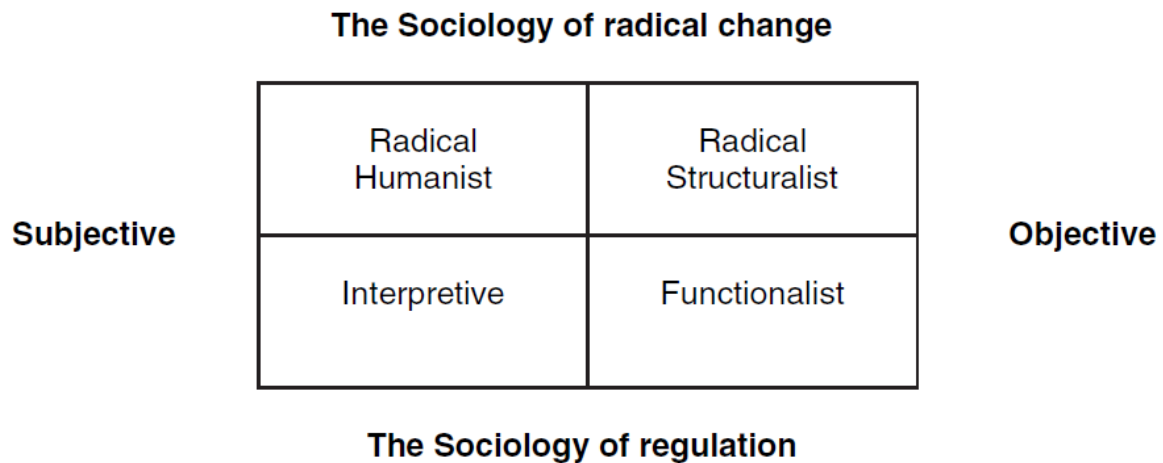
Source: adapted from Burrell and Morgan (1979)

According to Burrell and Morgan (2003), researchers have expressed different opinions about the nature of society with regards to regulation and radical change. Those in line with regulation embrace and emphasize the principles underlying social cohesiveness such as the status quo, social order, consensus, social integration, solidarity, individual or systems’ needs of satisfaction and actuality. In contrast, researchers interested in the radical change perspective, focus their attention on the explanation of structural conflict, modes of domination, contradiction, emancipation, deprivation and potentiality (Jennings et al., 2005).

Generally, researchers in their effort to investigate about the philosophy of science and a theory of society, have delineated four distinctive paradigms referred to as “functionalist, interpretative, radical humanist and radical functionalist” (Burrell and Morgan, 2003). These four paradigms are

shown in Figure 3.1 along the lines of the sociology of radical change or regulation and in the lens of being either subjective or objective.

Figure 3.1 The four distinctive paradigms



Source: Adapted from Burrell and Morgan (2003).

In an attempt to position the field of entrepreneurship research in the philosophy of science, the subjective and the objective stances alongside the interpretative, functionalist and the radical humanist and structuralist have been used. The dominant one so far, is based on the functionalist paradigm, characterized by the objectivist perspective with deep roots in regulation (Chell and Pitaway, 1998; Grant and Perren, 2002). However, some scholars argued that the concentration of entrepreneurship research based on the functionalist paradigm is considered to be narrow which as a consequence has implications both for its followers and those that are experimenting with other paradigms (Burrell and Morgan, 2003) as it has created strong barriers for the minority researchers exploring different paradigms or with alternative points of view (Nielsen and Lassen, 2010). Because of the strength and domination of this paradigm, its adherents have taken it for granted to be the right and self evident approach to entrepreneurship research (Burrell and Morgan, 2003). As a consequence, scholars that have based their research on different paradigms out of the hegemony of the functionalist paradigm are in the minority and their impact is in most cases insignificant (Jennings et al., 2005)

### ***3.2.1 The Functionalist paradigm***

According to Steyaert (2007), functionalist research involves studies that illustrate the entrepreneurship process to be linear or evolutionary in nature resulting in a causal, predictable process which is regulated by the objective laws of equilibrium. It examines the relationship and regularities between components and it is being used in the search for concepts and universal laws that explain reality (Burrell and Morgan, 1979). It is the most common paradigm used in entrepreneurship research (Chell and Pitaway, 1998; Grant and Perren, 2002; Jennings et.al, 2005; Howorth, Tempest and Coupland, 2005).

### ***3.2.2 The Interpretivist paradigm***

A prominent feature of this paradigm is that it focuses on how individuals create, modify and interpret the world and visualize things from a relativistic point of view (Burrell and Morgan, 1979). Followers of this paradigm argue that observing behavior alone does not help in understanding it and suggest that one must experience it directly and personally. Research is viewed as being constitutive and it relates with the subject. Researchers are seen as not only investigating social change but they are also the process initiators through their work (Lehner and Kansikas, 2011).

### ***3.2.3 The Radical Humanist paradigm***

With this paradigm, a subject view of reality is emphasized with a focus on radical change. It is similar to the interpretivist paradigm the difference being that there is no regulation (Howorth, Tempest and Coupland, 2005). Researchers following this paradigm see the research as an attempt to understand how radical change can occur in a society (Jennings et.al, 2005).

### ***3.2.4 The Radical Structuralist paradigm***

This is very similar to the functionalist paradigm. The major difference being that researchers following this paradigm manifest interest in understanding radical changes of what they view as objective and hard structures within society (Jennings et.al, 2005).

### ***3.2.5 Interparadigm transcendence***

In a situation where paradigms are lacking a common quality on which to make a comparison, there is the tendency that scholars will work closely around the dominant paradigm and this may favor its continued dominance thwarting the attempts at comparing different paradigm discourses (Hassard, 1991; Willmott, 1993; Alvesson and Deetz, 2000). The mutual exclusivity of paradigms incommensurability can hinder the understanding of new theory development as theories do not fall from the sky argued Wilmott (1993).

In trying to overcome the impossibility to measure or compare paradigms, an alternative framework based on two continuums was advocated by Alvesson and Deetz in 2000. The first continuum they proposed is in relation to the dominant social discourse that ranges from consensus with the status quo where theory is being built on the prevailing discourse to dissensus where theory contest the prevailing discourse. The other continuum instead deals with the origin of concepts which in a nutshell can be described as either emergent or a priori (Howorth, Tempest and Coupland, 2005). Emergent concepts are considered to be the results of fieldwork while a priori concepts are usually developed from existing theory (Howorth, Tempest and Coupland, 2005).

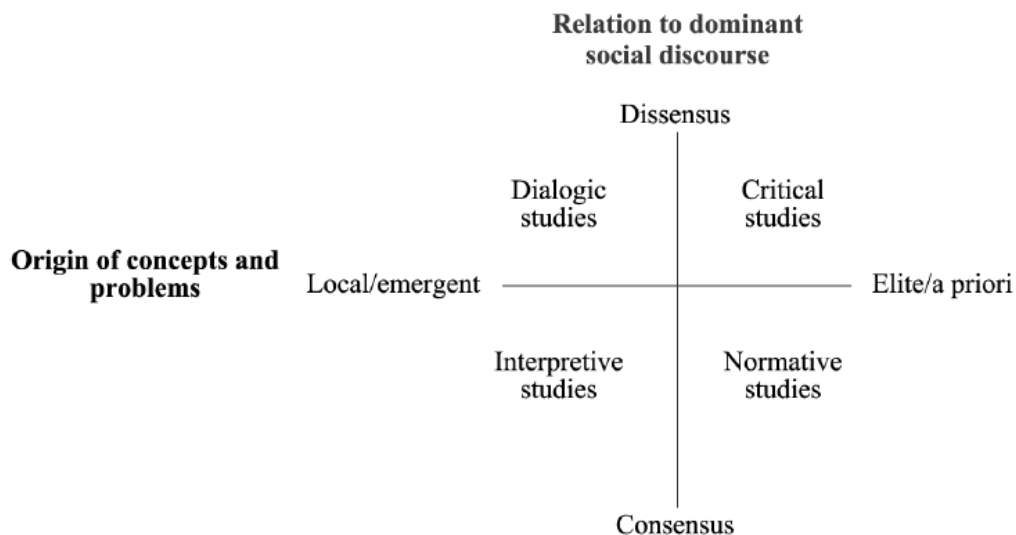
The four main perspectives from this framework are shown in Figure 3.2 and are considered not to be mutually exclusive. They are briefly described thus;

- **Normative studies:** Modern, progressive and built on economic model of objectivity.
- **Interpretive studies:** Pre-modern and traditional where the social actor is the sense maker.
- **Dialogic studies:** Post modern, deconstructionalist and focusing on language.

- **Critical studies:** late modern, reformist, understanding the political roots of domination and ideology (Alvesson and Deetz, 2000).

In entrepreneurship research in general, the use of different paradigms may usher in rich insights. This is the reason why some scholars are suggesting the concept of paradigm interplay as it allows researchers to contrast and connect existing and emerging knowledge and insights (Schultz and Hatch, 1996; Howorth, Tempest and Coupland, 2005).

Figure 3.2 Contrasting dimensions in research programs



Source: Adapted from, Alvesson and Deetz (2000)

Howorth and Tempest (2003) emphasized that paradigm interplay can be particularly useful in entrepreneurship research as it allows greater creativity in the development of theory, illuminates brightly the context and increase the understanding of the entrepreneurial process with respect to practical insights. In justifying the need for pluralism in the use of paradigms in entrepreneurship research, Grant and Perren (2002) posited that it will enhance debate, friction, creativity and ultimately new theories and understanding.

However, traditionally, some research methodologies are associated with particular paradigms (Howorth, Tempest and Coupland, 2005). For example qualitative research is associated with the interpretative paradigm. This research is associated with a variety of paradigms, since it is exploratory, the case study methodology was therefore chosen since with this methodology paradigm interplay is possible. Though a variety of paradigms were considered, the dominant paradigm for this research is pragmatism. Table 3.2 illustrates the different paradigms with the fundamental beliefs.

Table 3.2 The different research paradigms

	<b>Research Paradigms</b>			
<b>Fundamental Beliefs</b>	<i>Positivism (Naïve realism)</i>	<i>Postpositivism (Critical Realism)</i>	<i>Interpretivism (Constructivism)</i>	<i>Pragmatism</i>
<i>Ontology: the position on the nature of reality</i>	External, objective and independent of social actors	Objective. Exist independently of human thoughts and beliefs or knowledge of their existence, but is interpreted through social conditioning (critical realist)	Socially constructed, subjective, may change, multiple	External, multiple, view chosen to best achieve an answer to the research question
<i>Epistemology: the view on what constitutes acceptable knowledge</i>	Only observable phenomena can provide credible data, facts. Focus on causality and law-like generalisations, reducing phenomena to simplest elements	Only observable phenomena can provide credible data, facts. Focus on explaining within a context or contexts	Subjective meanings and social phenomena. Focus upon the details of situation, the reality behind these details, subjective meanings and motivating actions	Either or both observable phenomena and subjective meanings can provide acceptable knowledge dependent upon the research question. Focus on practical applied research, integrating different perspectives to help interpret the data
<i>Axiology: the role of values in research and the researcher's stance</i>	Value-free and etic  Research is undertaken in a value-free way, the researcher is independent of the data and maintains an objective stance	Value-laden and etic  Research is value laden; the researcher is biased by world views, cultural experiences and upbringing	Value-bond and emic  Research is value bond, the researcher is part of what is being researched, cannot be separated and so will be subjective	Value-bond and etic-emic  Values play a large role in interpreting the results, the researcher adopting both objective and subjective points of view
<i>Research Methodology: the model behind the research process</i>	Quantitative	Quantitative or qualitative	Qualitative	Quantitative and qualitative (mixed or multi-method design)

*Based on Saunders et al. (2009, p.119), Guba and Lincoln (2005), and Hallebone and Priest (2009)*

Source: Adapted from Wahyuni (2012).

### **3.3 Justification for the paradigm and methodology**

From Table 3.2, it is evident that the paradigm associated with pragmatism is suitable for this research as both qualitative and quantitative approaches also referred to as the Q-squared approach (Hulme, 2007) will be used to answer the research questions and existing evidence show that this paradigm is compatible with multi methods and mixed methods research (Hall, 2012). Pragmatism has gained support from several scholars as a stance for mixed methods research as it is inclined towards solving practical problems rather than assumptions on the nature of knowledge (Feilzer, 2010; Morgan, 2007; Maxcy, 2003). A criticism of this paradigm is that it lacks a clear definition of what works (Hall, 2012).

The case study methodology was used in this research since it allows the combination of existing theoretical knowledge with new empirical insights according to Yin (1994), and it is useful in investigating topics that have not yet attracted full research attention (Vissak, 2010). It is especially useful for discovery, description, mapping and relationship building (Hillebrand, Kok, and Biemans, 2001; Johnston, Leach, and Liu, 1999) and it allows the researcher to gain a holistic understanding of the phenomenon being researched (Eisenhardt, 1989).

Case studies can also be used to investigate complex and dynamic emerging phenomena like business networks for example (Arenius, 2002; Ghauri, 2004; Gilmore and Carson, 1996) and since entrepreneurship ecosystems, entrepreneurship policy and entrepreneurial economic growth which are the main concepts of this study are dynamic and complex, the case study methodology has been considered as the most appropriate. The Q-squared method when used in case studies for country level analysis offers substantial benefits in terms of data quality, depth of understanding and policy analysis (Hulme, 2007).

A major weakness of the case study strategy is the lack of rigor and the possibility of bias (Yin, 1989; Patton, 1990). Another concern is that its usefulness is limited to exploratory research according to Miles (1979). Critics of this methodology, further claimed that there is little evidence for generalization though such criticisms are either methodological or epistemological. Both



proponents and opponents of the case study methodology, offer a wide range of arguments but they have so far failed to reach an agreement (Gerring, 2004). However, Yin (1981) posited that the refinement and standardization of techniques can correct some of the practical short comings in the case study methodology. For example, bias in the collection and analysis of case study data which is usually seen as a weakness of this methodology can be minimized by the use of multiple sources of data (triangulation of data) (Miles and Hubberman, 1984).

It is evident that all research methodologies have particular strengths and weaknesses depending on the research questions and the circumstances in which the research is carried out. According to Bevan (1997), quantitative research methods continue to be the dominant method in the study of African entrepreneurship. Despite this dominance, the use of alternative methodologies such as qualitative research for the development of knowledge in this discipline with regards to Africa has been advocated by several scholars (Hill, 1970; Meillassoux, 1971; MacGaffey et al, 1991).

### **3.4 Research design**

The research purpose and the research questions are the preferred starting points to construct a research design since they are critical in achieving the aim of the research (Berry and Otley, 2004, Saunders, Lewis and Thornhill, 2009). According to Yin (1994), there are five components of a research design which are important for any case study research. The sub-sections that follow discuss each of these components as they apply to this study. The study is based on multiple cases to be able to compare and contrast the different cases as the study is exploratory in nature.

#### ***3.4.1 Research questions and propositions***

The research purpose and research questions are recalled here since they are the starting point to develop the research design because they provide the clues about the situation the research is aiming to assess.

## **Research Purpose**

*To examine the state and nature of entrepreneurship environments, policies and ecosystems in selected African countries to be able to develop country specific frameworks that will foster sustainable entrepreneurial economic growth.*

## **Research question 1**

*What is the impact of entrepreneurship ecosystems on entrepreneurs in selected African countries?*

## **Research question 2**

*How can entrepreneurship ecosystems in selected African countries be improved through entrepreneurship policies to attain sustainable economic growth?*

From the research purpose and research questions, the following propositions were formulated to guide the researcher in looking for relevant evidence and to move in the right direction taking into consideration the theoretical issues considered in the preceding chapter.

- **Proposition 1:** *Entrepreneurship ecosystems can be supported with a combination of pertinent entrepreneurship policies and the entrepreneurship environment of a country.*

This proposition was derived from the assumption that many countries have made to stimulate national entrepreneurship by improving environmental factors (Venkataraman, 2004). A conducive entrepreneurship environment is a prerequisite for fostering high growth entrepreneurship though this is absent in most emerging and least developed countries. Stenholm, Acs and Wuebker (2013) proposed the conducive pillar as the fourth dimension to a country's institutional profile. Most of the entrepreneurship ecosystem frameworks reviewed consist of components that show the significance of the entrepreneurship environment (Isenberg, 2009; Booz & Company, 2011; WEF,

2013). Entrepreneurship environments are challenging as the boundaries of such environments are changing continuously because of the dynamism of the actors and processes involved (Welter, 2011). According to Gilbert, Audretsch and McDougall (2004), the role of government should shift from that of an overseer of business to that of a partner of business by enabling and fostering the establishment and growth of entrepreneurial ventures. A combination of entrepreneurship policies and the entrepreneurship environment is therefore expected to have a positive impact on entrepreneurship ecosystems.

- **Proposition 2:** *Entrepreneurial capital is influenced by the types of entrepreneurship policies implemented in a country.*

Entrepreneurship policy poses significant challenges since its effectiveness require an appropriate trade-off between market concentration and productivity performance (Minniti, 2008). Governments should focus their efforts in targeting the entrepreneurship sector rather than aiming to improve the overall national business sector. The policy framework of growth drivers for entrepreneurship provided by Gabr and Hoffman (2006), described the demand side (opportunities) and the supply side (ability and capital), the entrepreneurs' cognitive model of motivation and the culture. The linking the innovation capacity with the entrepreneurial capacity of a country is very important (Chisholm et al, 2014) and requires unique entrepreneurship policies. To guard against the diversion of entrepreneurship capital towards non productive or destructive activities, special sets of policies are needed (Dutz, Ordover and Willig, 2000).

- **Proposition 3:** *Niche entrepreneurship policies, could transform altering and evading entrepreneurs to abiding entrepreneurs in a country.*

These are policies that target particular groups according to the framework developed by Stevenson Lundstrom and Stevenson (2002). Such a framework could be useful in targeting entrepreneurs that

evade or alter institutions. Recalling the basic hypothesis proposed by Baumol (1990), that the while the supply of entrepreneurs varies, the productive contribution of entrepreneurial activities varies much more because these activities are shared between productive and unproductive or even destructive activities. Policies are therefore needed to induce a more felicitous allocation of entrepreneurial resources (Baumol, 1990) because at times entrepreneurs may use parasitical means that are actually damaging to a country's economy.

- **Proposition 4:** *Holistic entrepreneurship policy could upgrade survival entrepreneurs to high-growth entrepreneurs in a country.*

According to the framework of Lundstrom and Stevenson (2002), a holistic entrepreneurship policy encompasses all the other policies such as the SME policy, target groups policy and new venture creation policy. Survival entrepreneurs also referred to as necessity entrepreneurs are mostly the unemployed and redundant workers venturing into entrepreneurship (Acs, 2006). But Fayolle (2011), admonished that to encourage the creation of new ventures by the jobless, jobseekers, underemployed and people in precarious situations may result in some kind of 'forced' entrepreneurship. Shane (2009) on the other hand, commented that encouraging more people to become entrepreneurs is a bad policy stressing that in general typical startups are not the source of economic vitality or job creation. To obtain higher economic growth, startups should be more productive than existing enterprises according to the scholar.

- **Proposition 5:** *The rate of increase in entrepreneurial economic growth is directly proportional to the rate of increase in high growth entrepreneurs whether innovative or imitative in a country.*

In the framework provided by Peneder (2009), growth refers to productivity, income and employment. There is evidence that the key to entrepreneurial economic growth lies in the entrepreneurial capacity of an economy (Audretsch, Keilbach and Lehmann, 2006). Entrepreneurial capital is assumed to have a positive impact on growth and competitiveness in a number of ways (Romer, 19886; Porter, 1990; Cohen and Klepper, 1992). It is assumed that the type of entrepreneurship being practiced, determines the impact on economic growth. Analysis carried out by Stel, Carree and Thurik (2005), found that entrepreneurship has a positive impact on the GDP growth for developed countries but a negative impact for developing countries. The findings concluded that opportunity entrepreneurship is being practiced in developed countries whilst necessity entrepreneurship is being practiced in developing countries. An assertion supported by Brixiova (2010). This proposition assumes a positive impact of high growth entrepreneurs on entrepreneurial economic growth.

### ***3.4.2 Unit of Analysis***

The unit or level of analysis normally depends on what the study is measuring. It could be entrepreneurs, entrepreneurial firms, industries, organizations, regions or countries. As this research is examining entrepreneurship environments, ecosystems and policies at country level, the unit of analysis is therefore the country as reflected in research question 1 and taking into consideration that all the propositions of this study are at the country level. The choice reflects Davidsson and Wiklund's (2001), assertion that the level at which the research questions are posed and the analysis conducted determine the level of analysis rather than the level at which data are collected. It should be noted that within countries, factors like culture, institutions, tax systems, educational systems and infrastructure may appear as constant. To compare the influence of such factors, cross national studies are needed although such studies are difficult to conduct. For example, Baumol (1990)

relied on case studies representing different countries to derive the thesis that the supply of entrepreneurs is constant.

### **3.5 Selection of cases**

Case selection is a fundamental task of the researcher in the case study methodology since in choosing the cases, the researcher also sets out the agenda for studying those cases which means that case selection and case analysis are intertwined (Seawright and Gerring, 2008). The selection of cases in case study research has two main objectives; (1) representativeness and (2) useful variation (Seawright and Gerring, 2008). It is from cross case characteristics situated along these dimension that seven case study types were derived; *typical, diverse, extreme, deviant, influential, crucial, pathway, most-similar and most-different* (Gerring, 2007). Of these different types, the *most-different* which show the differences of cases on specified variables with the exception of the causal variable of interest and the outcome, but weak in providing evidence of a causal relationship, has been adopted in this study as countries found in Africa are diverse in many contexts but similar in some contexts.

The continent of Africa is made up of fifty four diverse countries excluding the partially recognized and dependent territories. To select the countries for this research was therefore not an easy task. A set of exclusion and inclusion criteria was developed. The exclusion criteria used for the selection of countries were as follows;

- The English language – Countries whose official or business language is not English were excluded since the language of the research is English.
- Partially recognized states and dependent territories were excluded due to the fact that the countries are not independent.

- Small land locked countries were also excluded with the assumption that the trend in such countries mimicked the larger neighboring countries surrounding them. For example, Lesotho and South Africa.
- Islands were also excluded as countries in the main land are better positioned to enhance regional similarities and differences.

The inclusion criteria stipulate that each region should be represented by at least two countries and countries selected should be relatively stable and that the countries show some interest in the research. With the inclusion and exclusion criteria, the number was reduced to 17 countries.

The Analytic Hierarchy Process (AHP) was used which consists of a goal cluster, a criteria cluster and an alternatives cluster which are evaluated as elements in decision making problems (Saaty, 2003) in the selection of the countries. International reports and indices such as: The Doing Business Report; The Global Competitiveness Report; The Human Development Index; The Economic Freedom Report; The Legatum Prosperity Index and The Ibrahim Index of African Governance were used in the criteria cluster and the countries as the alternative to be ranked. The physical, human, economic and political geography of the continent was also considered during the selection of the countries using Collier's classification of countries in Africa into; resource-rich landlocked, resource-rich coastal, resource-scarce landlocked and resource-scarce coastal (Venables, 2010). The rating model from the AHP and the geographical categorizations are shown in Appendix A. From these selection processes, ten countries were initially selected for the research and these countries are illustrated in Table 3.3.

Table 3.3: Preliminary selection of countries.

<b>Country</b>	<b>Region</b>
Egypt	North
Morocco*	North
Botswana	South
Namibia	South
Kenya	East
Uganda	East
Rwanda	Central
Cameroon	Central
Nigeria	West
Sierra Leone	West

Note: \* *Morocco though a French and Arabic speaking country was added to have two countries representing Northern Africa as stated in the inclusion criteria as the other countries in Northern Africa were in political and social turmoil during the selection process.*

Initiated communication in earnest with the countries by dispatching introduction letters and emails to directors of institutions in the selected countries but only a few countries responded, follow up letters and emails were sent after a period of time but the response rate was very low and as a consequence, the final selection of countries considered the two countries that responded favorably and manifested interest in the research. These were Nigeria and Sierra Leone. Another reason for the limitation to these two countries is due to resource constraints.

### **3.6 Research protocol and methods**

The first step was to develop solid contacts with the institutions, individuals and organizations in the countries. This was achieved through emails and telephone calls. The second step was to establish the best approach for the administration of the primary data collection since the researcher is residing in Italy, the approach adopted was to send all documents with regards to the collection electronically to the individuals that have agreed to conduct the data collection on behalf of the



researcher. At the end of the exercise, the data collected shall either be sent electronically or posted to the researcher whichever way is practicable taking into consideration the costs involved.

The use of telephone interviews and tele-conferencing using Skype and other messaging service providers was also considered. The presence of the researcher in the countries was also anticipated to enhance face to face interviews and to participate in the administration of the questionnaires. I visited Sierra Leone and Nigeria for brief periods to conduct the interviews.

The main methods for the collection of the data were as follows:

#### Primary data

- Survey – using questionnaires for adults and entrepreneurs
- Interviews – semi-structured for stakeholders

#### Secondary data

- Reports and Indices – International institutions
- Documents – National institutions.

### **3.7 Questionnaires and interview guidelines**

The questionnaires and the interview guidelines were prepared using the knowledge gathered from the literature review and the frameworks described in detail in the literature review. Two types of questionnaires were developed and these are described in the following paragraphs.

#### ***3.7.1 Assessing the entrepreneurship environment and policies***

This questionnaire is made up of six sections namely: institutions, finance infrastructure, support, policy and general comments. The first five sections were derived from the entrepreneurship ecosystem frameworks developed by Isenberg (2009), WEF (2013), Booz & Company (2011) and the MIT Sloan School of Management Model of key stakeholders in the entrepreneurial ecosystem.

(Chisholm et al, 2014). The entrepreneurship policies frameworks used to prepare the questions were from Gabr and Hoffman (2006), Lundstrom and Stevenson (2002) and Peneder (2009). The questions concentrated on the areas listed below as these areas are assumed to represent the entrepreneurship environments and policies in developing countries.

- The role of institutions in fostering entrepreneurship
- Financial capital for entrepreneurs and new ventures
- Infrastructure for the entrepreneurship environment
- Support for entrepreneurs and new ventures
- Policies for the promotion of entrepreneurship
- General assessment.

Most of the items dealt with have been measured by international reports and indices such as the Global Entrepreneurship Monitor, the Economic Freedom Report, the Global Competitiveness Report, the Legatum Prosperity Index and the World Bank Doing Business Report.

The detailed questionnaire is illustrated in Appendix B.

### ***3.7.2 Assessing the impact of the entrepreneurship environment on entrepreneurs***

The aim of this questionnaire is to evaluate the impact of the entrepreneurship environment taking into consideration that the entrepreneur is the central player though adequate attention has not been paid to the entrepreneur with regards to the entrepreneurship environment (Gynawali and Fogel, 1994). The frameworks used from the literature review are the same as those for the questionnaire described in section 3.8.1. The questions probed the following:

- The profile of entrepreneurs
- The profile of enterprises
- The impact of the entrepreneurship environment

The items considered have been measured by international reports such as the World Bank Group Enterprise Survey, the Global Entrepreneurship Development Index and the Legatum Prosperity Index. The detailed questionnaire is shown in Appendix B.

### **3.7.3 *Interview guidelines***

The interview guidelines were drawn from all the frameworks mentioned in sections 3.7.1 and 3.7.2. The guidelines were divided into the following sections

- Definitions and data
- Entrepreneurship culture, society and mindset
- National entrepreneurship systems
- Entrepreneurship education and training
- National stakeholders
- Governance for entrepreneurship development
- Entrepreneurship focus
- Institutions, infrastructure and support for entrepreneurship
- General comments

The items used are drawn from the Global Entrepreneurship Monitor, the Hofstede's Indicators, the Global Entrepreneurship and Development Index and the MIT Sloan School of Management Model of key stakeholders in the entrepreneurial ecosystem. The guidelines are shown in Appendix B.

### **3.7.4 *Questionnaires and interview guidelines link to the proposition***

Two types of questionnaires were developed for this study. The first questionnaire (QI) titled 'Assessing the entrepreneurship environments and policies', was made up of six sections with a total number of 185 questions and is linked to P1 and P2. It was assumed that on average, a respondent requires approximately 30 minutes to complete the questionnaire. The second questionnaire (QII)

titled ‘Assessing the impact of the entrepreneurship environment on entrepreneurs was made up of three sections with a total number of 85 questions and is linked to P3 and P4. It was assumed that on average, a respondent requires approximately 20 minutes to complete the questionnaire. Both questionnaires (QI & QII), are linked to P5 and both questionnaires contain close-ended and open-ended questions. A 5-point Likert format was used as the response scale for the close-ended questions. The reason being that a 5-point Likert scale strikes a balance between the conflicting goals of offering enough choices and making the scale more friendly to the respondent. Extant research confirms that data from the Likert scale become less accurate when the number of scale points drop below five or go above seven (Johns, 2010). Higher scales may also confuse respondents as the distinction between the last two points before the penultimate point is sometimes blurred. For some questions, in addition to the 5-point scale, two other points were added at the end of the 5<sup>th</sup> point to cater for respondents who are either not knowledgeable about the question or for situations where the question is not applicable. An example of the Liker scale used is shown in Figure 3.3.

Figure 3.3 Point scale used for the questionnaires

<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly disagree</b>	<b>Not applicable</b>	<b>No Knowledge</b>
5	4	3	2	1	NA	NK

The semi-structured interview consists of four parts with a total number of 44 questions. The general questions were for all interviewees and special questions were for the particular categories like policy makers and entrepreneurs. The interview questions were linked to all the propositions. It was assumed that on average, it will take approximately 90 minutes to complete one interview. The interviews were not recorded as the interviewees were not in accordance and their wish had to be respected in accordance to the established ethical considerations of the research. Notes were taken during the interview, and although attention was paid to all details, some of the information that was

not very relevant like the political inclinations of the interviewees though noted, was not taken into consideration and was lost during the interim analysis. The questionnaires and the interview guidelines are shown in Appendices B to D.

In compliance with ethical considerations, this study upheld the respondents' rights to anonymity, confidentiality and privacy. Information was also given to the respondents about how the data will be used. The researcher also respected the integrity, and the freedom of individuals that participated in the study. The respondents were given all the information they require to gain a reasonable understanding of the purpose of the research and the consequences of participating in the research.

### **3.8 Questionnaires pilot testing**

The aim was to find out if the questionnaires and the key interview guidelines will present no difficulty in a real situation by testing it out on a few people. The main purpose was to ensure that everyone in the sample not only understands the questions but understands and interprets them the same way and to check if the respondents correctly follow directions. Another reason was to detect if the questions make the respondents feel uncomfortable and to determine the time it takes to complete the survey.

Questionnaire testing incorporates several methods or a combination of these methods. There are two main categories of testing methods: Pre-field methods and field methods. The distinction between the two though an analytical one, nevertheless show some principal and operational differences (Brancato, et al., 2006). The method adopted was the observational interview which belongs to the pre-field category. The justification for the choice of this method is that it is frequently used to identify problems in the wording and questions order of self administered questions and it gives a reliable estimate of the time needed to complete the survey (Brancato, et al., 2006).

The questionnaire was tested using people that represent various subgroups within the intended samples. The respondents were drawn from Nigerians and Sierra Leoneans residing in Europe but

operating enterprises in their respective countries, from Nigerians and Sierra Leoneans who are employed in their home countries but pursuing further studies in Europe and from entrepreneurs in Nigeria and Sierra Leone with access to the internet who consented to participate in the pilot survey. The questionnaires were mailed to the respondent, and teleconferencing was conducted through Skype. The total number of individuals that participated in the pilot test and their relation to the target population is illustrated in Table 3.4.

Table 3.4 Individuals that participated in the pilot test

<b>Description</b>	<b>Nigeria</b>	<b>Sierra Leone</b>
Residing in Europe but operating an enterprise in home country	4	3
Pursuing further studies in Europe but employed in home country	3	2
Entrepreneurs with internet access who consented to participate	3	2
Total for each country	10	7
Total for both countries	17	

The following observations and comments were the outcome of the pilot exercise.

- In the first version of the questionnaires, there was only one column for situations that were not very clear (Non-existent). It was suggested that it would be advisable to use two columns namely (Not Available) and (No Knowledge).
- It was suggested that the sections dealing with finance, infrastructure and support be divided into two sub-sections that represent ‘availability’ and ‘accessibility’.
- Initially, most of the questions require short written statements, it was advised that a Likert scale be developed.
- The scale was designed with the neutral position being represented by (0). It was suggested that the scale be changed to (1) representing the lowest the ranking and (5) representing the highest ranking with (3) representing the neutral position.
- It was advised that the structure of the questionnaire assessing the impact of the entrepreneurship environment be expanded to include portfolio entrepreneurs.

- The wording of some of the questions was challenged and it was recommended that technical words be simplified for respondents that are not highly educated.
- The first guidelines for the interview were general for all interviewees. It was recommended that the guidelines be divided into a general section and sections for national stakeholders and entrepreneurs.

The questions were revised with the comments and suggestions incorporated. The revised questionnaires were tested this time round through face to face interviews, observing people fill out the questionnaires and seeking verbal feedback though the number of respondents was reduced due to time constraints and budget. The sample for this last round of testing was drawn from the category representing entrepreneurs residing in Europe but operating an enterprise in home country and a total of six individuals were involved. After this final pilot testing and incorporating all the test findings including observations, comments, clarifications and suggestions, the final version of the questionnaires was prepared. The aim of the revision was to check if the changes will result in a higher validity and reliability of data in relation to the objectives of the study.

### **3.9 Collecting the data**

Sampling procedures are commonly divided into two main groups (probability and non-probability) but there are really four categories; Probability, purposive, convenience and mixed methods (Teddlie and Yu, 2007). The difference between the two is that in probability sampling, the selection is random where the probability of inclusion can be determined and its aim is to achieve representativeness. In contrast, non probability sampling methods do not depend on the tenets of the probability theory and the technique can be defined as the selection of samples based on specific purposes that are crucial in answering the research questions and for the provision of important information that cannot be provided by other source (Teddlie and Yu, 2007; Maxwell, 1997).

For this research, a non probability sampling method has been used as the main goal is to focus on particular characteristics of the sample that will best enhance the answering of the research

questions. There are many purposive sampling techniques such as; maximum variation sampling, homogenous sampling, typical case sampling, extreme or deviant case sampling, critical case sampling, total population sampling, expert sampling, stakeholder sampling, criterion and paradigmatic case sampling to name a few (Given, 2008; Teddlie and Yu, 2007). The other non-probability sampling technique known as the convenience sampling which is concerned with captive or volunteer samples is not considered in this study.

The non probability sampling technique that has been used is the mixed method sampling strategy. This type of sampling is a combination of the probability and purposive positions. There are different typologies of this technique such as basic, sequential and concurrent mixed method (Patton, 2002; Creswell, Plano Clark, Gutmann, and Hanson, 2003). The concurrent mixed method that was adopted, utilized multiple samples of participants and interviewees to respond to the survey that contains both close-ended and open-ended questions and the semi-structured interview questions. These samples which may vary in size (Teddlie and Yu, 2007) can generate both numeric and narrative data. The representativeness and saturation trade off was considered in deciding the sample size due to the available resources (finance and time).

### ***3.9.1 Sample selection and size***

The sample for the study was made up of individuals interested in entrepreneurship, entrepreneurs and key stakeholders in promoting entrepreneurship at national level. The sample of individuals for the general survey was selected using criterion sampling and the criterion was that individuals aged 18 – 64 years, which is a central measure of the Global Entrepreneurship Monitor (GEM Report, 2014) for the Total early-stage Entrepreneurial Activity (TEA) were considered and placed category I (CI). The individuals were selected from these sectors: private (large and small enterprises); public administration; academia; government; nongovernment; unemployed and other sectors that are difficult to classify for example employees in cities who are simultaneously entrepreneurs in their villages. The sample size is illustrated in Table 3.4.



The entrepreneurs sample was selected using homogenous sampling that is all respondents were entrepreneurs though in different industrial sectors were placed in category II (CII). The sample was drawn from the list provided by the chambers of commerce and the national registry offices of the respective countries. The two lists were used due to the fact that most small entrepreneurial ventures are not members of the chamber of commerce in both countries. The size of the sample was small compared to the population of entrepreneurs in the selected countries as the aim was not to create a sample with the intention of making generalizations (statistical inferences) but to focus on particular characteristics of a population that will enhance the answering of the research questions and the formulation of the frameworks. The general country survey questionnaire that assesses the entrepreneurship environment and policies is referred to as (QI) and the total number of respondents selected for this questionnaire was 50 for each country. The country survey questionnaire for entrepreneurs which assesses the impact of the entrepreneurship environment on entrepreneurs referred to as (QII) with the total number of respondents selected for each country being 50. The sample size is illustrated in Table 3.4. The candidate ensured that all the respondents filled the questionnaires, so there was a 100% response rate for both questionnaires.

Table 3.5 Sample selection and size

<b>COUNTRY</b>	<b>C I</b>	<b>Q I</b>	<b>C II</b>	<b>QII</b>	<b>TOTAL</b>
<b>Nigeria Urban</b>	A set of individuals interested in entrepreneurship diverse in terms of (age, gender, background)	25	A set of entrepreneurs diverse in terms of (age, gender, line of business)	25	50
<b>Nigeria Rural</b>	Another set of individuals interested in entrepreneurship diverse in terms of (age, gender, background)	25	Another set of entrepreneurs diverse in terms of (age, gender, line of business)	25	50
<b>Sierra Leone Urban</b>	A set of individuals interested in	25	A set of entrepreneurs diverse in terms of (age,	25	50

	entrepreneurship diverse in terms of (age, gender, background)		gender, line of business)	
<b>Sierra Leone Rural</b>	Another set of individuals interested in entrepreneurship diverse in terms of (age, gender, background)	25	Another set of entrepreneurs diverse in terms of (age, gender, line of business)	25 50
<b>Total</b>		100		100 200

The sample of the key stakeholders for the interviews was selected using the maximum variation sampling technique, as such a sampling technique covers a spectrum of perspectives in relation to the phenomenon being studied. The process was cumbersome due to the constraints usually encountered in getting people to be interviewed in this part of the world since a kind of phobia exists that such type of research is linked to some kind of an international hidden agenda especially since it originated from the developed world. Potential respondents and interviewees were therefore hostile. The size of the sample was therefore reduced drastically. Initially, the intention was to interview an equal number of key stakeholders as the entrepreneurs in each country but this was unattainable. Nevertheless, Table 3.5, show the type and number of key stakeholders interviewed in each country. A total number of ten stakeholders were interviewed in each country and these were drawn from various institutions such as universities, ministries, non-governmental organizations, and civil society to name a few.

Table 3.6 Categories of key stakeholders

No.	Category	Sample size
1	Entrepreneurs	1
2	Policy makers	1
3	Politicians	1
4	Professors	1
5	University students	1
6	Public opinion leader	1
7	Graduate (unemployed)	1

8	NGO-Director	1
9	Investor	1
10	Private sector-Director	1
<b>Total</b>		<b>10</b>

### 3.9.2 Challenges and limitations

A lot of difficulties were encountered during the collection of the data for the research. First as stated inter alia, a researcher based in Italy attempting to collect data in Africa (Nigeria and Sierra Leone) will incur a lot of costs. The prohibitive costs involved in making international telephone to these countries made this option unfavorable. The other challenge has been that a large portion of the population use internet cafés to access their internet accounts which made the option of using web or e-mail surveys unattractive as would be respondents would not used their paid time to respond to surveys as confirmed by anecdotal evidence. The few that have access to the internet, have not created accounts with Skype an international and teleconferencing platform which also made tele-conferencing or messaging almost impossible. Sending questionnaires by post is almost impossible as most of the entrepreneurs do not have access to a post office box and letters are not delivered to physical addresses especially in Sierra Leone besides the time it takes to receive such letters.

The institutions that were approached to help in the collection of the data were very enthusiastic but due to the lack of resources and the time limit, they could not participate. The remaining option was to identify research assistants in both countries to help in collecting the data. But as the cost of using many research assistants is usually high and there was a scarcity of financial resources, the data collection was limited to a few entrepreneurs in the urban and rural areas and other key stakeholders in the capital city of each of the countries (Freetown for Sierra Leone and Lagos for Nigeria).

Another limitation was the time allocated for the collection of the data, it is common that researching a phenomenon that is country wide requires a longer period than the standard period allocated for the completion of the doctorate program. The absence of reliable databases in these

countries compounded the problem. As the research considers both entrepreneurs and potential entrepreneurs, finding the latter from the adult population was a difficult task that resulted in limiting the number of individuals to be surveyed.

### 3.10 Quality of the research

The criteria used by quantitative researchers to judge the quality of the research design are; reliability, validity and generalizability (Yin, 1989). Instead in qualitative research, though there is general agreement about the importance of judging the quality of research, however when it comes to choosing the criteria, there is an evident difference in opinion (Willig, 2001). Notwithstanding, this dissonance in opinion, the criteria proposed by Lincoln and Guba (1985) are generally considered as the criteria that respond to the ideals and goals of this kind of research especially in the social sciences (Finlay, 2006) and these are: credibility: to establish confidence in the truth of the findings, transferability: the applicability of the findings to other settings, dependability: external scrutiny, and confirmability: demonstration of quality. Table 3.7 illustrates the link between the qualitative criteria used in this research to that of the quantitative criteria and the methods used in this study to judge the quality of the research design.

Table 3.7 Link between quantitative and qualitative criteria and methods to ensure quality

<b>Quantitative Research</b>	<b>Qualitative Research</b>	<b>Methods to ensure quality</b>
Internal validity	Credibility	Member checks; prolonged engagement in the field; data triangulation.
External validity	Transferability	Thick description of setting and/or participants (Rural and Urban settings)
Reliability	Dependability	Audit – researcher’s documentation of data, methods and decisions; researcher triangulation (Comparing notes with the research assistants)

Objectivity	Confirmability	Audit and reflexivity. Foster dialogue with other researchers to develop complementary as well as divergent understandings
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Source: Adapted from Lincoln and Guba (1985) and Ballinger (2006)

### ***3.10.1 Interviewer, interviewee and respondent dishonesty***

There is always the possibility that an interviewer/interviewee or a respondent is cheating in one way or the other during an interview or when conducting a survey. This type of cheating is difficult to detect especially in the geography where this study has been conducted as the environment is highly attritional (Harrison and Krauss, 2002). The most common form of cheating include acquiescence bias where there is a tendency to agree with statements irrespective of their contents (Johns, 2010). Another form of cheating is connected to respondents giving evasive answers to embarrassing questions (Clark and Desharnais, 1998) and or giving answers that promote the institutions that employ them.

Various methods that have been recommended to overcome this dilemma include; the use of the randomized response model (RRM) proposed by (Clark and Desharnais, 1998), the identification of respondent tendencies such as structural modeling on multitrait-multimethod data for different respondent groups and the person fit indices to detect inconsistent respondents (De Leeuw and Hox, 1994). A priori and post hoc approaches were used to mitigate such practices in this study including the introduction of trap questions, checking the completeness and appropriateness of open-ended responses, inspections for incongruities, repetition of answers and obvious revisions as recommended by Crespi, (1945) and Richarme and Rogers, (2009). Some questionnaires were also administered by the researcher to a selected set of respondents to check for consistency with their initial responses whilst in the countries to conduct the interviews.

Another problem with interviews is that the interviewee may present past decisions and actions in a favorable manner and there might emerge events during the interview that may disrupt the process

and as a result the interview can become stressful for both the interviewer and the interviewee. The latter will usually loss concentration (Welch, 2000; Forza, 2002).

### **3.11 Conclusion**

Although the main focus of the study is to examine the present state of the entrepreneurship policies, environment and ecosystems of countries with the aim of gaining insights that could enhance the improvements of these factors to foster sustainable entrepreneurial economic growth, appropriate methodologies and research methods were needed to conduct research that will reveal the real situation . This chapter has focused on the strategy and methodology used in conducting the research and the selection of the cases for the research. The problems encountered in conducting the research were also highlighted Chapter 4 will give a comprehensive but concise description of the two cases.

## Chapter 4

### The Case studies

*“One doesn't discover new lands without consenting to lose sight of the shore for a very long time.”*

**Andre Gide (1869 - 1951)**

#### 4.1 Introduction

This study focuses on countries in Africa concentrating mainly on economic growth due to entrepreneurial activities in these countries. However, economic growth be it entrepreneurial or otherwise in Africa is determined by both external and internal factors. Some of the external factors include the influence of globalization, latent external headwinds such as emerging market growth and disorderly international market conditions (World Economic and Financial Surveys, 2014). The internal factors include natural disasters such as health hazards; for example Ebola Virus Disease (EVD), climatic changes, political and civil conflicts, policy missteps and a weak industrial base (World Economic and Financial Surveys, 2014).

One of the challenges is for African economies to continue the steady pursuit of economic development policies whilst at the same time try to address the emerging sources of macroeconomic vulnerability in a sustainable way. Evidence from the developed, newly industrializing and emerging economies has demonstrated that sustainable development anchored on a weak industrial base is almost impossible (Lall, 1999). Another challenge is to ensure that global value chains have a positive impact on socially inclusive development (African Economic Outlook, 2014). The map in the Figure 4.1 shows the countries in African continent and Figure 4.2 shows the estimated GDP growth for 2014/2015. According to the African Economic Outlook (2014), the continent in 2013 maintains an average growth rate of approximately 4% compared to the 3% for the global economy. However the growth rate varies widely across countries and regions.

Figure 4.1: Map of Africa

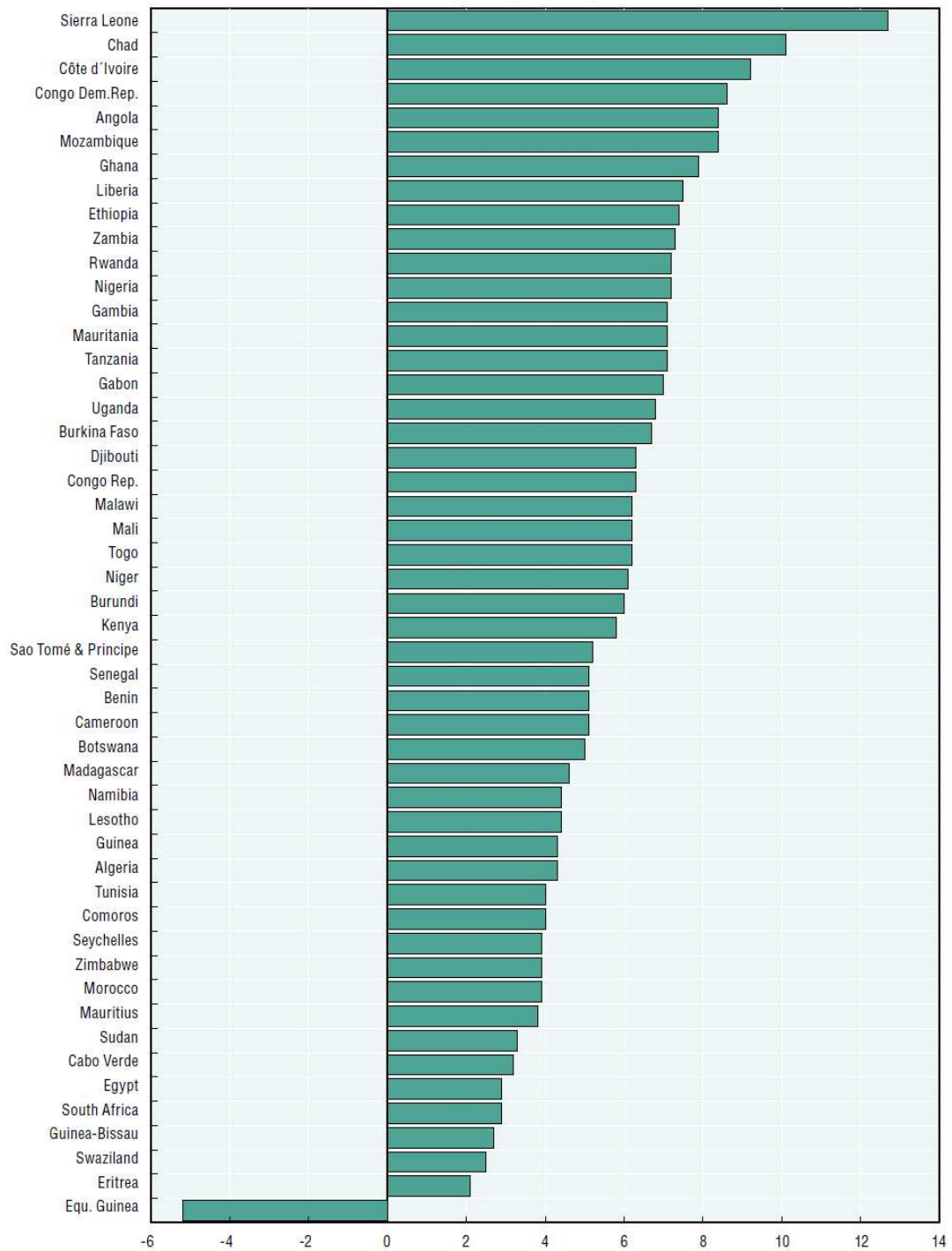


Source: Adapted from: Economic Commission For Africa (n.d).



In recent years, Africa's trade performance has improved markedly though the exports are dominated by primary commodities whilst trade in agricultural goods, services and manufactured goods have remained at sub optimal levels (African Economic Outlook, 2014).

Figure 4.2 Growth of GDP by countries (2014/2015)



Source: Adapted from African Economic Outlook (2014).

Governments in Africa have recognized the challenges posed by the present growth and have renewed their political commitment to economic transformation by formulating plans and strategies to transform the structure of the national economies (UNCTAD, 2014). However, a key challenge is how to translate the economic transformation vision into reality (UNCTAD, 2014). Table 4.1, illustrates the National Entrepreneurship Systems of countries as measured by the Global Entrepreneurship Development Index (GEDI) and the GDP indicated by the World Bank Development Indicators 2014.

Table 4.1 Spectrum of the GDP and GEDI of countries in Africa

Country	2013 GDP ( <i>millions of US\$ Dollars</i> )	2013 GEDI
<i>Nigeria</i>	<i>521803</i>	<i>0.21</i>
South Africa	350630	0.29
Egypt	271973	0.19
Algeria	210183	0.18
Angola	121704	0.14
Morocco	104374	0.22
Libya	75456	-
Sudan	66548	-
Ghana	47929	0.16
Tunisia	47129	0.27
Ethiopia	46869	0.10
Kenya	44101	0.15
Tanzania	33225	0.13
Cotè d'Ivoire	30905	0.12
Congo Dem. Rep.	30629	-
Cameroon	29275	0.14
Zambia	22384	0.15
Uganda	21483	0.12
Gabon	19344	-
Equatorial Guinea	15574	-
Mozambique	15319	-
Senegal	15150	0.16
Botswana	14788	0.26
Congo, Rep.	14108	-
South Sudan	13797	-
Chad	13414	0.07
Zimbabwe	12802	-
Namibia	12580	0.23
Mauritius	11938	-
Burkina Faso	11583	0.11
Mali	10943	0.12
Madagascar	10797	0.12
Benin	8307	0.14
Rwanda	7452	0.14
Niger	7356	-
Guinea	6193	-
<i>Sierra Leone</i>	<i>4929</i>	-
Togo	4339	-

Mauritania	4163	0.12
Swaziland	3791	0.16
Malawi	3705	0.11
Eritrea	3444	-
Burundi	2718	0.08
Lesotho	2230	-
Liberia	1951	-
Cape Verde	1888	-
Central African Republic	1538	-
Djibouti	1456	-
Seychelles	1268	0.13
Gambia, The	914	-
Guinea-Bissau	859	-
Sao Tomé and Príncipe	311	-

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Sources: World Development Indicators Database: World Bank (2014) and GEDI (2013)

Entrepreneurship might be one of the possible channels as it is universally acknowledged to be a primary driver of sustainable economic growth (GEM, 2012).

The entrepreneurial landscape in Africa is quite complex as each country is following its own path due to the unique economic, political, social and economic environments of the diverse countries but knowledge about entrepreneurship in Africa is very limited as shown in Chapter 2. Research about entrepreneurship in Africa is useful to fill the knowledge gaps as there is very little available knowledge about the perception, intentions and attitudes of the populace towards entrepreneurship. To assist policymakers in their task of formulating policies that will increase entrepreneurship, more information is needed (GEM, 2012).

Initially, ten countries were selected to conduct the multiple case studies. The countries were Botswana and Namibia to represent Southern Africa, Nigeria and Sierra Leone to represent Western Africa, Egypt and Morocco to represent Northern Africa whilst Cameroon and Rwanda were to represent Central African. The intention was to have a full coverage of all the regions in Africa. To establish initial contacts, five introduction letters and e-mails were sent to the following institutions identified to have links with the entrepreneurial activities in each of these countries: chamber of commerce; national statistics bureau; a university; a ministry; and a public institution. Countries that did not reply were dropped and the remaining countries were; Botswana, Nigeria, Sierra Leone and Kenya. Unfortunately, the minister who was interested in the research in Kenya was replaced

and the key contact person in Botswana left the country which leaves only two countries Nigeria and Sierra Leone to be used as cases for the research amidst a lot of constraints and challenges. An overview of each of these countries is given in this chapter.

#### **4.2 Nigeria: a brief country profile**

Nigeria is a Western Africa country bordering the gulf of Guinea between Benin, Niger and Cameroon with a total area of 923, 768 sq km and a population of 174.5 million (July, 2013 est.) making it the most populous country in Africa. The country is a former British colony that gained independence in 1960. English is the official language with Hausa, Yoruba, Ibo and Fulani being the main languages and 500 additional indigenous languages. The main religions are Muslim 50 percent, Christian 40 percent and Indigenous Religion 10 percent. The urban population is estimated to be 49.6 percent of the population. The life expectancy in the country is 52.46 years and the literacy level at 61.3 percent. Nigeria is endowed with the following natural resources; natural gas, petroleum, tin, iron ore, coal, limestone, niobium, lead, zinc and arable land (World Fact Book, 2013). Figure 4.3 illustrates a map of Nigeria.

The oil rich country has been plagued by political instability, corruption, inadequate and poor infrastructure and ineffective macroeconomic management for quite a considerable period of time and leaders have failed to diversify the economy away from its over dependence on the capital intensive oil sector. Though the economic growth is linked to this sector, it has not translated into sufficient job creation and poverty remains high (African Economic Outlook, 2013). The unemployment rate is 23.9 percent (2011 est.) and the population below poverty line is 70 percent (2010 est.) (World Fact Book, 2013).

Figure 4.3: Map of Nigeria



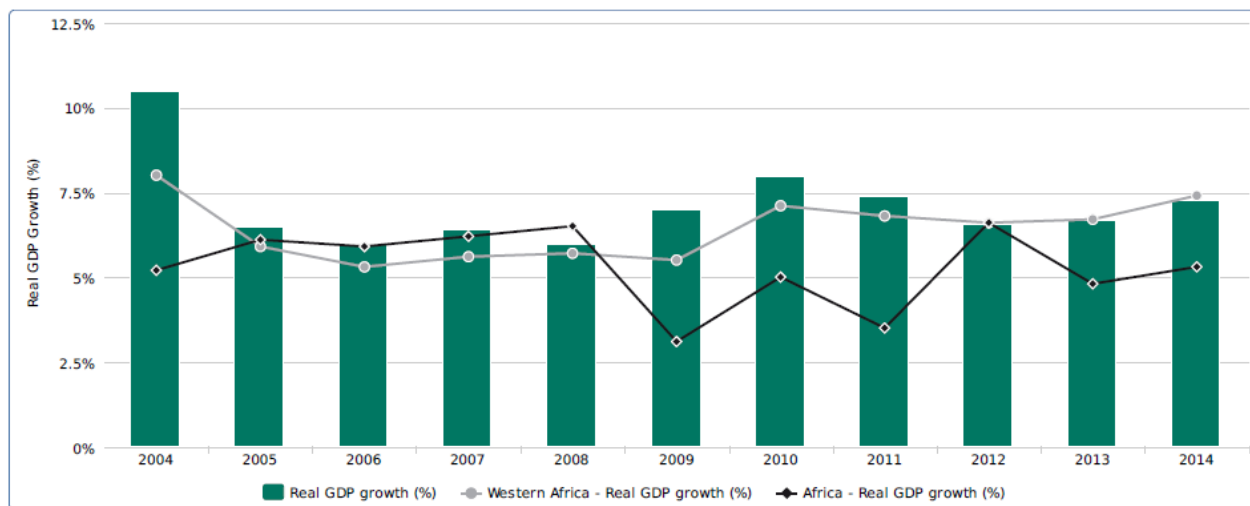
Source: Magellan Geographix (1992)

There is a very urgent need to diversify the economy away from the oil sector as such action, it is assumed, would help in expanding the sources of economic growth making it broad based both socially and geographically. Development in sectors like agriculture, manufacturing and services could generate employment and reduce poverty (African Economic Outlook, 2013).

The economy slowed down from 7.4 percent growth in 2011 to 6.6 percent in 2012. The oil sector is the main stay of the economy with an average growth of about 8 percent compared to the (-0.35) percent growth in the non oil sector. The growth has not contributed either to job creation or to poverty alleviation as unemployment increased from 21 percent in 2010 to 24 percent in 2012

(African Economic Outlook, 2013) because the sectors driving economic growth are not sectors that are associated with the creation of a high volume of jobs. At present the major policy issue is employment generation for the youth and inclusive growth. Despite the growth, there have not been structural changes to accompany it. To address this, the government commenced addressing prominent issues such as the diversification of the economy, the infrastructure deficit, the modernization of the agricultural and manufacturing sectors. The trend of the real GDP in recent years is shown in Figure 4.4.

Figure 4.4: Real GDP growth in recent years of Nigeria



Source: Adapted from African Economic Outlook (2013)

After a period of robust growth during the past few years, the economy slumped in 2012. The factors that contributed to this slow growth include: the partial removal of fuel price subsidies, periodic fuel scarcity, an increase in electricity tariffs, security challenges, weather variations and external shocks resulting from the global economic down turn. Table 4.1, illustrates the macroeconomic indicators.

Table 4.2 Macroeconomic indicators of Nigeria

	2011	2012	2013	2014
<b>Real GDP growth</b>	7.4	6.6	6.7	7.3
<b>Real GDP per capita growth</b>	4.9	4.1	4.2	4.8
<b>CPI inflation</b>	10.9	12	9.7	9.5
<b>Budget balance % GDP</b>	-0.1	3.7	4.4	5.7
<b>Current account % GDP</b>	3.2	10.4	11.8	14.6

Source: Adapted from African Economic Outlook (2013)

#### 4.2.1 *Private sector in Nigeria*

The business environment in the country does not encourage either investment or competitiveness in the industrial sector. Although this sector is the main employer and the primary source of export earnings, there has been little improvement in the business climate in the past few years as shown by the World Bank Doing Business where the country is ranked 131 out of 185 countries in 2013 (African Economic Outlook, 2013). The major constraints and obstacles hampering the growth of the private sector include the poor state of the infrastructure, a difficult business environment, limited access to credit, inadequate training and skills, and weak economic governance. The competitiveness of the country also declined in recent years as shown by the World Economic Forum Global Competitiveness Report where the country is ranked 127 out of 139 countries in the 2010-2011 report. But there is gradual improvement as shown by the rankings in the 2012-2013 report where the country is ranked 115 out of 144 countries. The recent improvement is attributed to a more stable economic environment, market size, labor market efficiency, financial market development and business sophistication (African Economic Outlook, 2013).

#### 4.2.2 *Entrepreneurship in Nigeria*

Nigeria is a country with a plethora of entrepreneurial opportunities due to the abundant, vibrant and dynamic human and natural resources it is endowed with according to several scholars (Duru,

2011; Thaddeus, 2012; Nkechi, Ikechukwu and Okechukwu, 2012). Notwithstanding these endowments, the country is still one of the poorest in the world and has one of the highest unemployment rates in sub-Saharan African (Nkechi, Ikechukwu and Okechukwu, 2012). The major obstacle to stimulating entrepreneurship is attributed to the adoption of inappropriate policies at different times. It was only after the Nigerian civil war (1967-1970) that the role of government in entrepreneurship development became significant (Thaddeus, 2012). The government's approach to promoting entrepreneurship has been through initiatives that build business confidence, positive attitude, pride in success, the support and encouragement of new ideas, social responsibility, provision of technical support, the encouragement of inter firm linkages and the promotion of research and development (Thaddeus, 2012).

It was during the end of the 20<sup>th</sup> century that entrepreneurship education was introduced in the country's educational system especially at the tertiary level as a mandatory course. One of the prominent institutes responsible for teaching entrepreneurship is the Entrepreneurship Development Center (EDC). The growth in entrepreneurial activities in the country started in the early 2000s partly due to the increasing rate of unemployment, a growing services sector and a reduction in the regulatory control (Thaddeus, 2012). Entrepreneurship development is a combination of the awareness, creation and participation of individuals, the private sector and government at all levels. A policy shift is therefore advocated to address the challenges that hinder entrepreneurship development (Thaddeus, 2012). As one of the goals of economic development strategies pursued by successive governments has been the reduction of poverty through job creation, many government policies have focused on the development of indigenous entrepreneurship to achieve this goal (Abdullahi, 2012). This attempt is however seen as recycling of ideas and duplication of efforts. Other scholars echoed that the country either lacks entrepreneurial ability or that the government entrepreneurship policies are not effective and that most entrepreneurship related policies in the country fall short of pertinent development frameworks (Chukwuemeka, Nzewi and Okigbo 2008). Some of the policies are inadequate in addressing entrepreneurship issues and the habit of



frequently changing policies and programs coupled with the lack of a clear entrepreneurial development vision and commitment may pose a serious threat to entrepreneurship development.

In Nigeria, the lack of the basic infrastructural facilities and an enabling environment, frustrate the engagement in entrepreneurial activities. For example, the power sector and the bad state of the roads have been proven to be one of the greatest challenges for any aspiring entrepreneur (Nkechi et al, 2012). The lack of political will has also been mentioned to be a hindrance to entrepreneurship development (Onwubiko, 2011).

The government taking into account the importance of entrepreneurship in contributing to economic growth and development, and in its efforts to promote entrepreneurship, has attempted to develop programs that support entrepreneurship in various parts of the country. These programs became known as the Entrepreneurship Development Programs (EDP). These programs usually target established and potential entrepreneurs (Owualah, 1999). The programs are run by agencies such as the Small and Medium Enterprise Development Agency of Nigeria (SMEDAN), mandated to remove or mitigate the constraints faced by entrepreneurs and expand the opportunities available to them by providing training, information and financial assistance.

The fact that entrepreneurship ventures (SMEs) in Nigeria have not made the desired impact on the economy despite the efforts and support of succeeding governments and administrations is a cause for concern. It confirms the belief that there exist underneath, fundamental issues which affect entrepreneurship that have not been either properly addressed or entirely handled (Ogbo and Nwachukwu, 2012).

The impact of entrepreneurship on the sustainable economic growth of the Nigeria economy is difficult to be accurately measured or estimated but it is assumed to be dynamic and significant. Studies suggested that between 45 percent and 60 percent of the labor work force in the urban areas is employed by small scale enterprises (Ariyo, 2005; Chu, Kara, Benzing, 2010).

Nigeria participated for the first time in the Global Entrepreneurship Monitor (GEM) survey in 2013. Table 4.3, shows the results on entrepreneurial attitudes of countries in Africa that participated in the survey. Nigeria is highlighted.

Table 4.3 African countries in the GEM 2013 report.

Economy	Perceived opportunities	Perceived capabilities	Fear of failure*	Entrepreneurial intentions **	Entrepreneurship as a good career choice+	High status to successful entrepreneurs+	Media attention for entrepreneurship+
Angola	66	72	38	70	-	-	-
Botswana	67	71	25	72	76	73	79
Ethiopia	65	69	33	24	76	92	73
Ghana	79	86	18	60	84	91	82
Malawi	74	85	12	70	-	-	-
Namibia	75	74	35	45	73	76	82
<b>Nigeria</b>	<b>82</b>	<b>88</b>	<b>21</b>	<b>44</b>	<b>82</b>	<b>76</b>	<b>78</b>
South Africa	35	39	31	12	74	74	73
Uganda	81	88	15	79	-	-	-
Zambia	78	84	17	55	67	79	72
Average (unweighted)	70	76	24	53	76	80	77

Source: Adapted from GEM (2013).

#### 4.2.3 Nigeria's economic outlook

Nigeria's economic performance has been rather weak and it fails to reflect the level of natural resources endowment especially when compared with some emerging Asian economies that faced similar challenges and choices half a century ago (Sanusi, 2012). Some of these Asian countries such as China, Indonesia, Malaysia and Singapore were lagging behind Nigeria in terms of GDP in the early 1970s but these countries have transformed their economies and are not only leading Nigeria but they play an active role in the global economy.

Recently, the country has revised its GDP, making it the biggest economy in Africa. The revision provided a new picture by including and giving weight to bits of the economy such as telecoms,

banking and the film industry that are growing at a faster pace in recent years (The Economist, 2014). Despite this achievement and rapid growth in recent years, poverty is still significant and reducing the incidence of poverty will require high non oil sector growth and a focus on human development. Some of the identified constraints that hinder economic growth are the investment climate, infrastructure, incentives and policies affecting agricultural productivity and the quality and relevance of tertiary education according to the World Bank (2013).

#### ***4.2.4 Nigeria's competitiveness***

Nigeria is ranked 120 out of 148 countries in the Global Competitiveness Index (GCI) 2014. The country continues to benefit from its large market size but institutions remain weak, the security situation is worrisome and the country needs to upgrade its infrastructure (GCI, 2014). The competitiveness of a country is usually influenced by both social and political factors but the poor state of political institutions and corruption have been blamed for the failure of the country's competitiveness (Ehwarieme, 2010).

Indeed, the country's competitiveness has historically moved from a state of non competitiveness during the era of structural adjustment in 1985 and through the years of military rule to one of increasing competitiveness though at a very slow pace. A combination of factors such as an unfavorable operating environment, stunted development of the private sector and poor economic reforms have all contributed to the sluggish national competitiveness (E'Onyemenam, 2004). Despite all these challenges, the country's effort in improving competitiveness is gradually gaining momentum though it is not well coordinated. There is therefore a need for an holistic approach.

### **4.3 Sierra Leone: a brief country profile**

Sierra Leone is a Western African country bordering the North Atlantic Ocean between Guinea and Liberia with a total surface area of 71.7 sq km. and a population of 5.6 million ( July 2013 est.). A former British colony that gained independence in 1961. English is the official language with

Mende, Temne, and Limba being the main indigenous languages and Krio (English-based Creole) is the lingua franca. The main religions are Muslim 60 percent, Christians 10 percent and Indigenous religion 30 percent. The urban population is estimated to be 39.2 percent of the population. The life expectancy in the country is 56.98 years and a literacy level at 43.3 percent. Sierra Leone is endowed with the following natural resources; diamonds, titanium oxide, bauxite, iron ore, gold, chromite and arable land (World Fact Book, 2013). Figure 4.5 shows a map of Sierra Leone.

Sierra Leone is one of the poorest countries in the world as shown by the 2013 Human Development Index (HDI) which ranks the country 180<sup>th</sup> out of 187 countries with a wide disparity in income distribution. Though it is endowed with substantial mineral, agricultural and marine resources, its physical and social infrastructure is still recovering from the decade long internal conflict. A conflict that created serious economic and social disorders that continue to hamper economic development. Recently, political stability has led to a revival of economic activities especially in the extractive sector (World Fact Book, 2013).

The mining sector propelled the real GDP growth from 6 percent in 2011 to 16.7 percent in 2012 and with support from other sectors such as agriculture, services and construction. It was expected to stabilize in 2013 and 2014. The manufacturing sector is the weakest sector since it is being undermined by insufficient investment from the private sector and labor diversion to the mining sector. It mainly consists of the processing of raw materials and light manufacturing for the domestic market. No data are available for the unemployment rate but the population below the poverty line is 70.2 percent (2004 est.). The diversification of economic activities in the country is essential for the creation of much needed jobs and for the improvement of livelihoods (African Economic Outlook, 2013).

Figure 4.5 Map of Sierra Leone



Source: Adapted from Magellan Geographix (1997).

This is due to the fact that the mining sector is unlikely to create sustainable large scale employment. Figure 4.6 shows the trend in the real GDP growth rate and Table 4.5 show the macroeconomic indicators. A summary of the socio economic indicators of Sierra Leone and comparison countries is illustrated in Table 4.4.

Table 4.4 Summary of the socio-economic indicators of Sierra Leone and comparisons

Socio-Economic Data		Fragile Fringe Countries				Comparisons & Benchmarks		
2009, unless specified	<sup>1</sup>	Sierra Leone	Guinea	Liberia	Guinea-Bissau	Ivory Coast	Nigeria	Africa
Population	<sup>2</sup>	5,696	10,069	3,955	1,611	21,075	154,729	1,008,354
HDI Rank out of 177	2007	177	160	Not ranked	175	166	158	Ghana = 135
HDI Rank out of 169	2010	158	156	162	164	149	142	Ghana = 130
Infant mortality per 1000	2007	155	93	93	118	89	97	82
Life expectancy, female	2008	48.99	60.13	59.85	49.61	59.09	47.33	55.98
Life expectancy, male	2008	46.42	56.09	57.19	46.50	56.01	46.36	53.71
Poverty % below National line	2003	65.9%	N/A	63.8%	65.7%	N/A	54.7%	N/A
Adult illiteracy, 2007	%	73.2%	N/A	49.1%	45.6%	N/A	35.9%	N/A
Literacy rate, females 15-24	2007	43.9%						
Literacy rate, males 15-24		64.4%						
GDP Per Capita US \$	2008	388	385	346	535	1,168	1,418	1,446

<sup>1</sup> Source: African Statistical Yearbook 2010. Literacy statistics from African Development indicators.

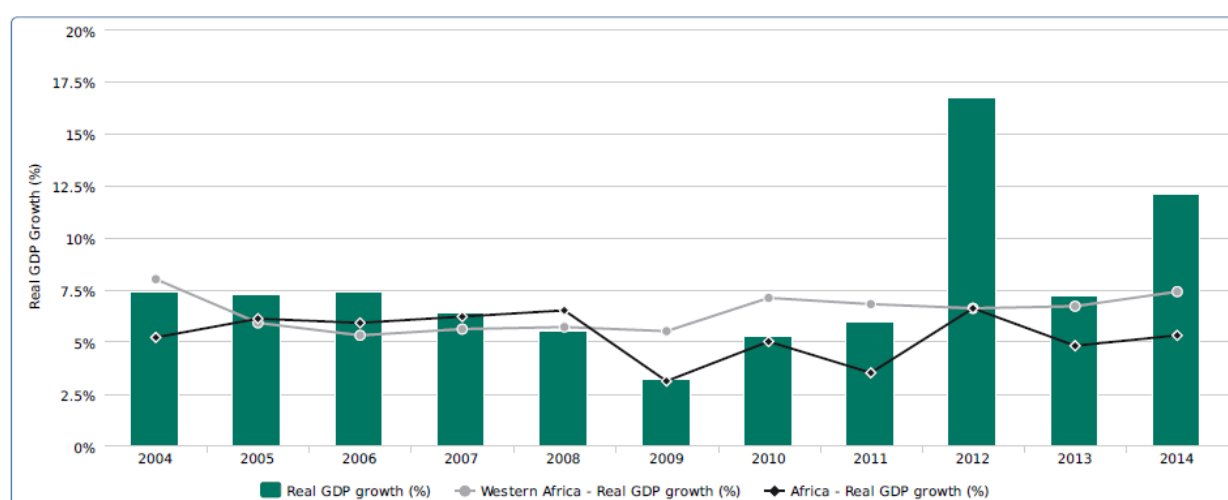
<sup>2</sup> Mid year data, Thousands. Year of data selected to enable comparison across countries.

Source: African Development Bank summary report Sierra Leone (2011).

### 4.3.1 Private sector in Sierra Leone

The government is working assiduously to promote private sector activities by the establishment of the Sierra Leone Investment and Export Promotion Agency (SLIEPA) a one stop shop for investors and through the implementation of key trade-promotion activities as well as the modernization of the legal and regulatory framework to encourage investments in the country (Ministry of Trade and Industry, n.d).

Figure 4.6: Real GDP Growth in recent years of Sierra Leone



Source: Adapted from African Economic Outlook (2013).

The success of these reforms has improved the country's ranking in the World Bank Doing Business Report which has moved from 150<sup>th</sup> position in 2011 to 140<sup>th</sup> position in 2013 out of 185 countries ranked (African Economic Outlook, 2013).

Table 4.5 Macroeconomic indicators (Sierra Leone)

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Real GDP growth</b>	6	16.7	7.2	12.1
<b>Real GDP per capita growth</b>	3.8	14.5	5.1	10.1
<b>CPI inflation</b>	18.5	11.6	7.1	6.9
<b>Budget balance % GDP</b>	-4.5	-1.8	-2.3	-2
<b>Current account % GDP</b>	-52.3	-44	-11.6	-12

Source: Adapted from African Economic Outlook (2013).

The forecasts for 2014 are no longer valid because of the adverse effect of the Ebola virus disease on the economy and it is assumed that the trend will continue in 2015 according to a recent survey conducted by the World Bank which states that Ebola puts future prosperity of Sierra Leone at high risk according to the Sierra Leone Times online news paper (2015).

#### **4.3.2 Entrepreneurship in Sierra Leone**

Entrepreneurship is not very popular in the country. This is emphasized in a Ministry of Trade and Industry document titled 'Unleashing the talent of Our People', where the Minister stressed the scarcity of entrepreneurship in the following quote "Sierra Leone lacks a culture of entrepreneurship. Because in the past, entrepreneurs are viewed as exploiters of people rather than the creators of wealth and providers of jobs. And, there are hardly any services available to support inexperienced entrepreneurs. We need to establish a culture that encourages entrepreneurship" (Minister of Trade and Industry, n.d). Hence, the vision of the government is to encourage entrepreneurs to develop the habit of continuously identifying and exploiting new opportunities to

create and accumulate wealth and jobs. (Ministry of Trade and Industry, n.d). This vision can be translated into reality by changing the attitude towards entrepreneurship and establishing a culture of entrepreneurship by recognizing, nurturing, supporting and rewarding entrepreneurs (Ministry of Trade and Industry, n.d).

There is at present a scarcity of literature about entrepreneurship in Sierra Leone. The many sources both academic and non academic that were searched yielded very limited results. One of the scholarly works available is that of Jalloh (1999), titled ‘African Entrepreneurship: Muslim Fula Merchants in Sierra Leone.’ This work attempted to answer how and why this ethnic minority succeeded economically in a hostile business environment in Sierra Leone. Another work that examined entrepreneurship in Sierra Leone is that of Kallon (1990) titled ‘The economics of Sierra Leonean Entrepreneurship’ which presented historical and contemporary data on entrepreneurship development in Sierra Leone. The author stressed that success in entrepreneurial activities in Sierra Leone follows the universal dictum that is, it depends on entrepreneurial competencies and a conducive entrepreneurial environment. These are the two prominent works that have dealt with the subject in details with regards to Sierra Leone.

It can therefore be posited that there is a paucity of research with regards to entrepreneurship in Sierra Leone and there is a need to fill this chasm especially in 21<sup>st</sup> century when countries all over the world have embraced the phenomenon because it plays a significant role in growth of national economies.

#### ***4.3.3 Sierra Leone’s economic outlook***

In the early period after independence, the country experienced an annual growth rate of about 4 percent. Then the country experienced a progressive decline in the decades that follow until 1990 when the situation was worsen by the prolong civil conflict in the country up to the early 2000s (Olympio, Bidé, Ndlela, 2006). A period of a depressed economy followed until 2004 when signs of economic improvement started to emerge.



According to the World Bank, the real GDP growth increased to 15.2 percent in 2012 due to the commencement of iron ore production. Non-iron ore GDP growth was 5.3 percent. (World Bank, 2013). Despite this growth, poverty is still wide spread and that 66 percent of the population live below the poverty line according to the World Bank (2013). This figure shows a slight improvement from that stated by the African Economic Outlook (2004) in section 4.3. Underemployment and unemployment still remains a nationwide challenge (World Bank, 2013).

Sierra Leone's economic development has always been influenced by the dependence on mineral exploitation and successive governments and the population have always believed that minerals such as diamonds and gold are sufficient generators of foreign exchange (World Fact Book, 2013) and as a result, other sectors have been marginalized. Although a majority of the population are engaged in subsistence agriculture, a sector that continues to be the largest contributor to the GDP although its share decreased recently from 55.6 percent in 2011 to 53.91 percent in 2012 (African Economic Outlook, 2013).

#### ***4.3.4 Sierra Leone's competitiveness***

Sierra Leone is ranked 144 out of 148 countries in the Global Competitiveness Index (GCI) 2014. This indicates that the country is almost at the bottom in terms of global competitiveness. The country therefore needs to improve its competitiveness if it wants to trade globally by making greater use of the underutilized natural and human resources and by developing industries where there is comparative advantage. There is an urgent need to narrow the competitiveness disadvantages due to constraints imposed by the business climate. (Ministry of Trade and Industry, n.d). To improve competitiveness, a solid partnership between the public and private sectors is required as well as the implementation of several reforms, policies and strategies. To boost competitiveness, the Agenda for Change (Government of Sierra Leone, n.d.) recommended the following strategies; promoting and implementing policies aimed at improving the business environment, promoting SME development, improving access to finance for private sector,

improving standards for exports, strengthening institutional capacity for policy reform, regional integration and trade facilitation and strengthening the requisite sustainable infrastructure in roads, energy, ICT and Transport (Government of Sierra Leone, n.d).

#### 4.4 International reports and indices to compare the countries

The Global competitiveness Index (GCI) of 2014 has been used to compare the countries selected for the study with another country in the same region and the countries of the other regions that make up the continent of Africa. The GCI is made up of 12 pillars of competitiveness which are divided into sub-indices namely: Basic requirements, Efficiency enhancers and Innovation and sophistication factors (Global Competitiveness Report, 2014). The comparisons are illustrated in Table 4.6. The comparison shows that the two countries are at the bottom of the ranking compared to the other countries and Sierra Leone is lagging far behind Nigeria.

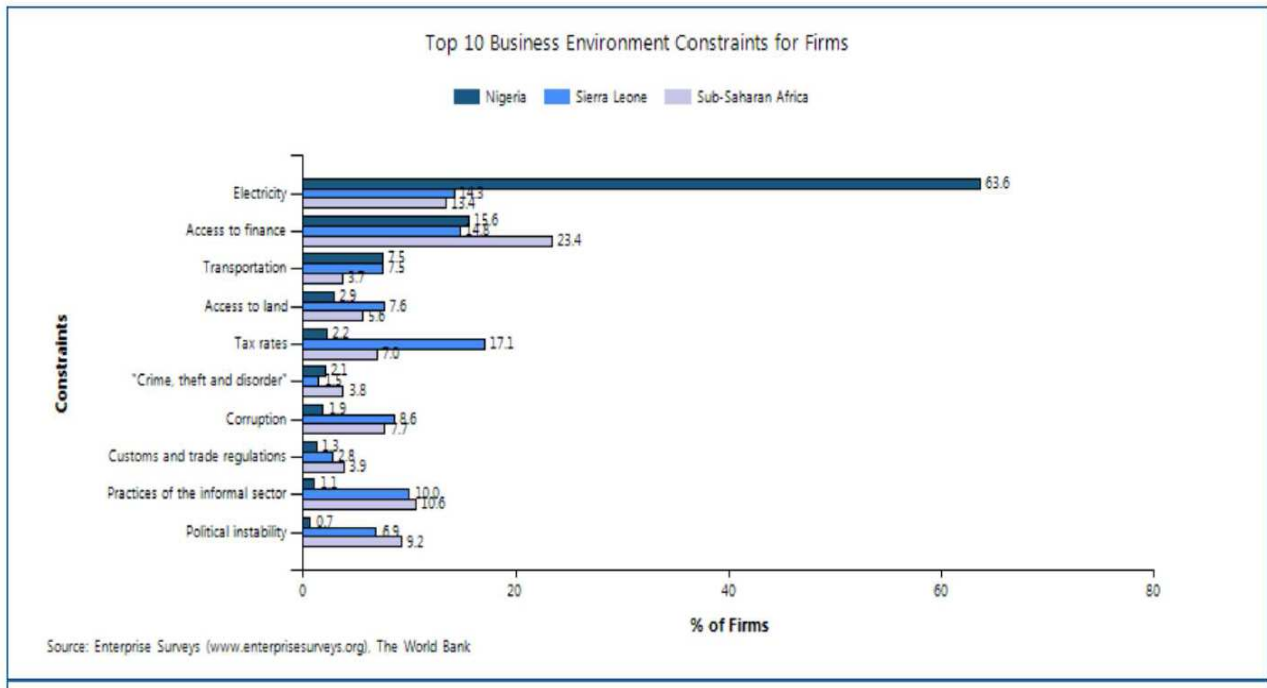
Table 4.6 Comparing the countries using the GCI

Country/Economy	Overall Index		Basic Requirements		Efficiency Enhancers		Innovation and Sophistication	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Nigeria	120	3.57	136	3.40	83	3.90	82	3.44
Sierra Leone	144	3.01	146	2.95	136	3.12	129	2.93
Ghana	114	3.69	128	3.62	87	3.85	72	3.56
Kenya	96	3.85	121	3.76	73	4.00	53	3.83
Cameroon	115	3.68	117	3.80	113	3.52	96	3.35
Botswana	74	4.13	66	4.60	93	3.77	106	3.30
Morocco	77	4.11	69	4.58	84	3.90	100	3.32

Source: The Global Competitiveness Report (2014)

The World Bank enterprise survey identifies the constraints that enterprises face in respective countries. Figure 4.7, compares the constraints identified in a survey conducted in Nigeria in 2007 with those identified in a survey conducted in Sierra Leone in 2009. Both countries are compared to the Sub-Saharan Africa average.

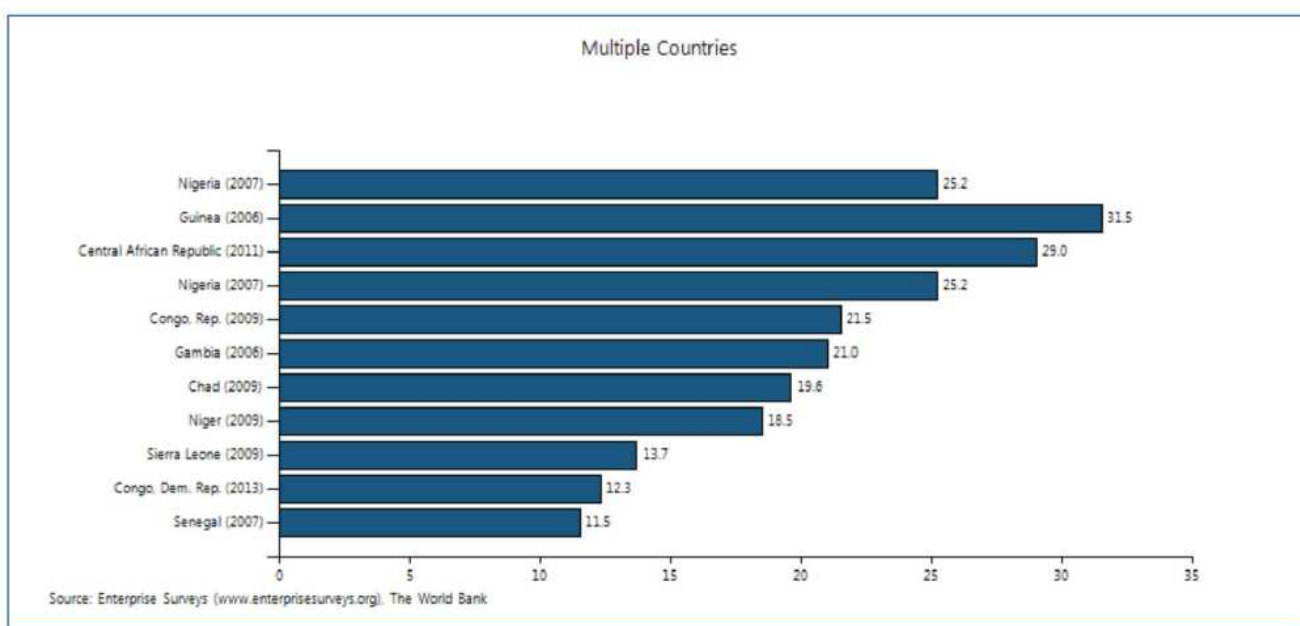
Figure 4.7 Percentage of firms identifying the main obstacle in both countries.



Source: Enterprise Survey ([www.enterprisessurveys.org](http://www.enterprisessurveys.org)) The World Bank

Electricity supply is one of the main constraint that the entrepreneurship environment in countries in Africa face. Figure 4.8 shows countries that identify electricity supply as a major constraint.

Figure 4.8 Electricity supply as a constraint for some countries in Africa



Source: Enterprise Surveys ([www.enterprisessurvey.org](http://www.enterprisessurvey.org)) The World Bank

The contribution of major sectors to the GDP for countries in West Africa is shown in Table 4.7 with the exception of the public sector services and the provision of electricity, gas and water. The table has been used to produce the graph in Figure 4.9. The sectors considered in Table 4.7 are as follows: *Agriculture, hunting, forestry, fishing; Mining, oil; Manufacturing; Construction; Wholesale & retail, hotels & restaurants; Transport, storage & communications; Finance, real estate & business services.* There are other sectors that were not considered such as: *Electricity, gas and water; Public administration, education, health and social work, community, social and personal services;* other services that do not fall into any of these categories. have not been considered. The years range from 2011 to 2013, as data was not collected in the same year.

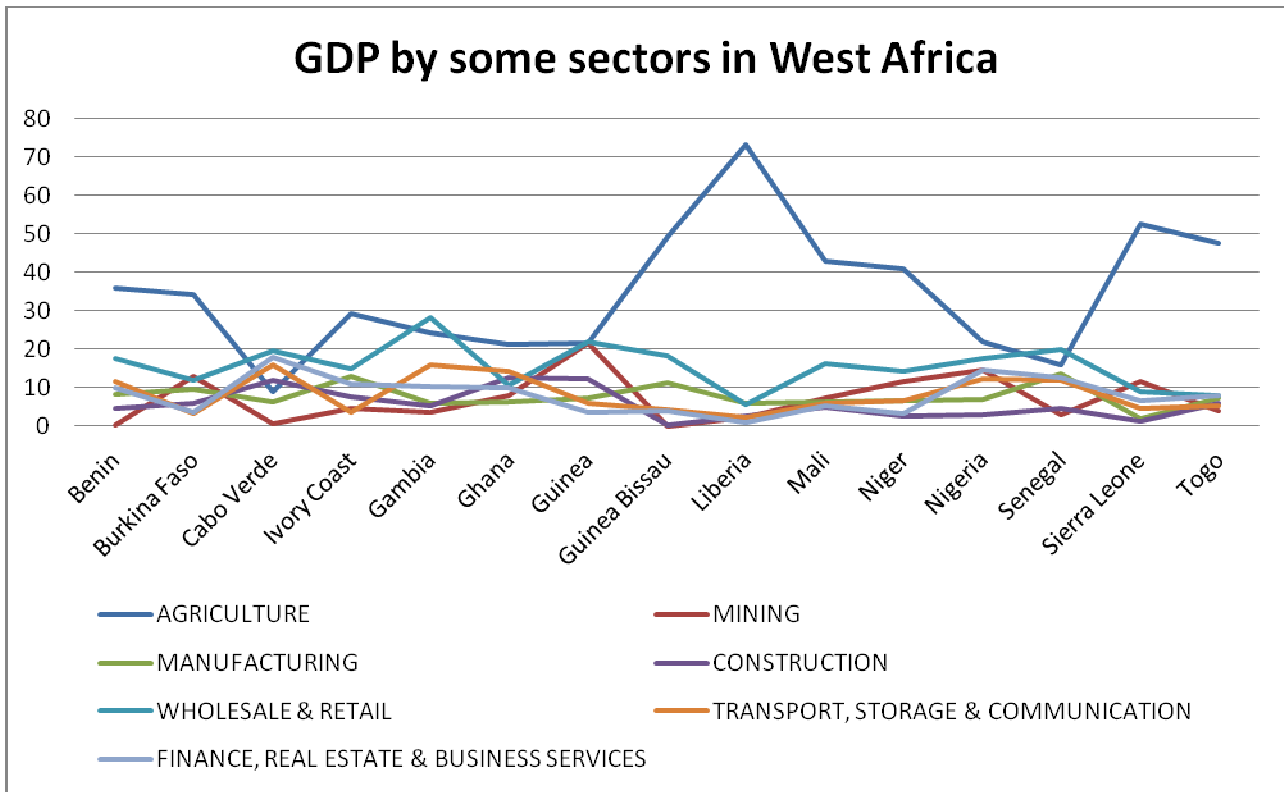
Table 4.7 The GDP by some sectors in percentages in West Africa

Country	Agriculture	Mining	Manufacturing	Construction	Wholesale & Retail	Transport & Communication	Services	Year
<b>Benin</b>	35.9	0.2	8.3	4.5	17.7	11.5	9.9	2012
<b>Burkina F.</b>	34.3	13.1	9.6	5.8	11.8	3.4	3.6	2012
<b>Cabo V.</b>	9.1	0.5	6.3	12.1	19.5	15.9	18.0	2011
<b>I. Coast</b>	29.2	4.6	13.0	7.5	15.0	3.7	11.0	2013
<b>Gambia</b>	24.4	3.6	6.0	5.4	28.4	15.8	10.3	2013
<b>Ghana</b>	21.3	7.9	6.3	12.6	10.7	14.3	9.9	2013
<b>Guinea</b>	21.2	21.6	7.4	12.4	21.9	5.8	3.6	2012
<b>G. Bissau</b>	49.1	0	11.4	0.4	18.2	4.2	4.0	2013
<b>Liberia</b>	73.3	2.4	6.0	2.7	5.7	2.4	1.0	2011
<b>Mali</b>	42.8	7.2	6.3	4.9	16.4	6.0	5.4	2013
<b>Niger</b>	40.8	11.5	6.5	2.6	14.2	6.5	3.2	2012
<b>Nigeria</b>	22.0	14.5	6.8	3.1	17.5	12.2	14.6	2013
<b>Senegal</b>	15.8	3.1	13.7	4.5	20.0	11.9	12.6	2012
<b>S.Leone</b>	52.7	11.6	2.1	1.3	9.1	4.6	6.6	2013
<b>Togo</b>	47.7	4.1	7.4	5.8	7.9	5.3	8.1	2013

Source: Africa Economic Outlook 2014

From Figure 4.9 derived from Table 4.7, it is evident that apart from agriculture, mining and the services sectors that have contributed meaningfully to the GDP during the years under consideration, the other sectors are clustered below contributions that account for 15 percent of the GDP. This clearly indicates that the sectors where entrepreneurship should play a major role are not contributing effectively to the GDP of these countries.

Figure 4.9 GDP of some sectors in West African countries



#### 4.5 Conclusion

In this chapter, the cases selected for the study have been described briefly using information that is available from both official international and national sources as such information is more credible, dependable and can easily be compared. Extant literature on the subject being addressed with regards to the countries has also been reviewed. The cases have been described taking into consideration the themes pertinent to this study. The next chapter will focus on the analysis of the data and show the results obtained.

## **Chapter 5**

### **Results and Analysis**

*“Discovery consists of seeing what everybody has seen and thinking what nobody has thought.”*

**Albert Szent-Gyorgyi (1893 -1986)**

#### **5.1 Introduction**

In the preceding two chapters, the methods for collection of the data and the cases used for the data collection were presented. The challenges faced during data collection were also presented. In this chapter, the aim is to present and then analyze data collected. The results of the analyses will facilitate the answering of the research questions and highlight the relevance to the research propositions. The results will also enhance the mapping of models of entrepreneurship ecosystems for the cases. The discussion of the significance of the results obtained and the hypothesis developed shall be presented in the next chapter.

#### **5.2 Completion of questionnaires**

The initial data collection process comprised of delivering the questionnaire to identified respondents by hand for completion and collection later. It was discovered that the response was below expectation. To improve the response rate, it was decided to modify this method of data collection to one in which an appointment is first made and the administrator of the questionnaire will visit the respondent and ensure that the questionnaire is completed and handed. The overall geographical profile of the respondents for each country is as shown in section 3.9.1.

The responses in the original data are as shown in Table 5.1 for Nigeria and Table 5.2 for Sierra Leone. Section 5.2.1 describe in details how the alternative responses were treated.

Table 5.1 Raw data from Nigeria

Questionnaire	Nigeria (Responses)		
	Total	NA (% of Total)	NK (%of Total)
Assessing the entrepreneurship environment and policies	9250	18 (0.19%)	198 (2.14%)
Assessing the impact of the entrepreneurship environment on entrepreneurs	4250	60 (1.41%)	12 (0.28%)
Interview guidelines	44	0	0

Table 5.2 Raw data from Sierra Leone

Questionnaire	Sierra Leone (Responses)		
	Total	NA (% of Total)	NK (%of Total)
Assessing the entrepreneurship environment and policies	9250	186 (2.01%)	177 (1.91%)
Assessing the impact of the entrepreneurship environment on entrepreneurs	4250	136 (3.2%)	30 (0.71%)
Interview guidelines	44	0	0

### 5.2.1 *Alternative responses in questionnaires*

The first five sections of the assessing the entrepreneurship environment and policies questionnaire described in section 3.7.1 and the last section of the assessing the impact of the entrepreneurship environment on entrepreneurs described in section 3.7.2 contained questions that allow some alternative responses out of the usual range of appropriate responses. These options (Not Applicable and No Knowledge) were included because the questions when present in a satisfaction or ranking scale ensure that respondents do not feel irritated when they are unable to answer and think that they should not have been asked the question in the first place. This might cause the respondents to drop out of the survey.



### 5.2.2 Analyzing alternative responses

When analyzing alternative responses, it is advisable to treat ‘not applicable’ (NA) and ‘no knowledge’ (NK) responses separately as they are completely different though they are perfectly valid responses to a question. A problem usually arises when analyzing such responses as they might skew the analyses results (Gerlach and Garra, n.d.). Some of the methods that have been suggested to handle these type of responses are as follows:

- Dropping variables – when for one or a few variables, the cases lack data an option is to drop the variables.
- Dropping subjects – when the missing data is limited to a few respondents, an option is to eliminate those respondents. The remaining cases may not be representative of the sample.

#### 5.2.2.1 Assessing the entrepreneurship environment and policies questionnaire

For the questionnaire assessing the entrepreneurship environment and policies, Table 5.3 and , Table 5.4, show the alternative responses. The section column refers the section where the statement or question is found and the code of the question in the questionnaire is shown in bracket which is presented in Appendices B to D.

Table 5.3 Summary of the alternative responses of the general survey respondents in Nigeria

Section (Code)	Question	NA	NK
1 (ED5)	Do you agree that the supply of entrepreneurs is high?		1
2A (PU1)	How would you rate the degree of availability of government investment funds?		2
2A(PU2)	How would you rate the degree of availability of credit guarantee funds?		1
2A(PU4)	How would you rate the degree of availability of bilateral relations financial assistance?		4
2A(NGO1)	How would you rate the degree of availability of international non governmental funds?		1
2A(NGO3)	How would you rate the degree of availability of donor funds?		1
2A(NGO5)	How would you rate the degree of availability of crowd funding?		13

2A(PR1)	How would you rate the degree of availability of international bank loans?		2
2A(PR4)	How would you rate the degree of availability of venture capital		5
2A(PR5)	How would you rate the degree of availability of business angels		5
2A(PR9)	How would you rate the degree of availability of international finance institutions funds?		2
2A(PR10)	How would you rate the degree of availability of foreign direct investment?		2
2A(PR11)	How would you rate the degree of availability SME stock exchange?		6
2A(PR12)	How would you rate the degree of availability of regional blocks SME funds?		13
2B(PU1)	How would you rate the accessibility to government investment funds?		1
2B(PU2)	How would you rate the accessibility to credit guarantee funds?		1
2B(PU3)	How would you rate the accessibility to pension funds?	2	1
2B(PU4)	How would you rate the accessibility to bilateral financial assistance?		4
2B(NGO1)	How would you rate the accessibility to international non governmental organizations funds?		1
2B(NGO2)	How would you rate the accessibility to national non governmental organizations funds?	1	
2B(NGO3)	How would you rate the accessibility to donor funds?		1
2B(NGO4)	How would you rate the accessibility to philanthropic funds?	1	
2B(NGO5)	How would you rate the accessibility to crowd funding?	1	15
2B(PR1)	How would you rate the accessibility to international bank loans?		2
2B(PR4)	How would you rate the accessibility to venture capital?	1	5
2B(PR5)	How would you rate the accessibility to business angels?	1	5
2B(PR9)	How would you rate the accessibility to international finance institutions funds		3
2B(PR10)	How would you rate the accessibility to foreign direct investment?		2
2B(PR11)	How would you rate the accessibility to the SME stock exchange?		6
2B(PR12)	How would you rate the accessibility to regional blocks SME funds?		14
3A(PI3)	Please classify the state of railways.		3
3A(PI4)	Please classify the state of ports.		1
3A(PI5)	Please classify the state of business premises.		1
3A(TI2)	Please classify the state of private centers of excellence for technological research.	1	1
3A(TR1)	Please classify the state of the international trade works.		5
3A(TR2)	Please classify the state of the regional trade networks.	1	1
3A(TR3)	Please classify the state of the domestic trade networks.		1
3A(IC3)	Please classify the state of land telephones.		1
3A(F1)	Please classify the state of accounting standards.		1
3A(F2)	Please classify the state of auditing standards.		1

3A(F3)	Please classify the state of credit reporting schemes.	1
3A(F4)	Please classify the state of collateral and insolvency regimes.	3
3A(F5)	Please classify the state of payments and settlements systems.	1
3B(PI3)	Please classify the degree of influence of railways.	2
3B(PI5)	Please classify the degree of influence of affordable business premises.	1
3B(TR1)	Please classify the degree of influence of international trade networks.	1 1
3B(TR2)	Please classify the degree of influence of regional trade blocks networks.	1
3B(TR3)	Please classify the degree of influence of domestic trade networks.	1
3B(F1)	Please classify the degree of influence of accounting standards.	1
3B(F2)	Please classify the degree of influence of auditing standards.	1
3B(F3)	Please classify the degree of influence of credit reporting schemes.	2
3B(F4)	Please classify the degree of influence of collateral and insolvency regimes.	1
3B(F5)	Please classify the degree of influence of payments and settlements.	1
4A(OR1)	To what extent do you rate the availability of support with regards to the chamber of commerce?	2
4A(OR2)	To what extent do you rate the availability of support with regards to business associations?	1
4A(OR5)	To what extent do you rate the availability of support with regards to foundations?	1
4A(OR6)	To what extent do you rate the availability of support with regards to entrepreneur cooperatives?	1
4A(CO1)	To what extent do you rate the availability of support with regards to legal consultancies?	1
4A(CO2)	To what extent do you rate the availability of support with regards to management consultancies?	1
4A(CO3)	To what extent do you rate the availability of support with regards to administrative consultancies?	1
4A(CO4)	To what extent do you rate the availability of support with regards to accounting consultancies?	1
4A(CO5)	To what extent do you rate the availability of support with regards to human resources consultancies?	1
4A(PO7)	To what extent do you rate the availability of support with regards to government procurement from entrepreneurs?	1
4B(OR1)	How do you rate the quality of the available support to facilitate entrepreneurship with regards to the chamber of commerce?	2
4B(OR2)	How do you rate the quality of the available support to facilitate entrepreneurship with regards to business associations?	1
4B(OR5)	How do you rate the quality of the available support to facilitate entrepreneurship with regards to foundations?	1
4B(CO1)	How do you rate the quality of the available support to facilitate entrepreneurship with regards to legal consultancies?	1

4B(CO2)	How do you rate the quality of the available support to facilitate entrepreneurship with regards to management consultancies?	1
4B(CO3)	How do you rate the quality of the available support to facilitate entrepreneurship with regards to administrative consultancies?	1
4B(CO4)	How do you rate the quality of the available support to facilitate entrepreneurship with regards to accounting consultancies?	1
4B(CO5)	How do you rate the quality of the available support to facilitate entrepreneurship with regards to human resources consultancies?	1
5(PL5)	To what extent do you agree that plans are underway to formulate an entrepreneurship policy?	12
5(PC7)	To what extent do you agree that government is seeking external assistance for the formulation of entrepreneurship policies?	18
5(PC8)	To what extent do you agree that high growth entrepreneurship is not the main aim of the policy?	2
5(AC3)	To what extent do you agree that all entrepreneurship promotion stakeholders are involved in the formulation of entrepreneurship policy?	1
5(AC5)	To what extent do you agree that international agencies operating in the country are contributing to the promotion of entrepreneurship?	1
5(AC6)	To what extent do you agree that non governmental organizations are participating in the promotion of entrepreneurship?	1

Table 5.4 Summary of the alternative responses of the general survey respondents in Sierra Leone

Section	Question	NA	NK
1 (RE4)	Do you agree that bureaucratic delays are affecting entrepreneurs negatively?		1
1(RE7)	Do you agree that legal business protection is not effective?		1
2A(PU2)	How would you rate the degree of availability of credit guarantee funds?		1
2A(PU3)	How would you rate the degree of availability of pension funds	3	1
2A(PU4)	How would you rate the degree of availability of bilateral relations financial assistance?		3
2A(NGO1)	How would you rate the degree of availability of international non governmental funds?	1	2
2A(NGO2)	How would you rate the degree of availability of non governmental funds?	2	
2A(NGO3)	How would you rate the degree of availability of donor funds?	2	1
2A(NGO4)	How would you rate the degree of availability of philanthropic funds?	2	2
2A(NGO5)	How would you rate the degree of availability of crowd funding?		10
2A(PR1)	How would you rate the degree of availability of international bank loans?	2	3

2A(PR4)	How would you rate the degree of availability of venture capital	2	1
2A(PR5)	How would you rate the degree of availability of business angels	4	5
2A(PR9)	How would you rate the degree of availability of international finance institutions funds?	1	3
2A(PR10)	How would you rate the degree of availability of foreign direct investment?	5	2
2A(PR11)	How would you rate the degree of availability SME stock exchange?	3	10
2A(PR12)	How would you rate the degree of availability of regional blocks SME funds?	2	14
2B(PU3)	How would you rate the accessibility to pension funds?	1	1
2B(PU4)	How would you rate the accessibility to bilateral financial assistance?	6	1
2B(NGO1)	How would you rate the accessibility to international non governmental organizations funds?		1
2B(NGO2)	How would you rate the accessibility to national non governmental organizations funds?	1	
2B(NGO3)	How would you rate the accessibility to donor funds?	1	
2B(NGO4)	How would you rate the accessibility to philanthropic funds?		3
2B(NGO5)	How would you rate the accessibility to crowd funding?	3	10
2B(PR1)	How would you rate the accessibility to international bank loans?	4	
2B(PR4)	How would you rate the accessibility to venture capital?	1	1
2B(PR5)	How would you rate the accessibility to business angels?	3	2
2B(PR9)	How would you rate the accessibility to international finance institutions funds		1
2B(PR10)	How would you rate the accessibility to foreign direct investment?	2	2
2B(PR11)	How would you rate the accessibility to the SME stock exchange?	1	7
2B(PR12)	How would you rate the accessibility to regional blocks SME funds?		15
3A(PI3)	Please classify the state of railways.	50	
3A(PI4)	Please classify the state of ports.	2	2
3A(PI5)	Please classify the state of business premises.	3	
3A(TI3)	Please classify the state of universities of excellence for technological research.	1	1
3A(TR1)	Please classify the state of the international trade works.	5	3
3A(TR2)	Please classify the state of the regional trade networks.	5	4
3A(TR3)	Please classify the state of the domestic trade networks.	1	3
3A(IC3)	Please classify the state of land telephones.	1	
3A(F1)	Please classify the state of accounting standards.	1	
3A(F2)	Please classify the state of auditing standards.	1	
3A(F3)	Please classify the state of credit reporting schemes.		1
3A(F4)	Please classify the state of collateral and insolvency regimes.	1	1
3A(F5)	Please classify the state of payments and settlements systems.	1	
3B(PI3)	Please classify the degree of influence of railways.	45	
3B(PI4)	Please classify the degree of influence of ports.	2	

3B(TI3)	Please classify the degree of influence of universities for research	2	
3B(TI4)	Please classify the degree of influence of mechanisms for technology transfer	1	
3B(TR1)	Please classify the degree of influence of international trade networks.	2	1
3B(TR2)	Please classify the degree of influence of regional trade blocks networks.		3
3B(TR3)	Please classify the degree of influence of domestic trade networks.	3	1
3B(F3)	Please classify the degree of influence of credit reporting schemes.		1
3B(F4)	Please classify the degree of influence of collateral and insolvency regimes.		2
4A(OR1)	To what extent do you rate the availability of support with regards to the chamber of commerce?		1
4A(OR4)	To what extent do you rate the availability of support with regards to professional associations?		1
4A(OR5)	To what extent do you rate the availability of support with regards to foundations?		3
4A(CO1)	To what extent do you rate the availability of support with regards to legal consultancies?		1
4A(PO5)	To what extent do you rate the availability of support with regards to building a pool of talents?	1	2
4A(PO6)	To what extent do you rate the availability of support with regards to empowerment?		1
4B(OR1)	How do you rate the quality of the available support to facilitate entrepreneurship with regards to the chamber of commerce?		1
4B(OR3)	How do you rate the quality of the available support to facilitate entrepreneurship with regards to professional associations?		1
4B(OR5)	How do you rate the quality of the available support to facilitate entrepreneurship with regards to foundations?	3	3
4B(OR6)	How do you rate the quality of the available support to facilitate entrepreneurship with regards to entrepreneur cooperatives?	1	
4B(PO5)	How do you rate the quality of the available support to facilitate entrepreneurship with regards to building a pool of talents?	1	2
4B(PO6)	How do you rate the quality of the available support to facilitate entrepreneurship with regards to empowerment?		1
4B(CO1)	How do you rate the quality of the available support to facilitate entrepreneurship with regards to legal consultancies?		1
5(PL5)	To what extent do you agree that plans are underway to formulate an entrepreneurship policy?		14
5(PC1)	To what extent do you agree that a formal entrepreneurship development policy is not in place?		2
5(PC2)	To what extent do you agree that policies are focusing more on transforming entrepreneurs from the informal to the formal sector?		2
5(PC3)	To what extent do you agree that current policies are not focused on encouraging productive entrepreneurship?		1

5(PC4)	To what extent do you agree that policies are geared towards the creation of a conducive environment for entrepreneurship?		3
5(PC6)	To what extent do you agree that the creation of an entrepreneurial society is one of the major concerns of government?		2
5(PC7)	To what extent do you agree that government is seeking external assistance for the formulation of entrepreneurship policies?		12
5(PC8)	To what extent do you agree that high growth entrepreneurship is not the main aim of the policy?		1
5(PC9)	To what extent do you agree that diversification of the economy can be achieved through high growth entrepreneurship?		1
5(PC11)	To what extent do you agree that there exist a very effective, transparent and reciprocal State and business relationship?		1
5(AC3)	To what extent do you agree that all entrepreneurship promotion stakeholders are involved in the formulation of entrepreneurship policy?	1	3

Comparing the alternative responses for both countries, the questions that have a substantial number of respondents answering with either not applicable (NA) or no knowledge (NK) were dropped in the analysis. It is presumed that this is no great loss as the scale contains other items that provide a quantitative measure of the variables. The situation is depicted in Table 5.5

Table 5.5 Questions dropped in the analysis of the general survey respondents

Code	Questions	Nigeria		Sierra Leone	
		NA	NK	NA	NK
2A(NGO5)	How would you rate the degree of availability of crowd funding?		13 (26%)		10 (20%)
2A(PR11)	How would you rate the degree of availability SME stock exchange?				10 (20%)
2A(PR12)	How would you rate the degree of availability of regional blocks SME funds?		13 (26%)		14 (28%)
2B(NGO5)	How would you rate the accessibility crowd funding?	1 (2%)	15 (30%)		10 (20%)
2B(PR11)	How would you rate the accessibility to the SME stock exchange?		6 (12%)	1 (1%)	7 (14%)
2B(PR12)	How would you rate the accessibility to regional blocks SME funds?		14 (28%)		15 (30%)
3A(PI3)	Please classify the state of railways.		3 (6%)		50 (100%)
3B(PI3)	Please classify the degree of influence of railways.		2 (4%)		45 (90%)

5(PL5)	To what extent do you agree that plans are underway to formulate an entrepreneurship policy?	12 (24%)	14 (28%)
5(PC7)	To what extent do you agree that government is seeking external assistance for the formulation of entrepreneurship policies?	18 (36%)	12 (24%)

The percentages in brackets show the percent of respondents with regards to the total number of respondents in each country. Since most of the questions probed the availability and accessibility, whenever an availability question was dropped, its twin question in the accessibility section was also dropped. To ensure that the sample remains comparable, some questions were dropped where the number of alternative responses was very low in one country but high in the other country. An example is the question (3API3), in Nigeria there is a rail transportation but in Sierra Leone, there is no rail transportation for business people. The one that exists is for the mining companies. The total number of questions dropped is ten. For questions where the respondents who gave the alternative responses is less than 20 percent, these responses were excluded from the analysis.

#### 5.2.2.2 Assessing the impact of the entrepreneurship environment on entrepreneurs questionnaire

A similar treatment was made to the entrepreneurs' questionnaires for both countries. The outcome is illustrated in Table 5.6 for Nigeria and Table 5.7 for Sierra Leone.

Table 5.6 Summary of the alternative responses of the entrepreneurs survey respondents in Nigeria

Section (Code)	Question	NA	NK
3(CAP1)	How would you rate the supportiveness of the entrepreneurship environment in the process of opportunity identification?	3	
3(CAP2)	How would you rate the supportiveness of the entrepreneurship environment in the business planning process?	3	
3(CAP3)	How would you rate the supportiveness of the entrepreneurship environment for the acquisition of basic skills?	3	
3(CAP4)	How would you rate the supportiveness of the entrepreneurship environment for the acquisition of organizational skills?	3	
3(CAP5)	How would you rate the supportiveness of the entrepreneurship environment for the acquisition of management skills?	3	



3(FIN1)	How would you rate the supportiveness of the entrepreneurship environment in the idea optimization stage?	3	
3(FIN2)	How would you rate the supportiveness of the entrepreneurship environment in the early development stage?	3	
3(FIN3)	How would you rate the supportiveness of the entrepreneurship environment in the venture launching stage?	3	
3(FIN4)	How would you rate the supportiveness of the entrepreneurship environment during early operations?	1	
3(SUP1)	How would you rate the supportiveness of the entrepreneurship environment in ensuring constant supplies?	5	
3(SUP2)	How would you rate the supportiveness of the entrepreneurship environment to ascertain supplier transparency?	5	
3(SUP3)	How would you rate the supportiveness of the entrepreneurship environment in the control of transaction costs?	3	
3(SUP4)	How would you rate the supportiveness of the entrepreneurship environment in assuring the quality of supplies?	5	
3(EST1)	How would you rate the supportiveness of the entrepreneurship environment to the ease of starting a firm?	3	
3(REG1)	How would you rate the supportiveness of the entrepreneurship environment in registering a firm?	1	
3(REG6)	How would you rate the supportiveness of the entrepreneurship environment on the transparency of public officials?		1
3(REG7)	How would you rate the supportiveness of the entrepreneurship environment on the accountability of public officials?	1	
3(REG8)	How would you rate the supportiveness of the entrepreneurship environment on the enforcement of contracts?	1	
3(MAR2)	How would you rate the supportiveness of the entrepreneurship environment in facilitating access to regional markets?	1	
3(MAR3)	How would you rate the supportiveness of the entrepreneurship environment in promoting imports and exports?	4	
3(MAR4)	How would you rate the supportiveness of the entrepreneurship environment in advocating for trade tariffs?	6	5
3(MAR5)	How would you rate the supportiveness of the entrepreneurship environment in enabling the creation of new markets?		5
3(INF4)	How would you rate the supportiveness of the entrepreneurship environment improving virtual infrastructure?		1

Table 5.7 Summary of the alternative responses of the entrepreneurs' survey respondents in S/Leone

Section (Code)	Question	NA	NK
3(CAP1)	How would you rate the supportiveness of the entrepreneurship environment in the process of opportunity identification?	4	
3(CAP2)	How would you rate the supportiveness of the entrepreneurship environment in the process of opportunity identification?	3	

	environment in the business planning process?		
3(CAP3)	How would you rate the supportiveness of the entrepreneurship environment for the acquisition of basic skills?	6	
3(CAP4)	How would you rate the supportiveness of the entrepreneurship environment for the acquisition of organizational skills?	5	2
3(CAP5)	How would you rate the supportiveness of the entrepreneurship environment for the acquisition of management skills?	4	1
3(FIN1)	How would you rate the supportiveness of the entrepreneurship environment in the idea optimization stage?	1	
3(FIN2)	How would you rate the supportiveness of the entrepreneurship environment in the early development stage?	1	
3(FIN3)	How would you rate the supportiveness of the entrepreneurship environment in the venture launching stage?	2	
3(SUP1)	How would you rate the supportiveness of the entrepreneurship environment in ensuring constant supplies?	5	
3(SUP2)	How would you rate the supportiveness of the entrepreneurship environment to ascertain supplier transparency?	5	
3(SUP4)	How would you rate the supportiveness of the entrepreneurship environment in assuring the quality of supplies?	4	
3(EST1)	How would you rate the supportiveness of the entrepreneurship environment to the ease of starting a firm?	1	
3(EST2)	How would you rate the supportiveness of the entrepreneurship environment in ensuring the availability of appropriate premises?	3	1
3(EST3)	How would you rate the supportiveness of the entrepreneurship environment in helping in the lease/rent arrangements of premises?	2	
3(EST4)	How would you rate the supportiveness of the entrepreneurship environment in providing unconditional access to the pool of skilled workers?	9	
3(EST5)	How would you rate the supportiveness of the entrepreneurship environment in facilitating access to affordable and appropriate eservices/equipment?	5	1
3(EST6)	How would you rate the supportiveness of the entrepreneurship environment in the ease of closing a firm?	2	1
3(REG1)	How would you rate the supportiveness of the entrepreneurship environment in registering a firm?	4	
3(REG2)	How would you rate the supportiveness of the entrepreneurship environment with regards to the tax regime?	1	1
3(REG3)	How would you rate the supportiveness of the entrepreneurship environment for competition rules?	3	
3(REG4)	How would you rate the supportiveness of the entrepreneurship environment in the protection of property?	1	1
3(REG6)	How would you rate the supportiveness of the entrepreneurship environment with regards to the transparency of public officials?	2	
3(REG7)	How would you rate the supportiveness of the entrepreneurship environment on the accountability of public officials?	2	
3(REG8)	How would you rate the supportiveness of the entrepreneurship environment on the enforcement of contracts?	3	1
3(REG9)	How would you rate the supportiveness of the entrepreneurship	3	

	environment on the economic freedom of entrepreneurs?		
3(REG10)	How would you rate the supportiveness of the entrepreneurship environment on the legal protection of enterprises?	2	1
3(OPE1)	How would you rate the supportiveness of the entrepreneurship environment in the prevention of the disruption of operations from external sources?	1	
3(OPE2)	How would you rate the supportiveness of the entrepreneurship environment in preventing legal intrusions by authorities?	2	
3(OPE4)	How would you rate the supportiveness of the entrepreneurship environment in ensuring access to essential services and utilities?	1	1
3(OPE5)	How would you rate the supportiveness of the entrepreneurship environment with regards to professional support?	4	
3(OPE6)	How would you rate the supportiveness of the entrepreneurship environment with regards to logistical support?	3	
3(OPE7)	How would you rate the supportiveness of the entrepreneurship environment in boosting the work of networks?	4	2
3(OPE8)	How would you rate the supportiveness of the entrepreneurship environment in enhancing the operation of clusters?	5	
3(OPE10)	How would you rate the supportiveness of the entrepreneurship environment in the reduction of information asymmetry?	2	1
3(MAR1)	How would you rate the supportiveness of the entrepreneurship environment in facilitating access to national markets?	1	1
3(MAR2)	How would you rate the supportiveness of the entrepreneurship environment in facilitating access to regional markets?	6	1
3(MAR3)	How would you rate the supportiveness of the entrepreneurship environment in promoting imports and exports?	11	1
3(MAR4)	How would you rate the supportiveness of the entrepreneurship environment in advocating for trade tariffs?	10	2
3(MAR5)	How would you rate the supportiveness of the entrepreneurship environment in enabling the creation of new markets?	3	3
3(INF2)	How would you rate the supportiveness of the entrepreneurship environment with regards to improving the commercial infrastructure ?	1	
3(INF3)	How would you rate the supportiveness of the entrepreneurship environment in improving the technological infrastructure?	2	1
3(INF4)	How would you rate the supportiveness of the entrepreneurship environment in improving the virtual infrastructure?	2	1
3(INF5)	How would you rate the supportiveness of the entrepreneurship environment in improving the information & communication infrastructure?	1	
3(INF6)	How would you rate the supportiveness of the entrepreneurship environment improving in the financial infrastructure?	1	1
3(INS1)	How would you rate the supportiveness of the entrepreneurship environment provided by political institutions?		2
3(INS2)	How would you rate the supportiveness of the entrepreneurship environment provided by social institutions?		2
3(INS3)	How would you rate the supportiveness of the entrepreneurship environment provided by cultural institutions?	2	1

3(INS4)	How would you rate the supportiveness of the entrepreneurship environment provided by educational institutions?	1
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To be consistent with the comparison made for both countries in section 5.2.2.1, the questions shown in Table 5.8 were dropped.

Table 5.8 Questions dropped in the analysis of entrepreneurs respondents

Code	Questions	Nigeria		Sierra Leone	
		NA	NK	NA	NK
3(MARK3)	How would you rate the supportiveness of the entrepreneurship environment in promoting imports and exports?	4 (8%)		11 (22%)	1 (2%)
3(MARK4)	How would you rate the supportiveness of the entrepreneurship environment in advocating for trade tariffs?	6 (12%)	5 (10%)	10 (20%)	2 (4%)

As explained, in section 5.2.2.1, the two questions in Table 5.8 were dropped and to ensure that the sample remains comparable, some questions were dropped where the number of alternative responses was very low especially for Nigeria. Similarly, for questions where the respondents who gave the alternative responses is less than 20 percent, these responses were excluded from the analysis. After the raw data had been cleaned, the analysis process was started and the is reported in the next sections.

### 5.3 Analyses of close-ended survey responses

In general, data analysis consists of systematically applying statistical and or logical techniques to describe, illustrate and evaluate data. The aim is to draw inductive inferences from data as well as distinguishing the phenomenon of interest from the noise present in the data (Shamoo and Resnik, 2003). In case study methodology, data analysis is a continuous iterative process throughout the entire data collection phase and it consists of examining, categorizing, tabulating and recombining evidences (Yin, 1994) to produce answers to the research questions and address the propositions of

the study. Since in this study, questionnaires using the Likert items response for the close-ended and statements for the open-ended questions for two sets of respondents of the survey and interviews for another set of respondents, the analysis will be divided into two streams. The first stream will show the analyses of data from the Likert items whilst the second stream will illustrate the analyses of data from the open-ended questions and the interviews.

### ***5.3.1 Analysis of data measured by individual Likert type item***

Research on affective variables such as a general understanding of how entrepreneurs are affected by the entrepreneurial environment in which they operate, one is dealing with a phenomenon which is difficult to capture. Questionnaires of the Likert type are commonly used in such situations (Kislenko and Grevholm, n.d.).

Likert type item data falls into the ordinal scale category of Steven's scale of measurement (Ary, Jacobs, & Sorenson, 2010) as the observations are ranked in some measure of magnitude. The numbers assigned to the ranks indicate a stronger than relationship but do not measure how much stronger and as such the numbers only indicate the order (Boone and Boone, 2012). Since each Likert item provides a discrete approximation of a continuous latent variable, a proper analysis of a Likert item should take into consideration the discrete nature of the response (Clason and Dormody, 1994).

According to Boone and Boone, 2012, descriptive statistics suitable for Likert type item include the mode or median for central tendency and frequencies for variability. These are the analysis procedures applied in the study. Though there are other additional procedures such as the chi square measure of association, Kendall Tau B and Kendall Tau C.

#### ***5.3.1.1 Descriptive statistics on entrepreneurs in Nigeria and Sierra Leone***

In this section, a summary of data, distributions and results are presented in a meaningful way using tables and graphs to enhance a simple and friendly interpretation of the data for the two cases. Table

5.1 illustrates the distribution of the 50 entrepreneurs in Nigeria and Table 5.2 illustrates the 50 entrepreneurs in Sierra Leone.

From the Tables 5.1 and 5.2, it is clear that the average ages of the entrepreneurs in both countries are approximately the same (44 years). This observation is in consonance with the GEM 2013 report which shows that for all economies, high participation levels occurred at the 35-44 years age bracket. The average family members is also approximately equal (4 members). Marked differences are observed in the number of entrepreneurs who have attained tertiary education.

Table 5.9 Distribution of the 50 entrepreneurs in Nigeria.

<b>Entrepreneurs</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>
No. of Entrepreneurs	50.00	36.00	14.00
Average Age	44.40	46.94	37.86
Single	6.00	1.00	5.00
Married	44.00	35.00	9.00
Average Family Members	3.22	3.58	2.23
Participation of Family Members	23.00	17.00	6.00
Succession Entrepreneurs	4.00	4.00	0.00
Rural	25.00	20.00	5.00
Urban	25.00	16.00	9.00
Tertiary	30.00	23.00	7.00
Secondary	17.00	10.00	7.00
Primary	3.00	3.00	0.00
Illiterate	0.00	0.00	0.00
Serial Entrepreneurs	4.00	3.00	1.00
Sector- Services	22.00	14.00	8.00
Sector-Production	28.00	22.00	6.00

The succession and serial entrepreneurs are very few. Portfolio entrepreneurs were not encountered although their existence is certain especially in the rural areas where an entrepreneur can operate more enterprises simultaneously. The participation of family members is significant either in the form of apprenticeship or tutelage in both countries.

Table 5.10 Distribution of the 50 entrepreneurs in Sierra Leone.

Entrepreneurs	Total	Male	Female
No. of Entrepreneurs	50.00	37.00	13.00
Average Age	43.48	43.89	42.31
Single	8.00	5.00	3.00
Married	42.00	32.00	10.00
Average Family Members	4.18	4.46	3.38
Participation of Family Members	23.00	20.00	3.00
Succession Entrepreneurs	5.00	5.00	0.00
Rural	25.00	19.00	6.00
Urban	25.00	18.00	7.00
Tertiary	17.00	12.00	5.00
Secondary	24.00	17.00	7.00
Primary	8.00	7.00	1.00
Adult Literacy	1.00	1.00	0.00
Serial Entrepreneurs	8.00	8.00	0.00
Sector - Services	33.00	22.00	11.00
Sector - Production	17.00	15.00	2.00

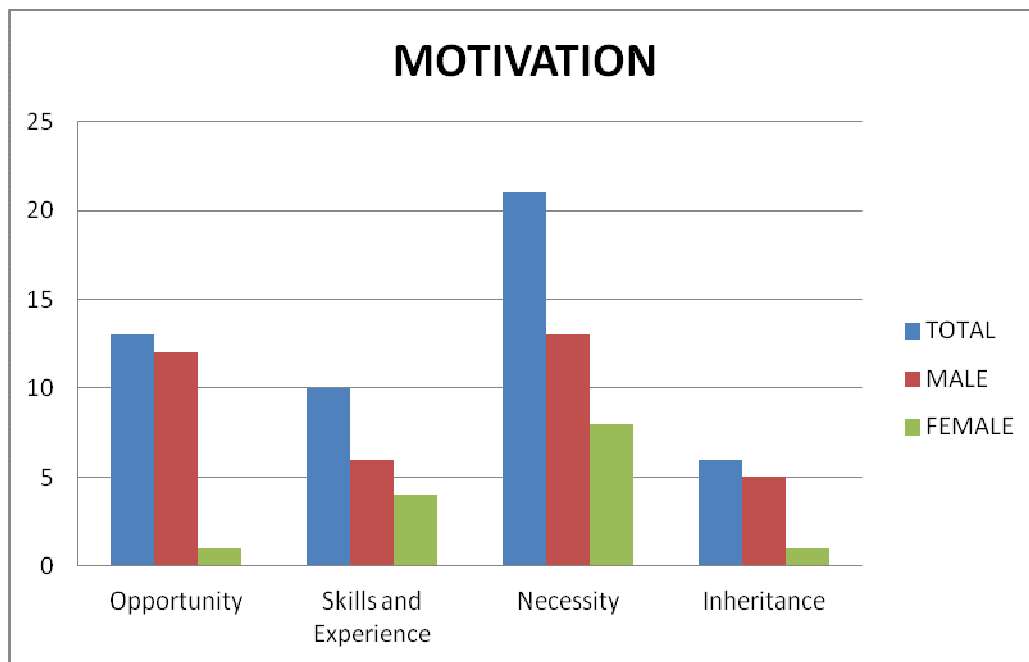
In Nigeria, there were 30 entrepreneurs that possess a tertiary level of education whilst in Sierra Leone, the number is almost half of that in Nigeria (17 entrepreneurs). There are more entrepreneurs in the service sector in Sierra Leone 33 in number compared to the 22 entrepreneurs in Nigeria. In both countries more than 80 percent of the entrepreneurs are married.

The motivation of the entrepreneurs in Nigeria is shown in Figure 5.1. which is derived from Table 5.11 The highest motivating factor is necessity. Opportunity and inheritance factors are dominated by male entrepreneurs which reflects that the society is patriarchal.

Table 5.11 Motivation factors of the sample from Nigeria

MOTIVATION IN NIGERIA			
FACTOR	MALE	FEMALE	TOTAL
Opportunity	12	1	13
Skills and Experience	6	4	10
Necessity	13	8	21
Inheritance	5	1	6

Figure 5.1 Motivating factors from the sample in Nigeria.



A chi square test of independence was conducted using Table 5.11 to develop the contingency table.

The null and alternative hypothesis are defined as follows:

**H<sub>0</sub>:** In the sample, gender and the motivation to become an entrepreneur are independent (no relationship).

**H<sub>1</sub>:** In the sample, gender and the motivation to become an entrepreneur are dependent (relationship).



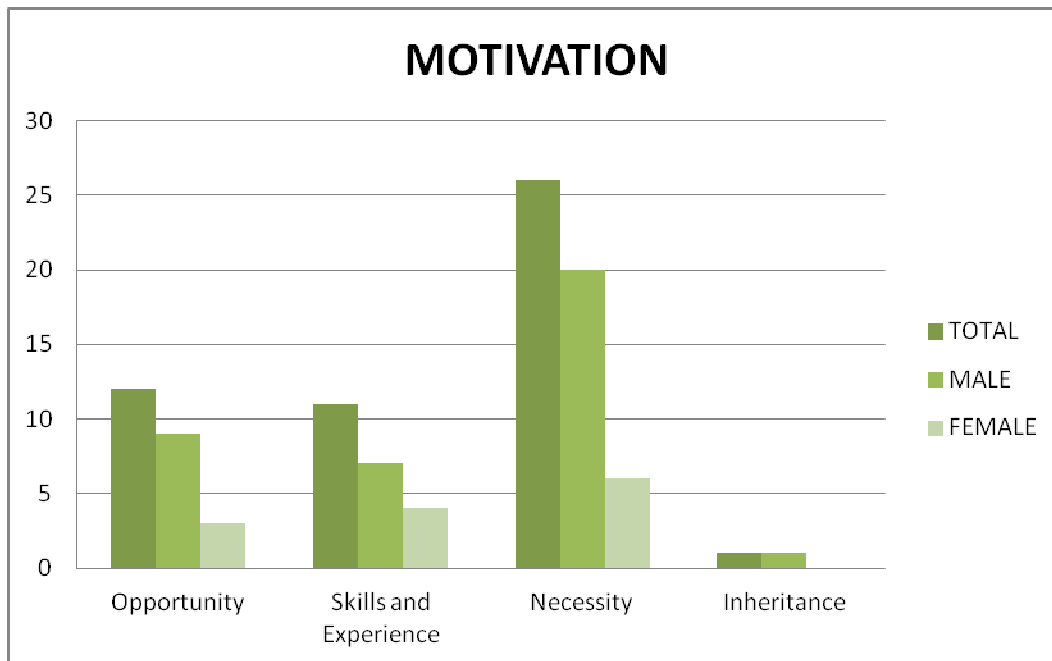
The chi square test of independence indicated the relation between gender and motivation was not significant at the conventionally accepted significance level ( $p < 0.05$ ),  $\chi^2(3, N = 50,) = 4.82$ ,  $p = 0.186$ . Failed to reject the null hypothesis.

The motivating factors for entrepreneurs in Sierra Leone is shown in Figure 5.2 which is derived from Table 5.12. As illustrated, necessity is the main motivation even for Sierra Leone. Inheritance is not much of a motivating factor while the opportunity factor is dominated by male entrepreneurs as in Nigeria. Skills and experience as a motivator is almost on a par in both countries. This shows that in both countries, the dominant motivation factor is necessity. This result is echoed in the GEM 2013 report which stated that necessity driven motives tend to be the highest in factor- driven economies.

Table 5.12 Motivation factors of the sample from Sierra Leone

<b>MOTIVATION IN SIERRA LEONE</b>			
<b>FACTOR</b>	<b>MALE</b>	<b>FEMALE</b>	<b>TOTAL</b>
<b>Opportunity</b>	9	3	12
<b>Skills and Experience</b>	7	4	11
<b>Necessity</b>	20	6	26
<b>Inheritance</b>	1	0	1

Figure 5.2. Motivation factors from the sample in Sierra Leone



A chi square test of independence was conducted using Table 5.12 to develop the contingency table.

The null and alternative hypothesis are defined as follows:

**H<sub>0</sub>:** In the sample, gender and the motivation to become an entrepreneur are independent (no relationship).

**H<sub>1</sub>:** In the sample, gender and the motivation to become an entrepreneur are dependent (relationship).

The chi square test of independence indicated the relation between gender and motivation was not significant at the conventionally accepted significance level ( $p < 0.05$ ),  $\chi^2(3, N = 50,) = 1.09$ ,  $p = 0.780$ . We fail to reject the null hypothesis.

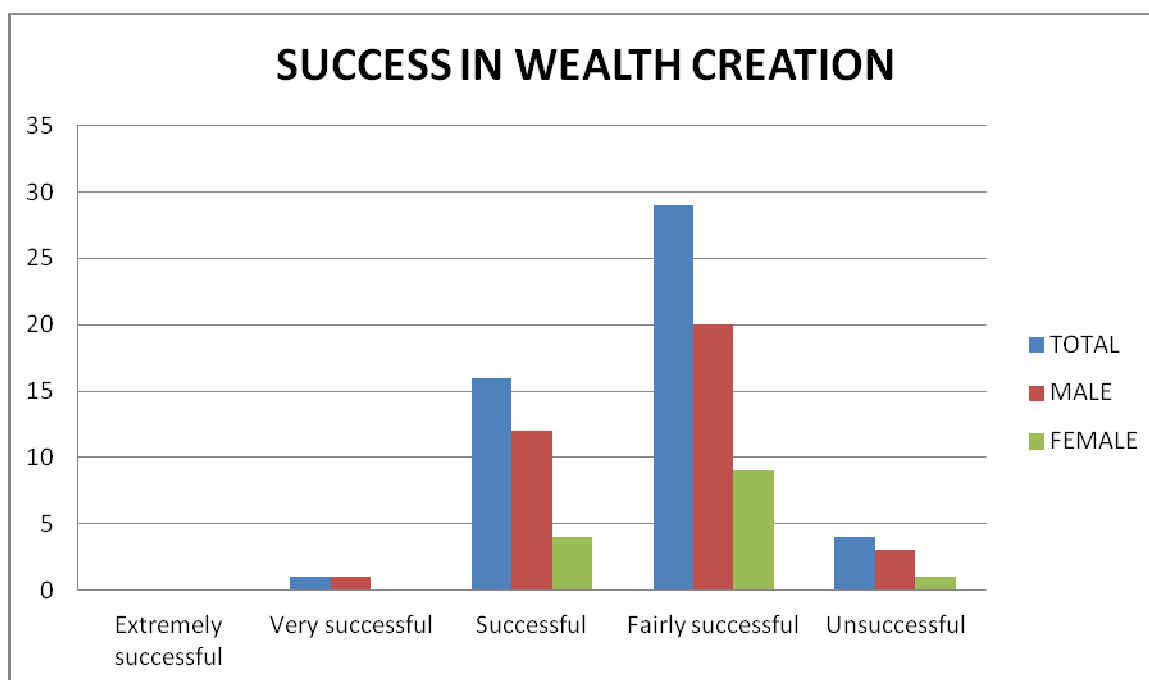
The entrepreneurs' perceptions about their success in wealth creation and how the entrepreneurship environment is conducive in Nigeria is presented in Figures 5.3 and 5.4. The figures were derived from Tables 5.13 and Table 5.14. The success of entrepreneurs in creating wealth is in the fairly successful bracket for the respondents and there is a negligible number of entrepreneurs that

claimed to be very successful. It is evident that male entrepreneurs are more successful than their female counterparts as the objective of most female entrepreneurs is not to accumulate wealth but to contribute financially to home maintenance.

Table 5 .13 Success in wealth creation in Nigeria according to the sample

<b>SUCCESS IN WEALTH CREATION IN NIGERIA</b>			
<b>TYPE</b>	<b>MALE</b>	<b>FEMALE</b>	<b>TOTAL</b>
<b>Extremely successful</b>	0	0	0
<b>Very successful</b>	1	0	1
<b>Successful</b>	12	4	16
<b>Fairly successful</b>	20	9	29
<b>Unsuccessful</b>	3	1	4

Figure 5.3. Success in wealth creation in Nigeria according to the sample

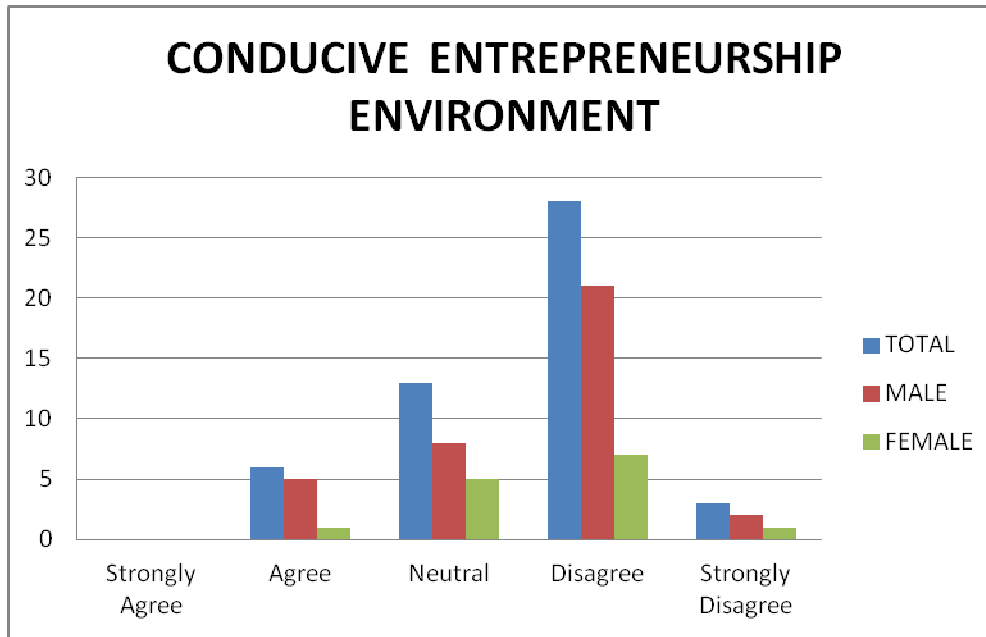


From Figure 5.4, an appreciable number of the respondents disagree that the entrepreneurship environment is conducive. Quite a high number of the male entrepreneurs disagree and most of them operate in the production of goods (manufacturing) which requires more input from the entrepreneurship environment.

Table 5.14 Conducive entrepreneurship environment in Nigeria according to the sample

<b>CONDUCTIVE ENTREPRENEURSHIP ENVIRONMENT IN NIGERIA</b>			
<b>OPINION</b>	<b>MALE</b>	<b>FEMALE</b>	<b>TOTAL</b>
<b>Strongly agree</b>	0	0	0
<b>Agree</b>	5	1	6
<b>Neutral</b>	8	5	13
<b>Disagree</b>	21	7	28
<b>Strongly disagree</b>	2	1	3

Figure 5.4 Conducive entrepreneurship environment in Nigeria according to the sample

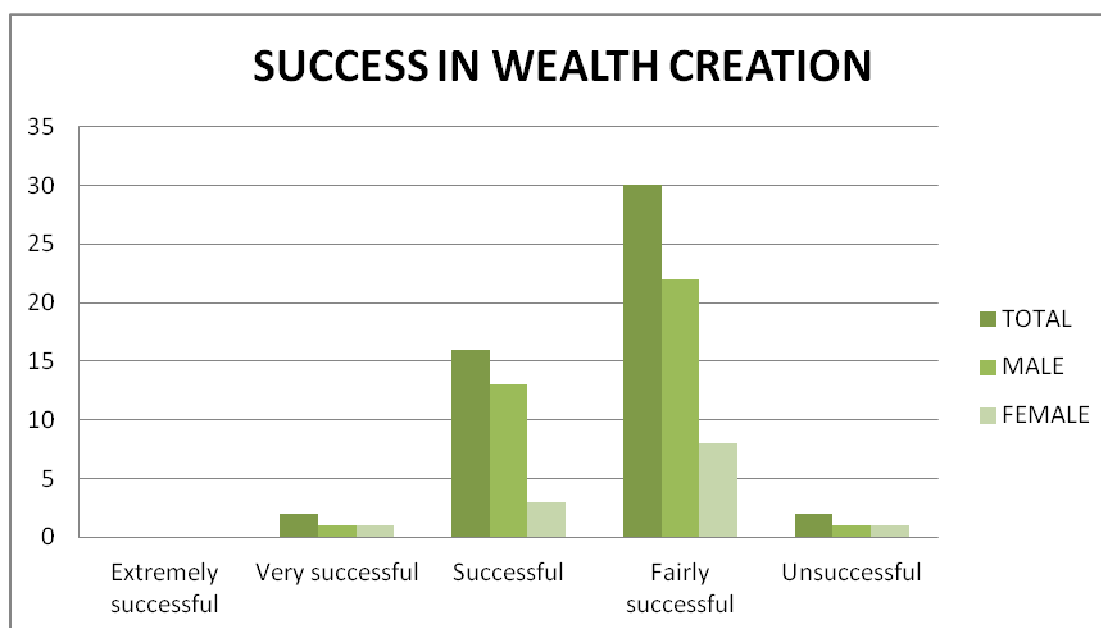


The situation in Sierra Leone with regards to the success of entrepreneurs in wealth creation and how the entrepreneurship environment is conducive is depicted in Figures 5.5 and 5.6 derived from Tables 5.15 and Table 5.16. The success in wealth creation is concentrated in the fairly successful bracket for entrepreneurs in Sierra Leone which means entrepreneurs in both countries are just doing fairly well in wealth creation.

Table 5.15 Success in wealth creation in Sierra Leone according to the sample

<b>SUCCESS IN WEALTH CREATION IN SIERRA LEONE</b>			
<b>TYPE</b>	<b>MALE</b>	<b>FEMALE</b>	<b>TOTAL</b>
<b>Extremely successful</b>	0	0	0
<b>Very successful</b>	1	1	2
<b>Successful</b>	13	3	16
<b>Fairly successful</b>	22	8	30
<b>Unsuccessful</b>	1	1	2

Figure 5.5. Success in wealth creation in Sierra Leone according to the sample

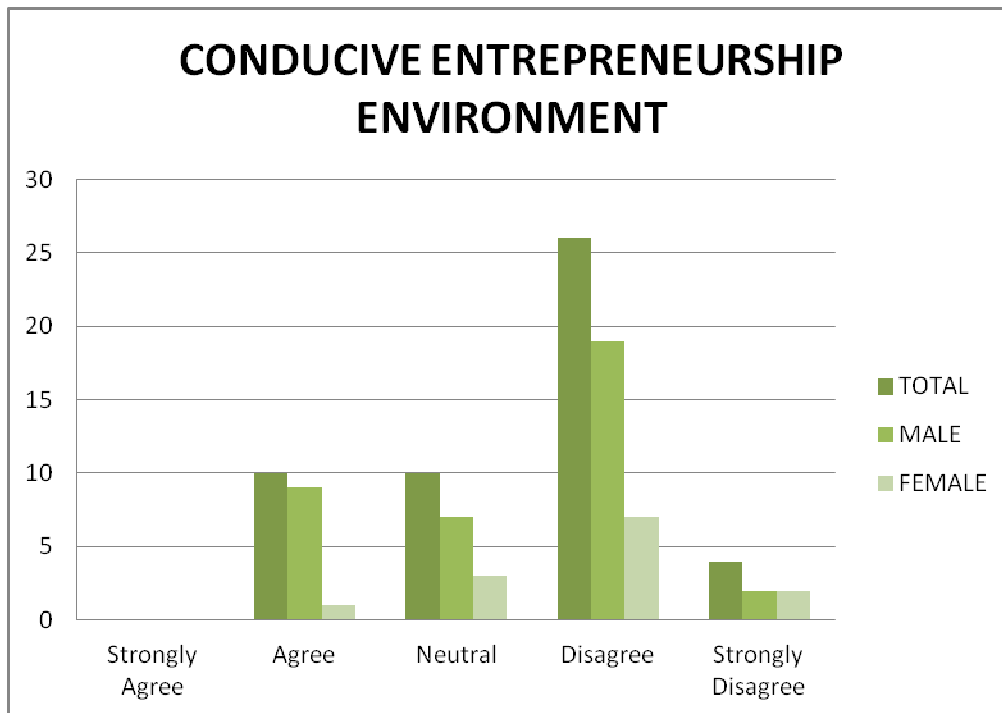


For the entrepreneurship environment in Sierra Leone, a majority of the respondent disagree that the environment is conducive and the number of those who agree and those who strongly disagree are comparable in both countries. No respondent strongly agreed that the environment is conducive in both countries. This shows that the entrepreneurship environment is not particularly favorable for entrepreneurs.

Table 5.16 Conducive entrepreneurship environment in Sierra Leone according to the sample

<b>CONDUCTIVE ENTREPRENEURSHIP ENVIRONMENT IN SIERRA LEONE</b>			
<b>OPINION</b>	<b>MALE</b>	<b>FEMALE</b>	<b>TOTAL</b>
<b>Strongly agree</b>	0	0	0
<b>Agree</b>	9	1	10
<b>Neutral</b>	7	3	10
<b>Disagree</b>	19	7	26
<b>Strongly disagree</b>	2	2	4

Figure 5.6. Conducive entrepreneurship environment in Sierra Leone



### 5.3.1.2 Descriptive statistics on enterprises in Nigeria and Sierra Leone

This section describes the enterprises of the entrepreneurs in terms of the sector of operations, the number of employees, the influence of the environment on the enterprise, the success of the enterprise and the future of the enterprise.

Table 5.17 Number of employees in enterprises in Nigeria

No. of Enterprises	No. of Employees	Percent of Firms
19	5 - 10	38
19	11 - 15	38
6	16 - 20	12
3	21-25	6
2	35 - 40	4
1	41 - 45	2

As shown in Table 5.3, most of the firms, have 5 to 15 employees which means that the enterprises are micro though the definition of a micro enterprise varies from country to country but in general it

is the smallest enterprise in a country operating in the lowest capital bracket and employing the least number of employees. Only one enterprise has more than 40 employees in the sample.

In Sierra Leone, most of the firms have 1-5 employees though a majority have 5 - 10 employees as shown in Table 5.4.

Table 5.18. Number of employees in enterprises in Sierra Leone

No. of Enterprises	No. of Employees	Percent of Firms
5	none	10
14	1 - 5	28
20	6 - 10	40
7	11 - 15	14
2	16 - 20	4
1	30	2
1	90	2

The success of enterprises in Nigeria is shown Table 5.5 where the majority of the respondents are fairly successful in making a profit and quite a good number are successful making a profit whilst very few are successful in expanding the enterprise and a few are unsuccessful.

Table 5.19 Enterprises success in Nigeria

Enterprise Success	No. of Enterprises	Percent of Firms
Fairly successful - Making a Profit	19	38
Fairly successful - Expansion	5	10
Successful - Making a Profit	15	30
Successful - Expansion	4	8
Unsuccessful - Expansion	7	14

In Table 5.6, most of the firms are fairly successful and some are successful in making a profit but the same cannot be said with regards to the expansion of the enterprise according to the respondents in Sierra Leone. The situation is almost similar to the one Nigeria.



Table 5.20 Enterprises success in Sierra Leone

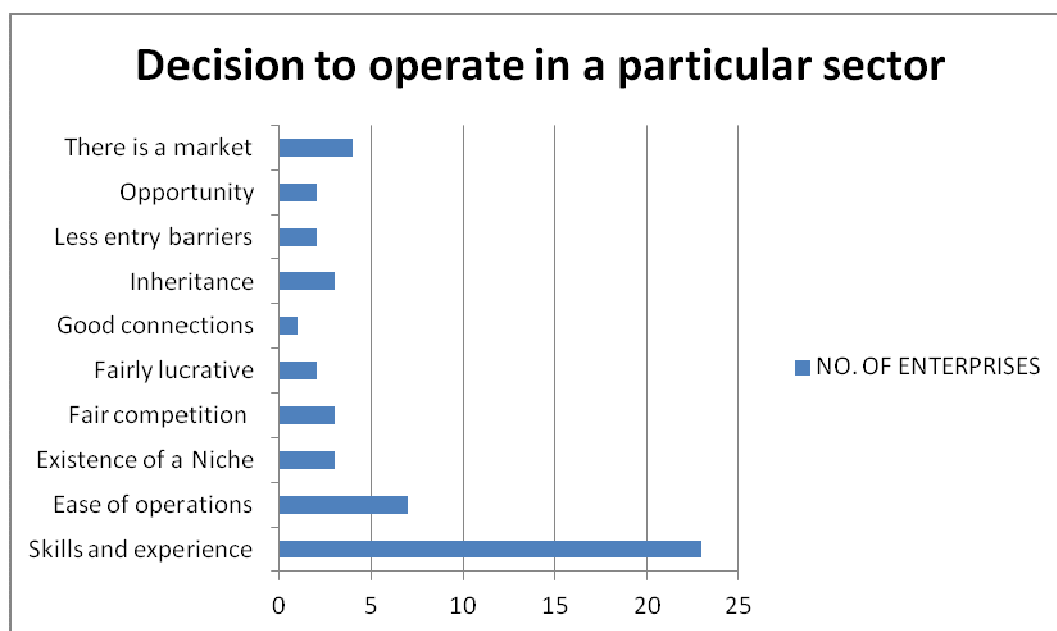
<b>Enterprise Success</b>	<b>No. of Enterprises</b>	<b>Percent of Firms</b>
Fairly successful - Making a Profit	28	56
Fairly successful - Expansion	5	10
Successful - Making a Profit	10	20
Successful - Expansion	4	8
Unsuccessful - Making a profit	2	4
Very successful - Making a profit	1	2

The decision of entrepreneurs to operate in a particular sector in Nigeria are shown in Figure 5.7 derived from Table 5.21. From the figure, the most frequent decision is '*skills and experience*' followed by '*ease of operations*' and '*the presence of a market*'. From the analysis, 60 percent of the entrepreneurs would like to expand their operations while the remaining 40 percent prefer to hold and maintain their enterprises.

Table 5.21 Decision to operate in a particular sector in Nigeria

<b>Factor</b>	<b>No. Enterprises</b>
Skills and Experience	23
Ease of operations	7
Existence of a niche	3
Fair competition	3
Fairly lucrative	2
Good connections	1
Inheritance	3
Less entry barriers	2
Opportunity	2
There is a market	4

Figure 5.7 Decision to operate in a particular sector in Nigeria



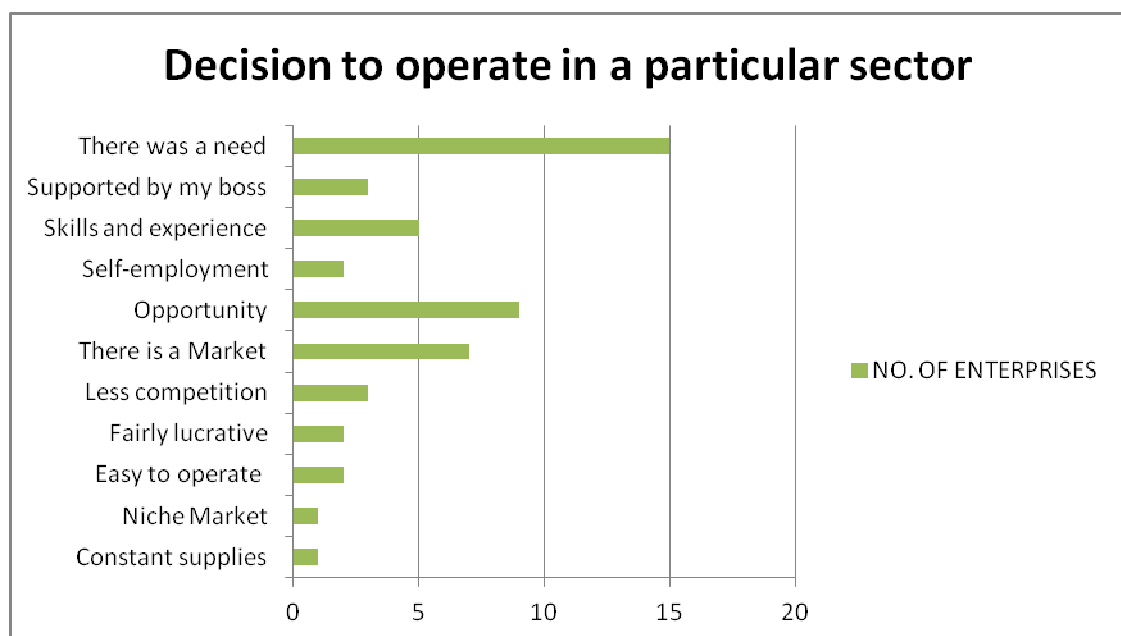
The decisions of entrepreneurs to operate in a particular sector in Sierra Leone is shown in Figure 5.8 derived from Table 5.22. In contrast to Nigeria, the most frequent decisions focused on *'there was a need'* followed by *'opportunity'* and *'the presence of a market'*. From the analysis, half of the respondents want to expand their businesses while the other half want to hold and maintain their businesses.

Table 5.22 Decision to operate in a particular sector in Sierra Leone

Factor	No. Enterprises
There was a need	15
Opportunity	9
There was a market	7
Skills and experience	5
Less competition	3
Supported by my boss	3

Easy to operate	2
Fairly lucrative	2
Self-employment	2
Constant supplies	1
Niche market	1

Figure 5.8. Decision to operate in a particular sector in Sierra Leone

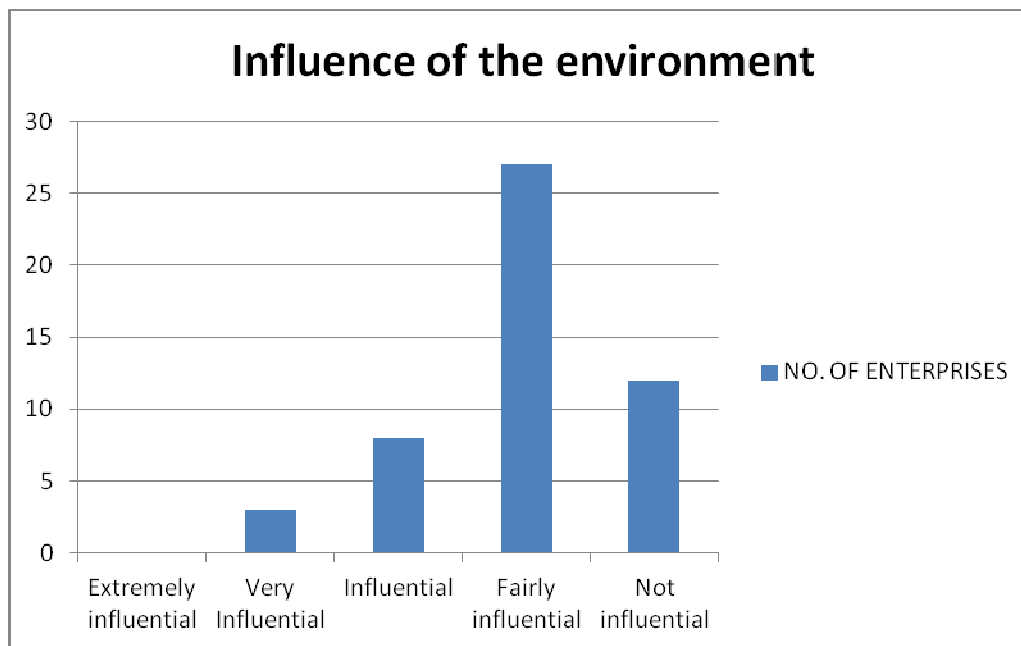


The influence of the entrepreneurship environment on the enterprises in Nigeria is shown in Figure 5.9. All the respondents indicated that they are not involved in the process of improving the entrepreneurship environment. From Figure 5.9, which was derived from Table 5.23, it is evident that the environment is fairly influential to the success of enterprises for most respondents followed by respondents who see the environment as not influential.

Table 5.23 Influence of the entrepreneurship environment on enterprises in Nigeria

Influence	No. of Enterprises
Extremely influential	0
Very influential	3
Influential	8
Fairly influential	27
Not influential	12

Figure 5.9 Influence of the Environment on Enterprises in Nigeria

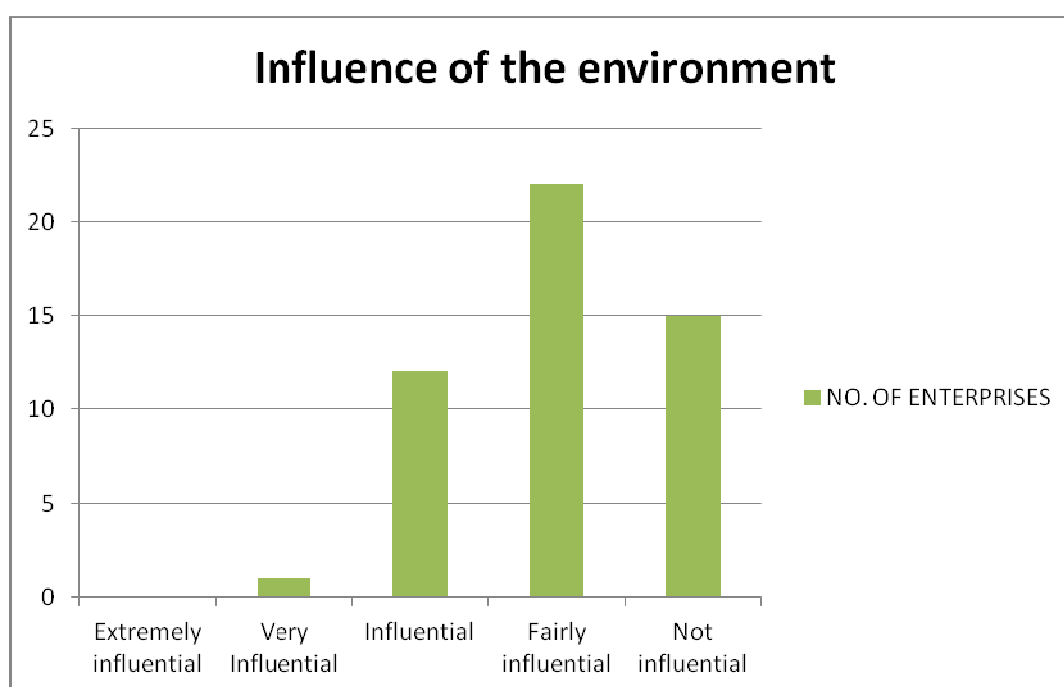


The influence of the environment on enterprises in Sierra Leone is as shown in Figure 5.10 which is derived from Table 5.24. Again, the evidence shows that the environment is fairly influential for a majority of the respondents followed by respondents who claim that the environment is not influential. The respondents also claimed that they are not involved in the process of improving the environment.

Table 5.24 Influence of the entrepreneurship environment on enterprises in Sierra Leone

Influence	No. of Enterprises
Extremely influential	0
Very influential	1
Influential	12
Fairly influential	22
Not influential	15

Figure 5.10 Influence of the Entrepreneurship Environment in Sierra Leone



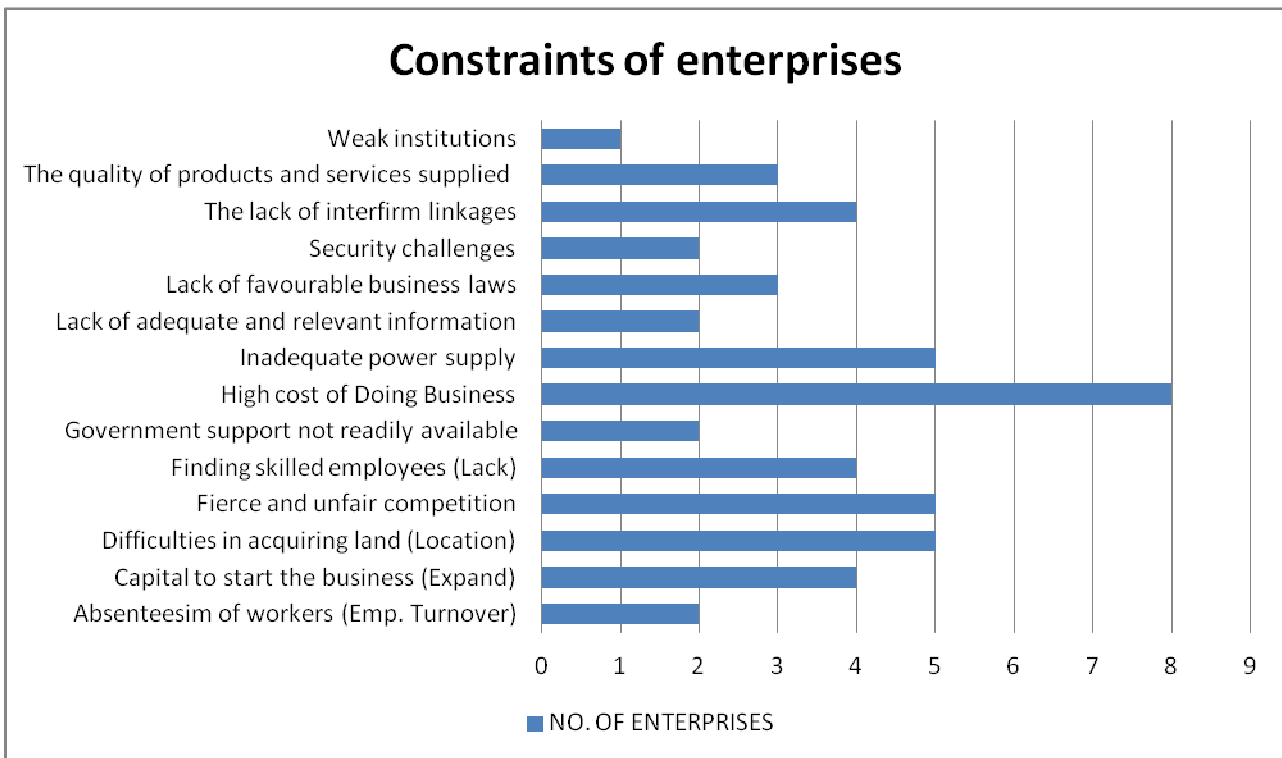
The constraints of enterprises due to the entrepreneurship environment are shown in Figure 5.11 for Nigeria derived from Table 5.25. The main constraints are the high cost of doing business, inadequate power supply, finding skilled workers, fierce and unfair competition, finance, access to land and the absence of interfirm linkages. These constraints compare with the constraints identified by the World Bank Enterprise survey on Nigeria conducted in 2007 (see Figure 4.7) in

section 4.4. The constraints that compare most are as follows: Electricity, access to finance and security.

Table 5.25 Constraints of enterprises in Nigeria from the sample

<b>Constraints of the enterprise</b>	<b>No. of enterprises</b>
Absenteesim of workers (Emp. Turnover)	2
Capital to start the business (Expand)	4
Difficulties in acquiring land (Location)	5
Fierce and unfair competition	5
Finding skilled employees (Lack)	4
Government support not readily available	2
High cost of Doing Business	8
Inadequate power supply	5
Lack of adequate and relevant information	2
Lack of favorable business laws	3
Security challenges	2
The lack of interfirm linkages	4
The quality of products and services supplied	3
Weak institutions	1

Figure 5.11. Constraints of enterprises in Nigeria

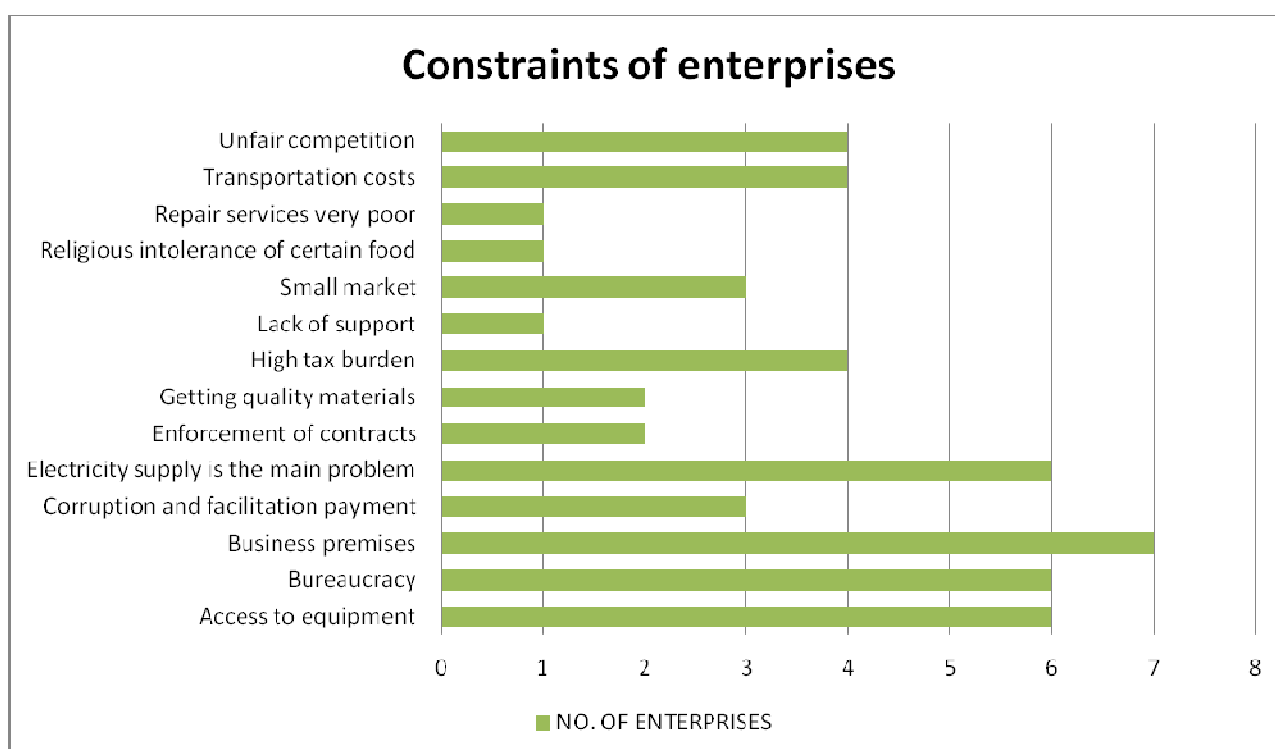


The constraints of enterprises in Sierra Leone are as shown in Figure 5.12 derived from Table 5.26. The main constraints in Sierra Leone as indicted by the respondents are business premises, electricity, bureaucracy, access to equipment, high taxes, small market, transportation cost and unfair competition. These constraints compare with the those identified by the World Bank Enterprise survey on Sierra Leone conducted in 2009 (see Figure 4.7) in section 4.4. The constraints that compare most are: Tax rates, corruption, electricity, transportation and access to land.

Table 5.26 Constraints of enterprises in Sierra Leone from the sample

<b>Constraints of the enterprise</b>	<b>No. of enterprises</b>
Access to equipment	6
Bureaucracy	6
Business premises	7
Corruption and facilitation payment	3
Electricity supply is the main problem	6
Enforcement of contracts	2
Getting quality materials	2
High tax burden	4
Lack of support	1
Small market	3
Religious intolerance of certain food	1
Repair services very poor	1
Transportation costs	4
Unfair competition	4

Figure 5.12 Constraints of enterprises in Sierra Leone





The constraints that are common to both countries are: electricity, unfair competition, business premises and access or acquisition of land, lack of support, high cost of doing business, the quality of services and products, and weak institutions.

### ***5.3.2 Analysis of data measured by Likert scale***

Likert scale data unlike the Likert items are analyzed at the interval measurement scale. This is due to the presumed existence of a latent continuous variable whose value characterizes the respondents' attitudes and behavior (Clason and Dormody, 1994). The scales are created by calculating the sums or means of various Likert items linked to the phenomenon being investigated to give the overall score on the attitude or value. It can be considered as a composite scale based on the sum or mean of respondent's answers to each question (Boone and Boone, 2012; Johns, 2010). The appropriate descriptive statistics recommended include the mean for central tendency and the standard deviations for variability (Boone and Boone, 2012) and these have been adopted in this study. Other data analysis techniques are the Pearson's r, t-test, ANOVA and regressions (Boone and Boone, 2012).

#### ***5.3.2.1 Entrepreneurs assessment of the impact of the entrepreneurship environment in Nigeria and in Sierra Leone***

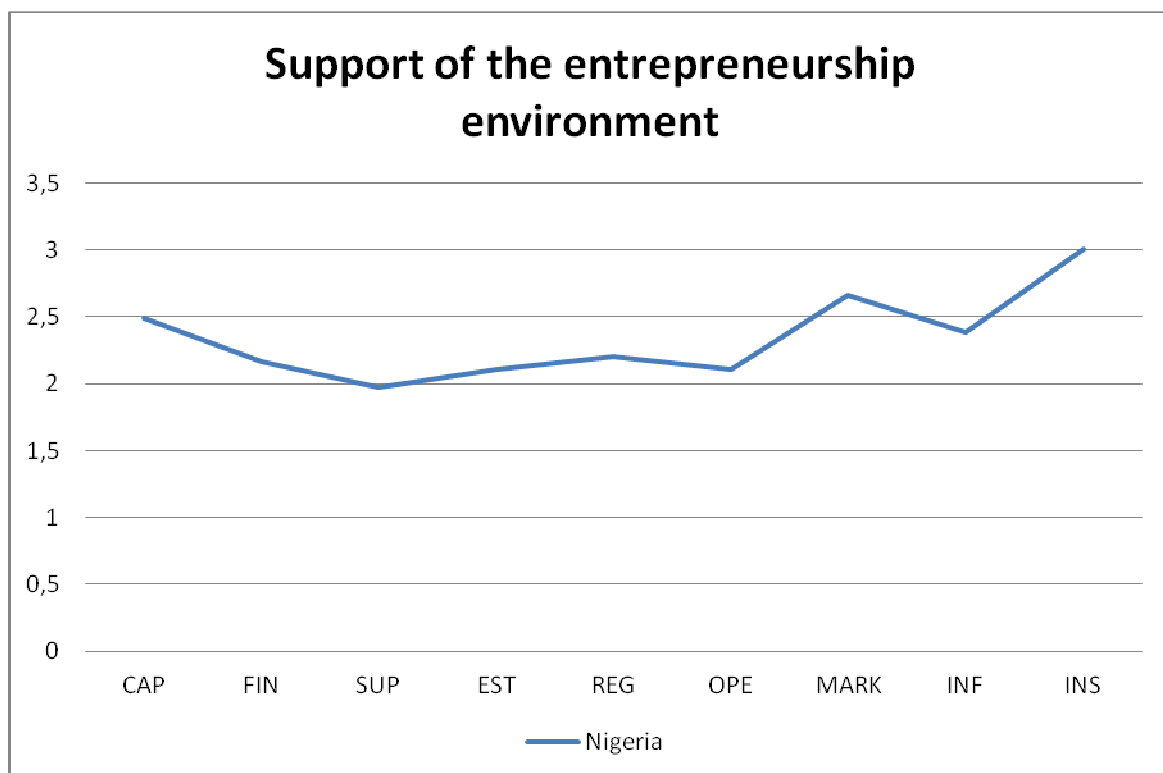
The summated Likert scale has been used in this analysis to measure a particular entrepreneurship environment component. The components considered in the analysis are as follows: Capacity building; Finance for ventures; Suppliers; Launching a new venture; National rules and regulations for enterprises; Operations; Markets; Infrastructure; and Institutions. Table 5.27, shows the descriptive statistics of these components for Nigeria. The means have been used to plot the graph shown in Figure 5.13.

Table 5.27 Descriptive statistics of the support of the entrepreneurship environment in Nigeria

Components	Respondents	Mean	Std. Dev.	Min	Max
Capacity building (CAP)	50	2.49	0.76	1.00	4.00
Finance for ventures (FIN)	50	2.16	0.70	1.00	3.60
Suppliers (SUP)	50	1.97	0.84	1.00	4.75
Launching a venture (EST)	50	2.11	0.54	1.17	3.50
National rules & regulations (REG)	50	2.20	0.52	1.40	4.60
Operations (OPE)	50	2.11	0.49	1.30	3.80
Markets (MARK)	50	2.66	0.61	1.33	4.33
Infrastructure (INF)	50	2.38	0.63	1.50	5.00
Institutions (INS)	50	3.01	0.60	1.75	5.00

Figure 5.13, shows a snapshot of how entrepreneurs see the impact of the entrepreneurship environment. From Figure 5.13, it is evident that the support of the entrepreneurship environment is in the range between unsupportive and neutral.

Figure 5.13 Support of the entrepreneurship environment in Nigeria

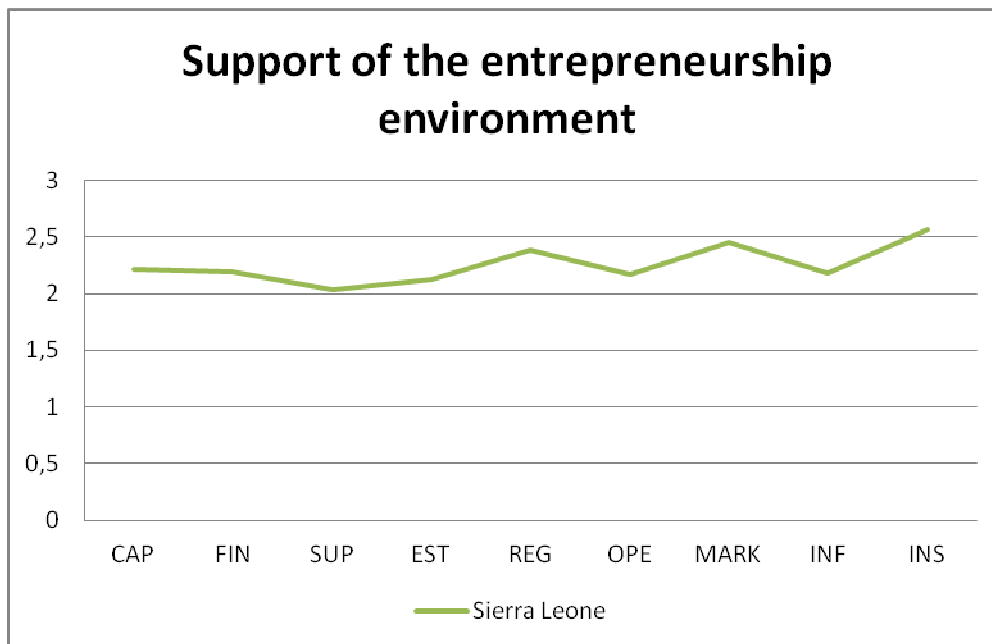


Using the same analysis for Sierra Leone, Table 5.28 was constructed and the graph in Figure 5.14 was plotted.

Table 5.28 Descriptive statistics of the support of the entrepreneurship environment in Sierra Leone

Components	Respondents	Mean	Std. Dev.	Min	Max
Capacity building (CAP)	50	2.22	0.79	1.00	4.40
Finance for ventures (FIN)	50	2.19	0.71	1.00	4.40
Suppliers (SUP)	50	2.03	0.68	1.00	4.25
Launching a venture (EST)	50	2.13	0.52	1.00	3.00
National rules & regulations (REG)	50	2.38	0.56	1.00	4.20
Operations (OPE)	50	2.17	0.39	1.50	3.10
Markets (MARK)	50	2.45	0.68	1.00	5.00
Infrastructure (INF)	50	2.18	0.40	1.00	3.17
Institutions (INS)	50	2.56	0.66	1.00	5.00

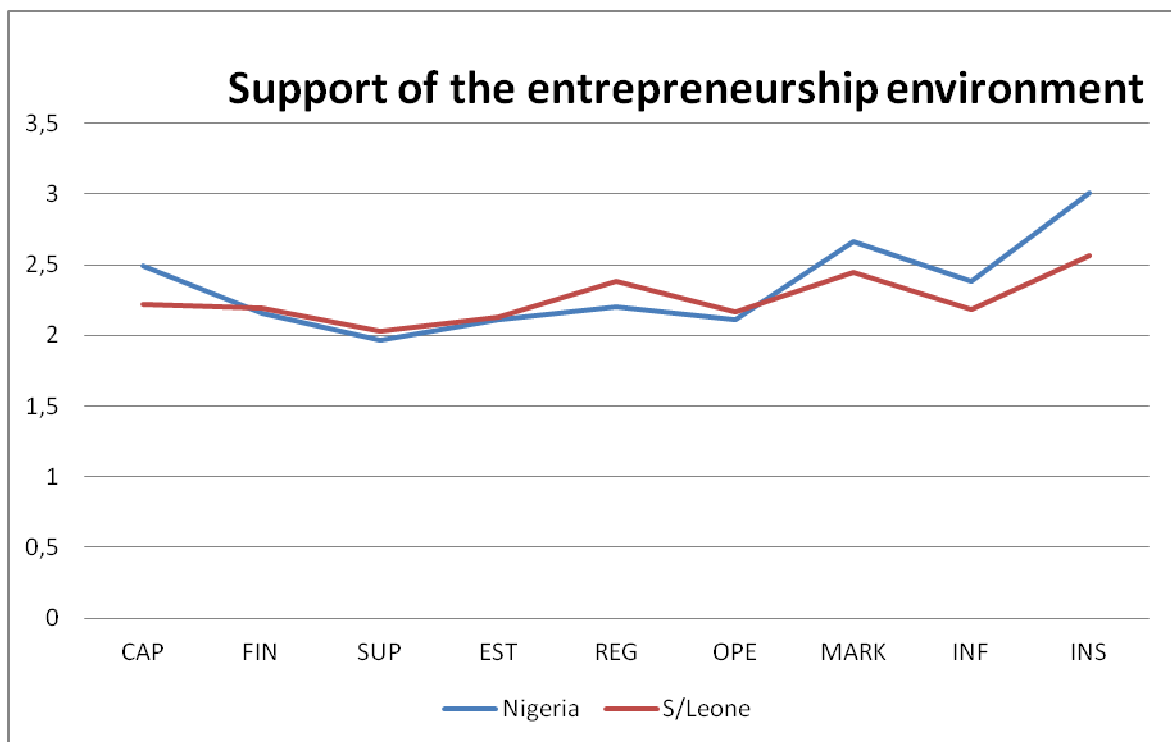
Figure 5.14 Support of the entrepreneurship environment in Sierra Leone



From Figure 5.14, it can be concluded that the support of the entrepreneurship environment is in the range between unsupportive and neutral.

Using data from Table 5.2 and Table 5.28, the support of the entrepreneurship environment for both countries is plotted in the graph shown in Figure 5.15. Although both countries fall in the same range, Nigeria has a slightly more supportive environment than Sierra Leone according to the respondents who were all entrepreneurs.

Figure 5.15 Comparison of the support of the entrepreneurship environments.



An independent two tailed t-test was conducted for the samples taking into consideration that the two samples have unequal variance (heterosedastic). The samples for both countries have an equal number of respondents and using the means of the Likert scale that determines the supportiveness of the entrepreneurship environment.

The t-test was conducted using Table 5.29 .

Table 5.29 Table for the t-test

Samples	CAP	FIN	SUP	EST	REG	OPE	MARK	INF	INS
Nigeria	2.49	2.16	1.97	2.11	2.20	2.11	2.66	2.38	3.01
S/Leone	2.22	2.19	2.03	2.13	2.38	2.17	2.45	2.18	2.56

The null and alternative hypothesis are defined as follows:

**H<sub>0</sub>:** The means of the two samples are equal

$$\mu_1 - \mu_2 = 0.$$

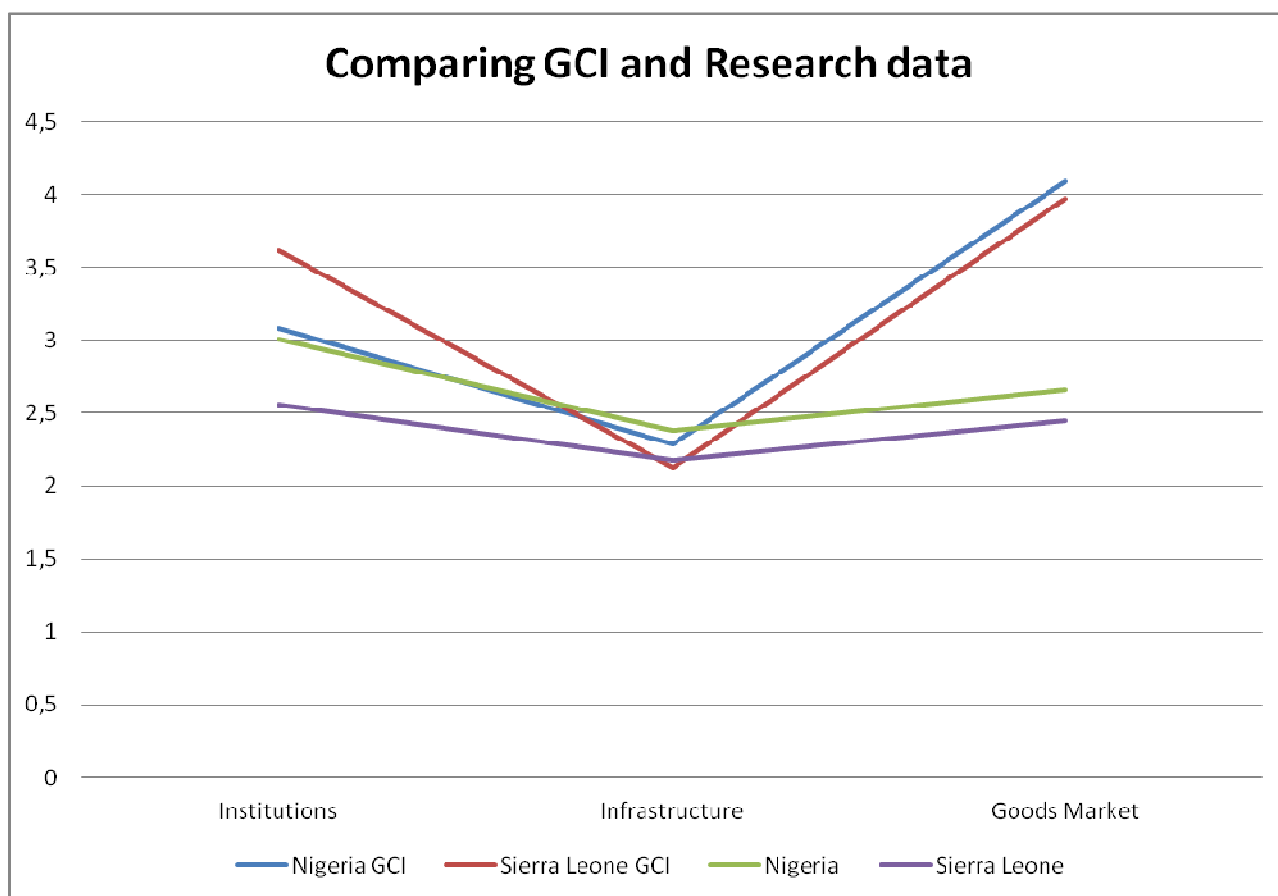
**H<sub>1</sub>:** The means of the two samples are not equal

$$\mu_1 - \mu_2 \neq 0.$$

Using the Excel t-test function, the p value calculated is 0.49 which is greater than the conventionally accepted value of  $p < 0.05$ . Failed to reject the null hypothesis. The difference is not significant.

Figure 5.16, compares the GCI data with the research data in components that are common to the two data sets. As illustrated, the samples from both countries run almost parallel in the three components.

Figure 5.16 Comparing GCI and research data



Source: The Global Competitiveness Report (2014) for the GCI data.

### 5.3.2.2 General assessment of the entrepreneurship environment and policies in Nigeria and in Sierra Leone

It can be recalled that the respondents for the general assessment were selected from the general public who were between the ages of 18- 64 years in accordance with the GEM description of TEA. The responses are summarized and analyzed in this section. The components that are considered in this section are as follows: Institutions; Finance; Infrastructure; Support and Policy.

## **Institutions**

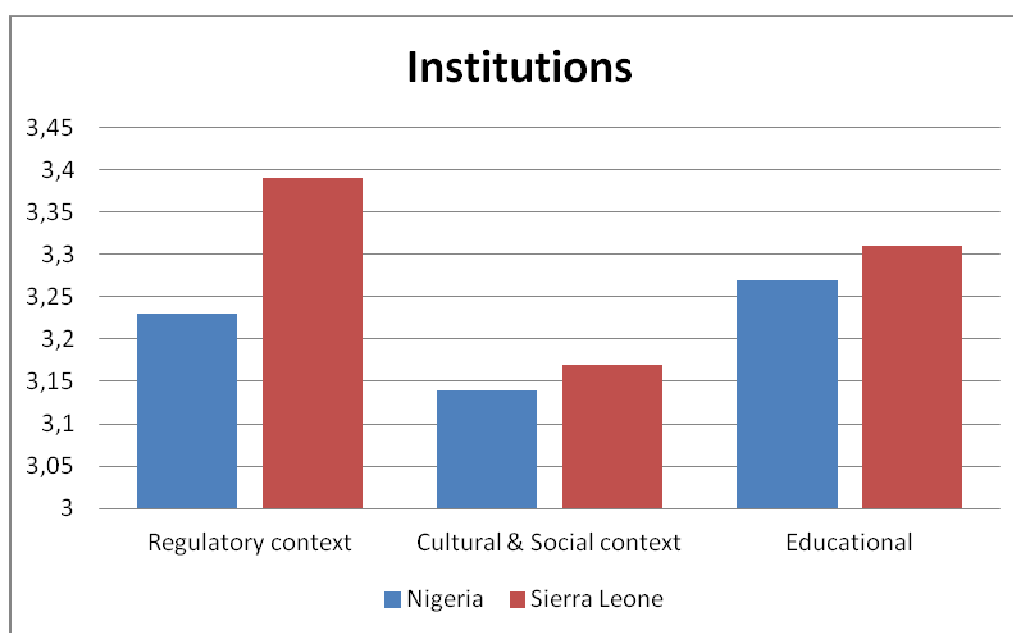
The role of institutions in fostering entrepreneurship is investigated and respondents were asked to describe the present situation by expressing their opinions on how they agree with statements about the regulatory, cultural and social and educational contexts. Data from Table 5.30 which illustrates the means of the components considered for the institutions was used to produce Figure 5.17.

Table 5.30 Institutions in both countries

<b>Components</b>	<b>Nigeria (Mean)</b>	<b>Sierra Leone (Mean)</b>
<b>Regulatory context</b>	3.23	3.39
<b>Cultural and Social context</b>	3.14	3.17
<b>Educational Context</b>	3.27	3.31

Figure 5.17 show a still picture of how the respondents view the role of institutions in fostering entrepreneurship in Nigeria and Sierra Leone. From Figure 5.17, it is evident that all the three components are in the neutral and agree range but the respondents in Sierra Leone seem to express that the regulatory context is better than the way the respondents in Nigeria evaluate the situation. With regards to the cultural and social contexts and the educational context, respondents in both countries give approximately equal rankings.

Figure 5.18 The role of institutions in fostering entrepreneurship



## Finance

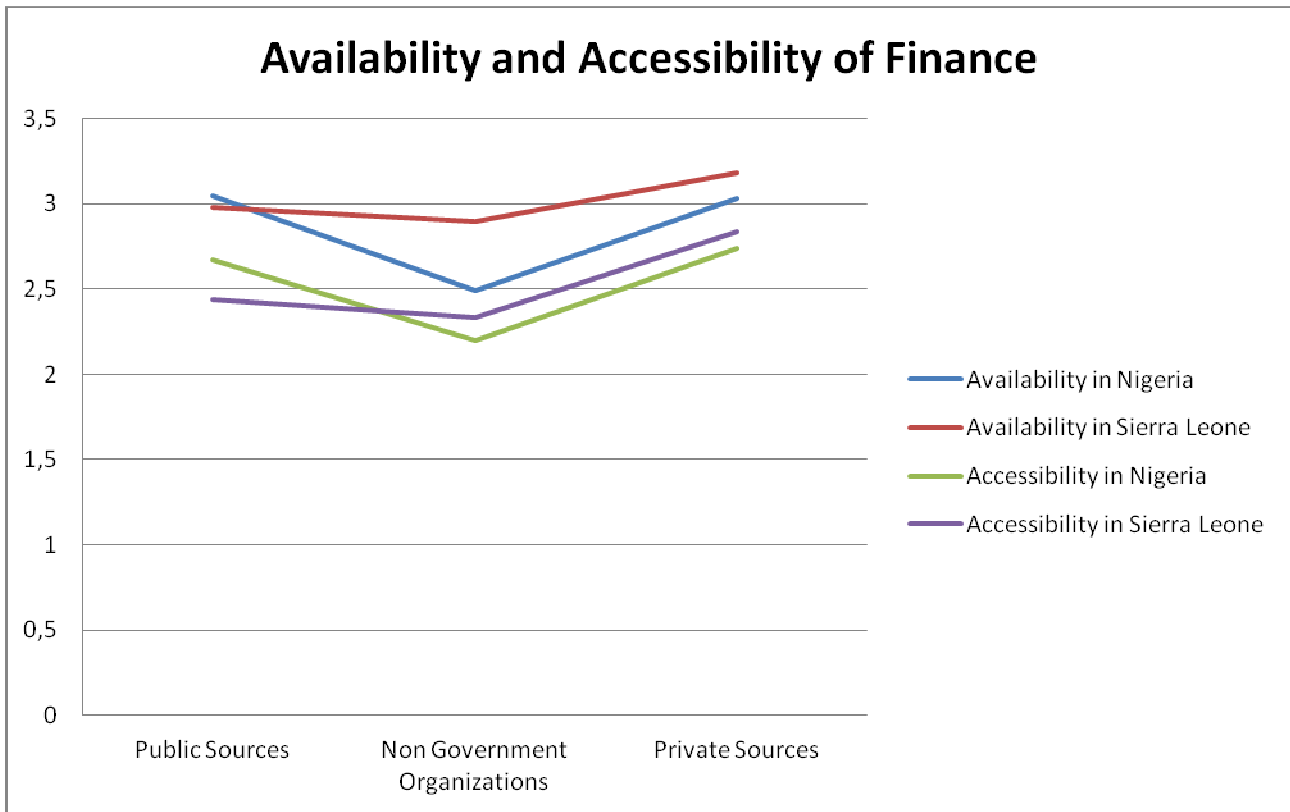
The main issues investigated were the availability and accessibility of finances in both countries. The availability and accessibility of finance from the public, private and non-governmental sectors for both countries is shown in Figure 5.19 derived from Table 5.31.

Table 5.31 Availability and accessibility of financial schemes

Sources	Nigeria (Availability) Mean	Nigeria (Accessibility) Mean	Sierra Leone (Availability) Mean	Sierra Leone (Accessibility) Mean
<b>Public</b>	3,05	2.67	2.98	2.44
<b>NGOs</b>	2.49	2.20	2.90	2.33
<b>Private</b>	3,03	2.74	3.18	2.64



Figure 5.18 Financial schemes in both countries.



The graph in Figure 5.18 illustrate that both the availability and accessibility of finance are better according to the sample in Nigeria than in Sierra Leone though both countries are in the bottom of the ladder of availability and accessibility from public sources. From private sources, the availability and accessibility are the better in Sierra Leone according to the sample. The situation is the same for the NGO sources.

### Infrastructure

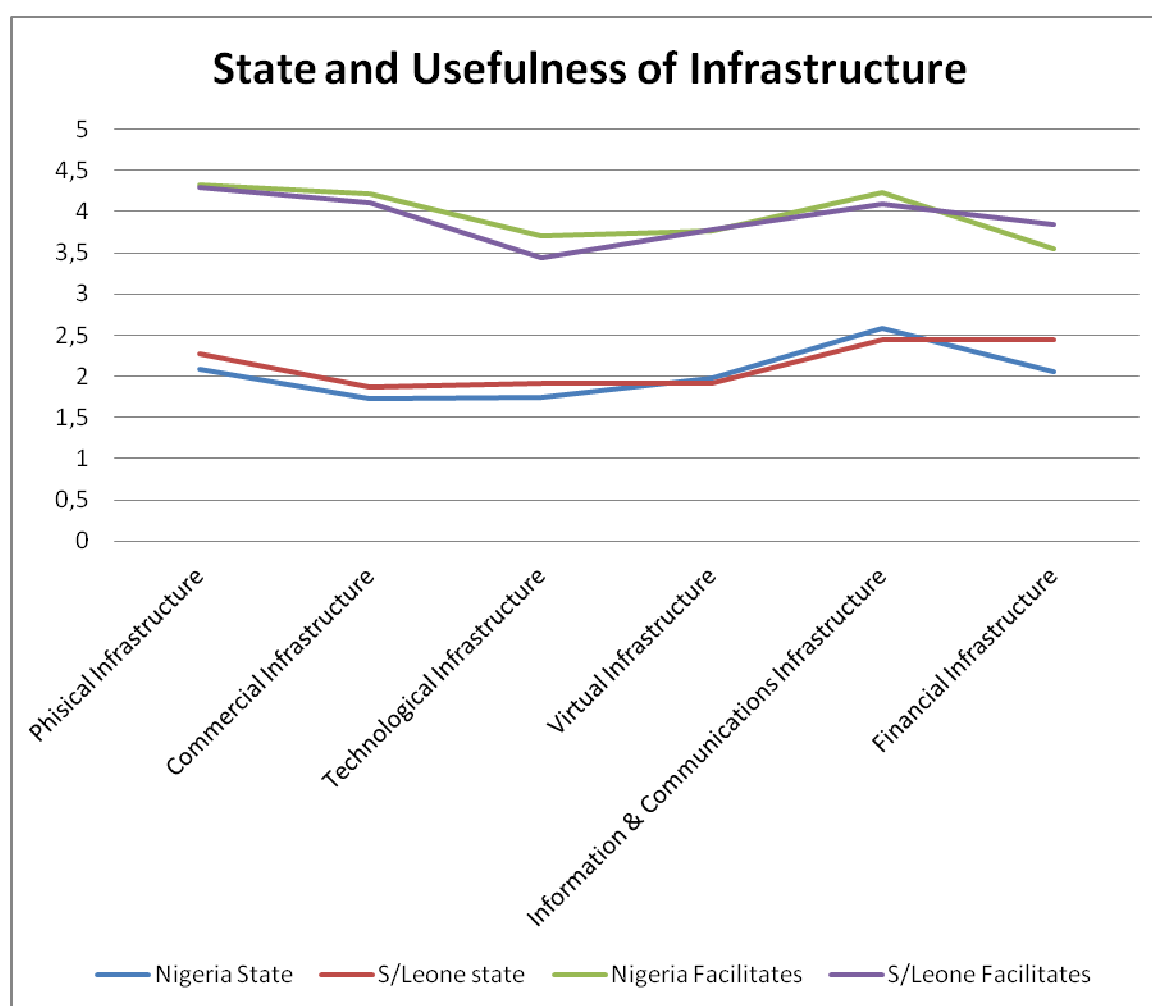
The state and usefulness of infrastructure in facilitating entrepreneurship is shown in Figure 5.19 for both countries using data from Table 5.32

Table 5.32 The state of the infrastructure and how it facilitates entrepreneurship

Components	Nigeria (State) Mean	Nigeria (Facilitates) Mean	Sierra Leone (State) Mean	Sierra Leone (Facilitates) Mean
Physical	2.09	4.32	2.27	4.29
Commercial	1.73	4.11	1.87	4.11
Technological	1.74	3.44	1.91	3.44
Virtual	1.98	3.78	1.91	3.78
Information & Communications	2.59	4.09	2.45	4.09
Financial	2.06	3.84	2.44	3.84

From Figure 5.19, the state of the infrastructure for both countries is poor but its usefulness in facilitating is appreciated in both countries.

Figure 5.19 The state and usefulness of infrastructure in supporting Entrepreneurship



## Support

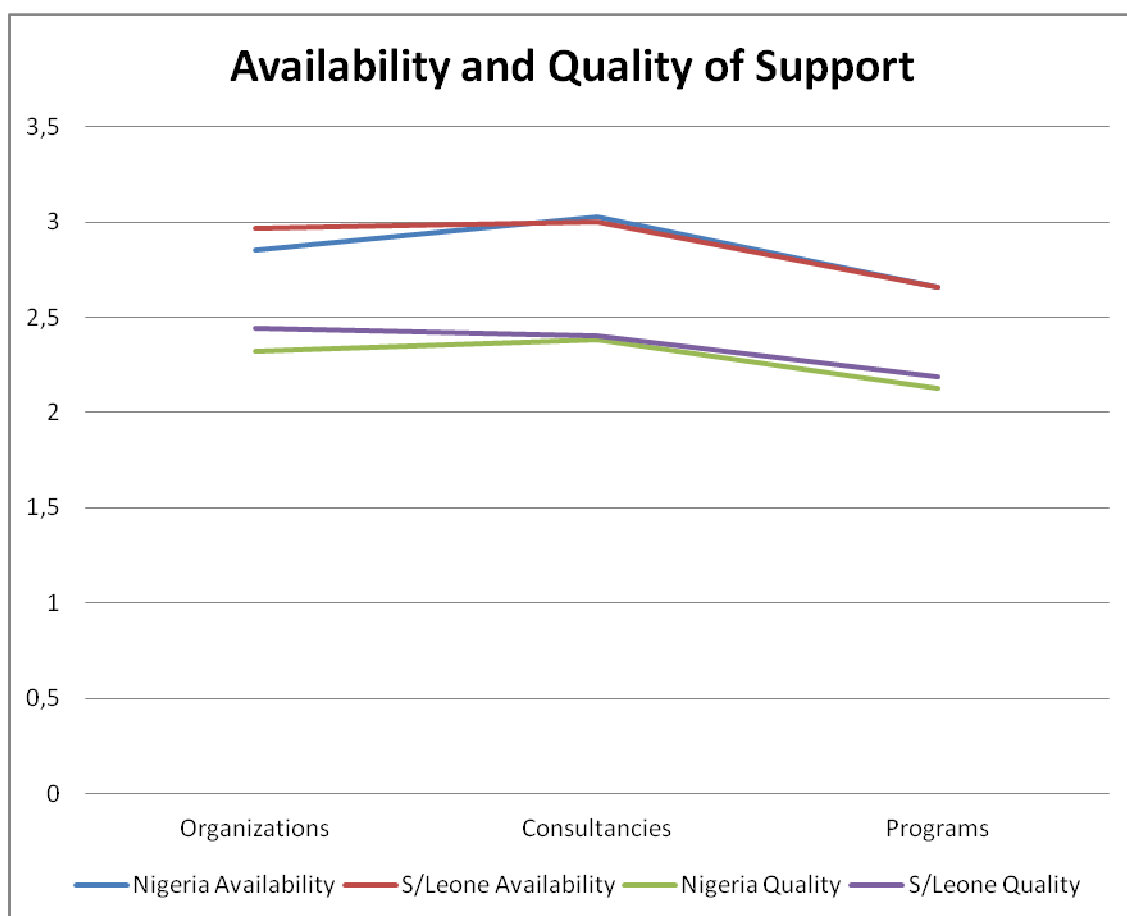
The availability and the quality of the support for fostering entrepreneurship are depicted in Table 5.33 and it has been utilized in plotting the graph in Figure 5.20.

Table 5.33 Availability and Quality of Support

<b>Structures</b>	<b>Nigeria (Availability) Mean</b>	<b>Nigeria (Quality) Mean</b>	<b>Sierra Leone (Availability) Mean</b>	<b>Sierra Leone (Quality) Mean</b>
<b>Organizations</b>	2.85	2.32	2.97	2.44
<b>Consultancies</b>	3.03	2.38	3.00	2.40
<b>Programs</b>	2.66	2.13	2.66	2.19

From Figure 5.20, both samples are identical in describing the availability and the quality of support provided by the three main structures categorized as: Organizations, Consultancies and Programs. In both cases, the responses range between not readily available and neutral for the availability and within the 'poor' range in terms of the quality.

Figure 5.20 Availability and quality of support



## Policy

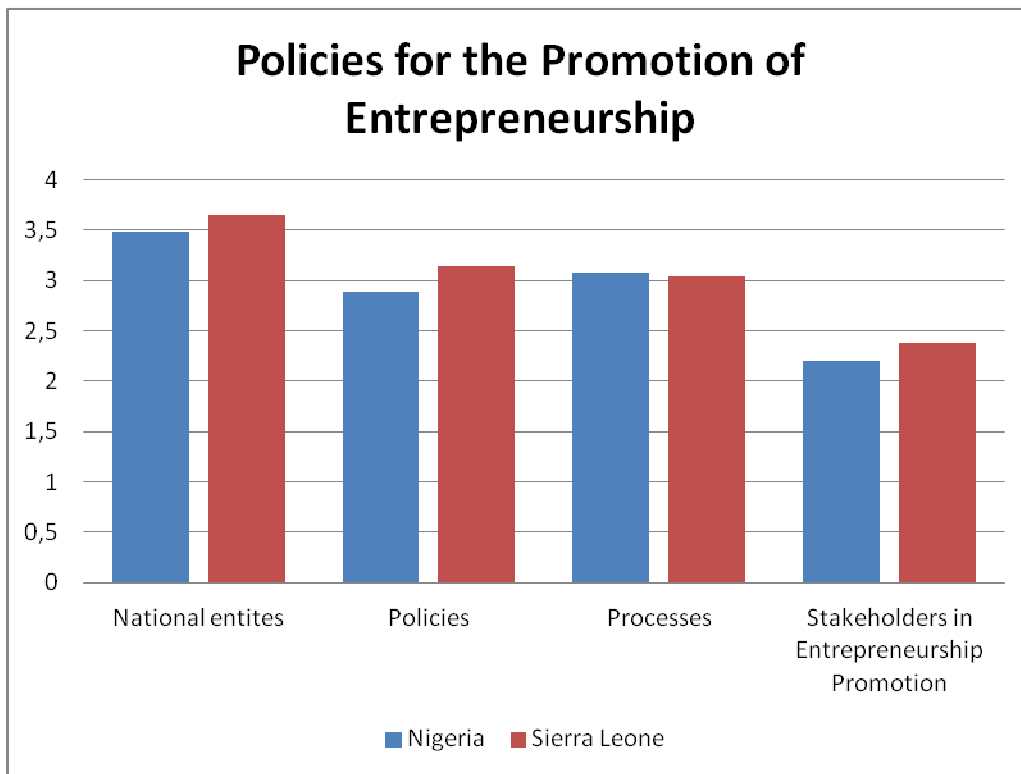
The role of policy in unleashing entrepreneurship in the countries as described by the respondents is shown in Figure 5.21 which is derived from Table 5.34.

Table 5.34 The role of policy

Components	Nigeria (Mean)	Sierra Leone (Mean)
National Entities	3.48	3.65
Policies	2.89	3.14
Processes	3.08	3.04
Stakeholders	2.20	2.38

Figure 5.21 illustrates that the samples from both countries are almost on a par in agreeing to want extent the present national entities, policies, processes and stakeholders contribute in unleashing entrepreneurship.

Figure 5.21 Policies for the stimulation and promotion of entrepreneurship



### 5.3.3 Summary of the descriptive statistics

The samples from Nigeria and Sierra Leone show similar characteristics with regards to the dimensions that constitute the entrepreneurship environment, the constraints that entrepreneurial ventures face, and the policies that promote entrepreneurship. Notwithstanding these similarities, both countries are wide apart in terms of economic development. These differences can be explained by the gains from the exploitation of natural resources. The economy of Nigeria is boosted by its oil industry while that of Sierra Leone is being boosted recently by the extraction of minerals. This is illustrated by the African Economic Out Look report (2013). Hence there is a need for both countries to concentrate on improving entrepreneurship to divert the economy away from

the over dependence in the exploitation of natural resources. Other African countries also rely on this type of exploitation to boost the economy.

All countries in Africa especially Sub-Saharan Africa excluding South Africa, experience similar constraints in promoting entrepreneurship especially with regards to the entrepreneurship environment as shown by the World Bank Enterprise survey. The constraints firms encounter in other African countries compares well the constraints identified in this study. For an example refer to Figure 4.8 in section 4.4 which illustrates the electricity supply constraint for several countries in Sub Saharan Africa.

From Figure 4.9, it can be concluded that the contribution of entrepreneurship to the growth of the economy is minimal relative to the exploitation of natural resources and the exportation of unprocessed agricultural products. The other sector that contributes meaningfully to the GDP is the services sector. Although it is linked to entrepreneurship, it indicates that products from entrepreneurship ventures are more of services than goods.

This shows that entrepreneurial economic growth has not yet contributed significantly to the GDP of countries in Africa. There is therefore an urgent need to develop strategies that will transform the present situation towards entrepreneurial economic growth through the cultivation of an entrepreneurship ecosystem and the formulation of entrepreneurship policies that will enhance the creation of an entrepreneurial society which will facilitate entrepreneurial economic growth *ceteris paribus* in countries in Africa.

A chi square test was performed to test the equality of proportions between the two samples. The results are as follows:

Table 5.35 Contingency Table for equality of proportions between the samples

	General Questionnaire Male	General Questionnaire Female	Entrepreneurs Questionnaire Male	Entrepreneurs Questionnaire Female
Nigeria	41	9	36	14
Sierra Leone	38	12	37	13

The interest is to compare the general and entrepreneurs questionnaires for the samples from Nigeria and Sierra Leone. The null and alternative hypotheses are as follows:

$$H_0: S_1 = S_2$$

$$H_1: S_1 \neq S_2$$

Where  $S_1$  and  $S_2$  are the countries' samples for Nigeria and Sierra Leone respectively. The chi square test of results shows that the samples do not provide enough evidence to declare a significant difference at the conventionally accepted significance level ( $p < 0.05$ ),  $\chi^2(3, N = 200) = 0.593$ ,  $p = 0.898$ . Failed to reject the null hypothesis.

The next section will narrate the suggestions of the respondents from the open ended questions on how to unleash and foster entrepreneurship in the two countries. These suggestions will be utilized in the mapping of entrepreneurship ecosystems that could enhance entrepreneurial economic growth.

#### 5.4 Analysis of the open-ended survey responses

Open-ended questions in a survey are very useful for explaining and gaining insight in organizational issues. They can also generate an interesting and challenging type of text to analyze (Jackson and Trochim, 2002). Open-ended questions also provoke a diversity of responses which make them appropriate for eliciting sensitive information as they encourage the full expression of opinions. An advantage of these types of questions is the provision of a rich description of respondents reality at a relatively lower cost compared to other methods such as interviews or focus

groups and they can offer greater anonymity to respondents which guarantee honest responses in most cases (Erickson and Kaplan, 2000). Disadvantages of open-ended questions include the reliability of the responses as the respondent will give an answer that comes to mind that might have been covered in close-ended questions. There is a tendency that one respondent might provide far more information than another respondent with the consequence of having to evaluate the surplus value.

#### 5.4.1 *The case of Nigeria*

The open-ended responses from the entrepreneur's sample, the adult sample, and the interview responses from the stakeholders are analyzed in this section to have an insight on how to answer the research questions and develop an entrepreneurship ecosystem model.

##### 5.4.1.1 *Entrepreneurs responses in Nigeria*

After reading all the 50 responses, categories were developed from the themes that emerged in the preliminary review. Each response was then assigned to a category or several categories. The categories were then refined and reviewed to represent the major themes. Table 5.15 shows a summary of the results of the analysis.

Table 5.36 Main categories and distribution of entrepreneurs for the sample in Nigeria

Categories	Area of attention	No. of Entrepreneurs	Male Urban	Female Urban	Male Rural	Female Rural
<b>Economic Freedom</b>	Allow freedom of expression and movement	8	2	2	3	1
<b>Finance</b>	Better financial assistance needed	5	3	0	1	1
<b>Crime</b>	Combat smuggling activities	6	1	2	2	1
<b>Competition</b>	Create a level playing field	5	2	0	2	1
<b>Natural Environment</b>	Create awareness about the importance of waste disposal	1	0	0	1	0

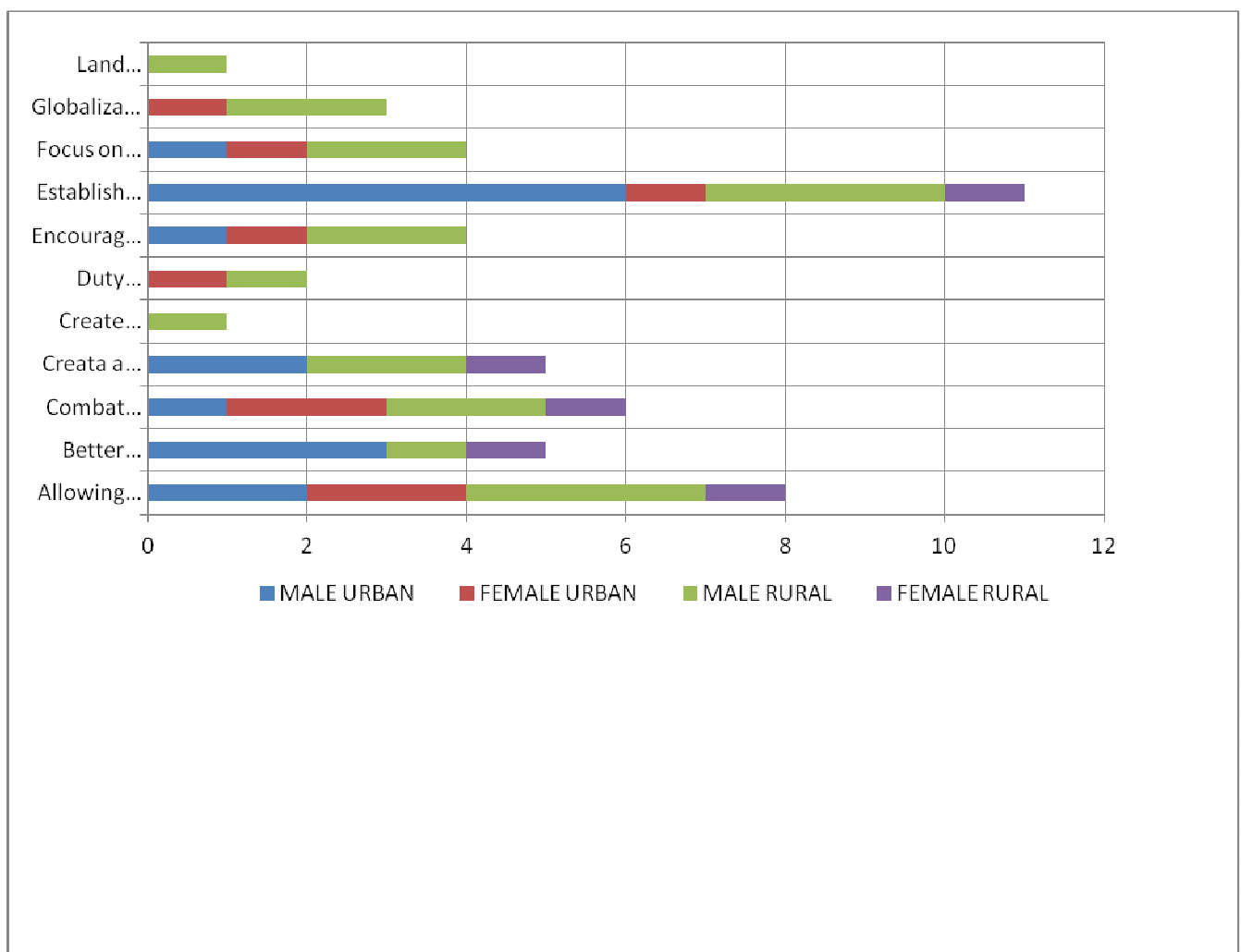


<b>Customs Duty</b>	Duty waiver for training equipment	2	0	1	1	0
<b>International networks</b>	Encourage partnership with foreign firms	4	1	1	2	0
<b>Research</b>	Establishment of science parks	11	6	1	3	1
<b>Education &amp; Training</b>	Focus on human capacity development	4	1	1	2	0
<b>Markets</b>	Globalization of markets	3	0	1	2	0
<b>Access to Land</b>	Land acquisition should be improved.	1	0	0	1	0

From the Table 5.36, the most frequently mentioned categories in descending order are as follows: Research; Economic Freedom; Crime; Finance; Competition; Customs Duty; Education & Training.

Figure 5.22 is derived from Table 5.36.

Figure 5.22 Suggestions of entrepreneurs in Nigeria



#### 5.4.1.2 General survey responses with regards to the entrepreneurship environment in Nigeria

The general survey was concerned with the comments on the present state of the entrepreneurship environment, the success and failures of public policies and general suggestions. A summary of the description of the environment in terms of strengths and opportunities is shown in Table 5.37. The respondents from the general survey who made the observations are included in Table 5.38 coded as REN (for Respondent Nigeria) and the number assigned to the respondent (For example REN1 means the first respondent in Nigeria).

Table 5.37 Key features on strengths and opportunities in Nigeria

<b>Categories</b>	<b>Key features on Strengths and Opportunities</b>	<b>Respondents</b>
<b>Natural and Human Resources</b>	<ul style="list-style-type: none"> <li>• Abundance of natural resources</li> <li>• High Population &amp; population growth</li> <li>• Youthful population</li> <li>• Large labor pool</li> <li>• Entrepreneurial orientation and intention of the population</li> <li>• High population in the Diaspora</li> </ul>	REN1;REN2;REN4;REN10;REN11;REN13;REN18;REN29;REN35;REN36;REN39;REN41;REN42;REN44;REN50
<b>Physical location</b>	<ul style="list-style-type: none"> <li>• A key logistic hub in West Africa</li> <li>• Proximity to International shipping lanes</li> <li>• Major seaports</li> <li>• Proximity to landlocked countries</li> <li>• Climatic conditions</li> </ul>	REN7;REN11;REN26
<b>Markets</b>	<ul style="list-style-type: none"> <li>• Large internal market</li> <li>• Access to the ECOWAS market</li> <li>• Access to International markets</li> <li>• Free market system</li> <li>• Possibility of capturing the ECOWAS market</li> <li>• Possibility of expanding to International markets</li> <li>• Establishment of free trade zones</li> </ul>	REN5;REN14;REN22;REN27
<b>Macroeconomy</b>	<ul style="list-style-type: none"> <li>• Largest economy in Africa</li> <li>• Economic powerhouse in ECOWAS</li> <li>• Foreign Exchange from the oil sector</li> <li>• Large companies owned by local entrepreneurs</li> <li>• Sound macroeconomic policies</li> <li>• Government's intention to diversify the economy</li> <li>• Recent growth of the economy</li> <li>• Substantial savings from public expenditure</li> <li>• Capital to finance new ventures</li> </ul>	REN3;REN9;REN14;REN17;REN23;REN27;REN32;REN33;REN37;REN38;REN39;REN40;
<b>Sectors</b>	<ul style="list-style-type: none"> <li>• Oil as an important sector</li> <li>• Agriculture</li> <li>• Information Technologies and Communications</li> </ul>	REN31;REN33;REN40;REN45;REN48;REN49
<b>Investments</b>	<ul style="list-style-type: none"> <li>• Flow of Foreign Direct Investments (FDI)</li> <li>• Public Private Partnerships</li> </ul>	REN2;REN4;REN10;REN17;REN36;REN46;REN47

	<ul style="list-style-type: none"> <li>• Private investors</li> <li>• Domestic investors</li> <li>• Diaspora investors</li> </ul>	
<b>Education</b>	<ul style="list-style-type: none"> <li>• The presence of many educational institutions</li> <li>• Many private educational institutions</li> </ul>	REN20;REN2;REN1;REN10;REN11;REN18;
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Lack of meaningful support from government</li> <li>• Party interests instead of National interests</li> <li>• Negative interference from government</li> <li>• Strained ethnic relations</li> <li>• Conducive Political environment</li> <li>• Political stability</li> </ul>	REN5;REN17;REN 23;REN32
<b>Entrepreneurial opportunities</b>	<ul style="list-style-type: none"> <li>• Various sectors</li> <li>• Knowledge spillovers</li> <li>• Revival of non oil sectors</li> <li>• Country being an outsourcee</li> <li>• Considerable biodiversity and tropical forests</li> <li>• Globalization</li> </ul>	REN6;REN19;REN23;REN39;REN45;REN49;REN50
<b>Entrepreneurial activities</b>	<ul style="list-style-type: none"> <li>• Entrepreneurship can be easily unleashed</li> <li>• High rate of venture creation</li> <li>• Many role models and mentors</li> <li>• Cultural acceptance</li> <li>• Easy to nature an entrepreneurial society</li> <li>• Risk prone society</li> <li>• No stigma of failure</li> <li>• Freedom of movement</li> <li>• Associations</li> </ul>	REN6;REN8;REN12;REN16;REN18;REN21;REN22;REN24;REN25;REN28;REN34,REN43
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>• A modern physical infrastructure</li> </ul>	REN30

The key features on the weaknesses of the environment and the obstacles and constraints posed by the environment in Nigeria are shown in Table 5.38.

Table 5.38 Key features on weaknesses, obstacles and constraints in Nigeria

<b>Categories</b>	<b>Key features on Weaknesses, Obstacles and Constraints</b>	<b>Respondents</b>
<b>Human capacity development</b>	<ul style="list-style-type: none"> <li>• Inadequate capability for exploitation of the resources</li> <li>• Brain drain</li> <li>• Most of the youths are school dropouts</li> <li>• Lack of capacity and resources for diversification</li> <li>• Most of the labor is unskilled</li> <li>• Many necessity entrepreneurs</li> <li>• Youth unemployment</li> <li>• Tensions between returnees and local counterparts</li> </ul>	REN2;REN4;REN6;REN8;REN10;REN13;REN20;REN29;REN33;REN36;REN44;REN45;REN47;REN49
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>• Infrastructure deficit</li> <li>• Poor state of existing infrastructure</li> <li>• High production costs due to poor infrastructure</li> <li>• Finance to upgrade infrastructure</li> <li>• Poor road network within ECOWAS</li> <li>• Logistics cost and late deliveries</li> </ul>	REN1;REN5;REN7;REN14;REN23;REN25;REN27;REN30;REN39;REN41

	<ul style="list-style-type: none"> <li>• Erratic electricity supply</li> <li>• Poor portable water supply</li> <li>• Cross border transportation</li> <li>• Cost of internal transportation</li> <li>• Underinvestment in infrastructure</li> </ul>	
<b>Finance</b>	<ul style="list-style-type: none"> <li>• Lack of finance for entrepreneurship</li> <li>• Difficulty in accessing available finance</li> <li>• Collateral requirements</li> <li>• Loan conditions of banks</li> </ul>	REN8;REN9
<b>Institutions</b>	<ul style="list-style-type: none"> <li>• Ineffective institutions ( Bureaucracy)</li> <li>• Lack of accountability and transparency</li> <li>• High corruption</li> <li>• High religious intolerance</li> <li>• Poor security</li> <li>• Large informal sector</li> </ul>	REN4;REN9;REN10;REN12;REN32;REN37;REN38;REN40;REN42;REN50
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Lack of meaningful support from government</li> <li>• Party interests instead of National interests</li> <li>• Negative interference from government</li> <li>• Strained ethnic relations</li> <li>• Restriction on movement</li> <li>• Ethnic disputes</li> <li>• Religious intolerance</li> <li>• Illegal immigrants</li> <li>• Political intimidation</li> <li>• Coercive loyalty</li> </ul>	REN1;REN5;REN11;REN15;REN17;REN18;REN20;REN22;REN32;REN37;REN38;REN40;REN46;REN50
<b>Entrepreneurial activities</b>	<ul style="list-style-type: none"> <li>• Mostly out of necessity</li> <li>• Some are destructive</li> <li>• More activities in the service sector</li> <li>• Less activities in the manufacturing sector</li> <li>• Reliance on traditional business methods</li> <li>• Oil being the predominant sector</li> <li>• Goods and services very limited</li> <li>• Labor intensive activities</li> <li>• Quality of products and services</li> <li>• Low export delivery</li> </ul>	REN2;REN4;REN5;REN8;REN12;REN16;REN21;REN23;REN24;REN27;REN28;REN31;REN43;REN45;REN48
<b>Natural environment</b>	<ul style="list-style-type: none"> <li>• Severely threatened</li> <li>• Lack of corrective measures to protect the natural environment</li> </ul>	REN19;REN26;REN35
<b>Competition</b>	<ul style="list-style-type: none"> <li>• Weak competition</li> <li>• High cost of production</li> <li>• High business costs</li> <li>• High custom Tariffs</li> <li>• High and multiple taxes</li> <li>• Competition from cheaper products</li> </ul>	REN23;REN27;REN39
<b>Markets</b>	<ul style="list-style-type: none"> <li>• Competition with cheap imported products</li> <li>• Competition for meager resources</li> <li>• Lack of strong patent laws</li> <li>• Establishment of free trade zones</li> <li>• The slow recovery of the global economy</li> </ul>	REN37;REN39
<b>Society</b>	<ul style="list-style-type: none"> <li>• Foreign experts are mainly employed in the oil industry</li> <li>• FDI discriminates against Local investors</li> <li>• Non quality work done on behalf of people in the Diaspora</li> </ul>	REN2;REN33;REN43;REN47

	<ul style="list-style-type: none"> <li>• Fiscal fraud</li> <li>• Transition from informal to formal sectors</li> <li>• Inequality</li> <li>• Resistance to modern business methods</li> </ul>	
<b>Macroeconomic situation</b>	<ul style="list-style-type: none"> <li>• Exorbitant interest rates</li> <li>• Capital needed to diversify the economy</li> <li>• Cost to keep the population healthy</li> <li>• Expected to be involved in economic bailout of ECOWAS countries</li> </ul>	RE3;RE14;RE17;RE44
<b>Security</b>	<ul style="list-style-type: none"> <li>• Highway robbery</li> <li>• Vandalism of property</li> <li>• Crime and theft</li> <li>• Oil theft</li> <li>• Religious based attacks</li> </ul>	RE1;RE31;RE34

#### 5.4.1.3 General survey responses with regards to the success and failure of public policies for entrepreneurship in Nigeria

There are many public policies in Nigeria but the focus here is on policies that are meant to foster and promote entrepreneurship at the national level. A detailed view of these policies taking into consideration the areas of attention, the objectives, measures taken and the performance is shown in Table 5.39 derived from the responses to the questions with regards to the successes and failures of public policies with regards to entrepreneurship in the general survey questionnaire. The measures ‘good’ and ‘poor’ refers to the respondents’ judgments of the performance of a particular policy.

Table 5.39 Performance of public policies in Nigeria

<b>Area of attention</b>	<b>Policy objective</b>	<b>Measures</b>	<b>Performance</b>	<b>Respondents</b>
Economic freedom	To improve freedom to engage in entrepreneurial activities	Strategies that encourage the movement of entrepreneurs and wealth	Good	REN12;REN15;REN25
Security	To protect entrepreneurs, enterprises and property rights	Improvement of the national security. Sound legal system and impartial courts	Poor	REN1;REN14;REN34
Competition	To enhance the competitiveness of local entrepreneurs	Introduction of Local Content Policy	Good	REN2;REN23
Human capital	To reverse the brain drain	Creation of a National Committee on Diaspora	Poor	REN4;REN6;REN10

Affairs					
Finance	To improve availability and accessibility of finance	Establishment of more financial institutions. Banks to set aside a percentage of their profits to finance entrepreneurship. The National financial inclusion strategy. The MSME development Fund	Poor		REN5;REN8;REN17;REN18;RENREN37;REN46,REN47;REN50
Entrepreneurship Education	To diffuse entrepreneurship education	Introduction of compulsory entrepreneurship education course for graduates	Poor		REN8;REN20;REN24;REN29;REN35;REN44
Infrastructure	To improve the infrastructure	The introduction of the National Integrated Infrastructure Master Plan	Poor		REN7;REN14;REN19;REN26;REN27;REN30;REN39;REN41
Business climate	To foster the entrepreneurship environment	Improvement of the regulatory environment	Poor		REN6;REN15;REN16;REN31;REN32;REN38;REN42, REN48;REN49
Entrepreneurship support	To foster entrepreneurship at the national level	Introduction of programs that facilitate entrepreneurship activities	Good		REN3;REN6;REN11;REN12;REN13;REN22;REN23;REN28;REN36

#### 5.4.1.4 General survey responses with regards to the suggestions in Nigeria

The suggestions are from the respondents of the general survey which focused on the adults (18-64 years). The main categories and the key suggestions corresponding to these categories are depicted in Table 5.40.

Table 5.40 Key Suggestions of adults in Nigeria

Categories	Key Suggestions	Respondents
<b>Security</b>	<ul style="list-style-type: none"> <li>Formulate new strategies to combat crime and theft</li> <li>Expel illegal residents</li> <li>Create a rapid response force</li> </ul>	REN1;REN11;REN28;REN34
<b>Education and Research</b>	<ul style="list-style-type: none"> <li>Establish technological and science parks</li> <li>Reverse the brain drain</li> <li>Education to involve practicing entrepreneurs</li> <li>Training as a prerequisite for assistance</li> <li>Training youths in skills that are in demand</li> </ul>	REN5;REN6;REN8;REN20;REN24;REN29;REN39
<b>Finance</b>	<ul style="list-style-type: none"> <li>Ensure that banks give out loans</li> <li>Support local micro finance institutions</li> <li>Government to be a guarantor of loans</li> </ul>	REN5;REN9;REN17;REN30;REN46
<b>Macroeconomic</b>	<ul style="list-style-type: none"> <li>Comprehensive economic and structural reforms</li> <li>The distribution of public and private investments</li> <li>The coherence between policies that promote FDI</li> </ul>	REN30;REN31;REN33;REN35;REN36;REN37

	and local entrepreneurship	
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>Accelerate infrastructure development</li> <li>Reduce processing times at ports</li> <li>Prioritize physical infrastructure projects</li> <li>Transform ICT from consumer to provider</li> </ul>	REN3;REN14;REN27;REN41;REN49
<b>Human Capital</b>	<ul style="list-style-type: none"> <li>Creation of employment in the non oil sectors</li> <li>Increase the percentage of local employed in the oil sector</li> <li>Effective programs to encourage youth entrepreneurship</li> <li>Formulate a solid social protection strategy</li> </ul>	REN2;REN4;REN10;REN13;REN18;REN21;REN30;REN44;REN50
<b>Institutions</b>	<ul style="list-style-type: none"> <li>Create a ministry of Entrepreneurship</li> <li>Formulate favorable policies</li> <li>Avoid policy uncertainty</li> <li>Promote indigenous entrepreneurs</li> <li>Independence of institutions</li> <li>Formulate and implement strategies for diversification</li> </ul>	REN7;REN12;REN15;REN16;REN19;REN22;REN23;REN25;REN26;REN32;REN38;REN40;REN42;REN45;REN47;REN48

#### 5.4.1.5 Interview responses in Nigeria

The general inductive approach which allows research findings to emerge from dominant themes or categories inherent in raw data without any restriction imposed has been used to analyze the interview responses. Such an approach is intended to aid the understanding of meaning from complex data through the development of main themes or categories (Thomas, 2003).

To understand how entrepreneurship is viewed in Nigeria with regards to its definition and who is an entrepreneur, the differences between SMEs and entrepreneurship, entrepreneurial economy, the contribution of entrepreneurship to the economy, the creation of jobs and the contribution to poverty alleviation, the interviewees were asked to give their opinions on the understanding of these terms and their roles in the country. Table 5.41 shows the opinions of the interviewees with regards to the definition of entrepreneurship and who is an entrepreneur.

Table 5.41 Responses of the interviewees with regards to the definitions in Nigeria

<b>Interviewees</b>	<b>What is your definition of entrepreneurship and who is an entrepreneur?</b>
Interviewee1	Entrepreneurship is a discipline that studies entrepreneurs and their entrepreneurial activities. An entrepreneur is someone who goes all out to realize an identified opportunity , taking risks along the way to attain his or her goals
Interviewee2	Entrepreneurship is a discipline that deals with entrepreneurs, their activities and research into these activities. Entrepreneurs are ordinary individuals who identify and opportunity and try to exploit it taking risk under uncertainty.
Interviewee3	Entrepreneurship is the discipline that deals with the identification and exploitation of entrepreneurial opportunities and all what is required to establish entrepreneurial ventures. An entrepreneur is someone who carries out an entrepreneurial act.
Interviewee4	Entrepreneurship investigates the activities of entrepreneurs. An entrepreneur is someone who takes risks under uncertainty to exploit an opportunity that has been identified.
Interviewee5	Entrepreneurship deals with the activities of entrepreneurs and also the academic investigations on those activities and research carried out to understand and improve such activities. An entrepreneur is someone who sees an opportunity where others have not seen one and tries to exploit it taking the associated risks.
Interviewee6	Entrepreneurship is concerned with the activities of entrepreneurs and all other stakeholders involved. It is a discipline that investigates these activities to make suggestions for improvement. An entrepreneur is someone who identifies an opportunity and go all out to exploit that opportunity bearing all the risks to produce a goods and services.
Interviewee7	Entrepreneurship in general is concerned with the study of entrepreneurs and their activities. An entrepreneur is an individual who realizes the needs of a society and try to fill those needs by embarking on risky ventures.
Interviewee8	Entrepreneurship can be considered as an act of entrepreneurs which in general is a multidiscipline field that studies this act. An entrepreneur is a person who identifies an opportunity and finds means to exploit that opportunity before the opportunity window closes bearing the risk associated with such exploitation.
Interviewee9	Entrepreneurship is a means by which individuals who want to be self-employed and give employment to others in the private sector use. An entrepreneur is someone who has identified an opportunity and tries to exploit that opportunity taking into consideration all the risks involved.
Interviewee10	Entrepreneurship is a multidisciplinary subject that concerns with how individuals identified and exploit opportunities by entering into uncertain markets and bearing the risks involved. An entrepreneur is an individual who sees an opportunity and finds ways and means to exploit that opportunity to bring services or products to the market to realize a profit and self satisfaction.

Below is a summary of their main opinions.



### ***Definitions of entrepreneurship and an entrepreneur***

- *Entrepreneurship is a discipline that studies entrepreneurs and their entrepreneurial activities. An entrepreneur is someone who goes all out to realize an identified opportunity, taking risks along the way to attain his or her goals.*
- *Entrepreneurship is a means by which individuals who want to be self-employed and give employment to others in the private sector. An entrepreneur is someone who has identified an opportunity and tries to exploit that opportunity taking into consideration all the risks involved.*

All the definitions were summarized into the two statements above. The keywords are entrepreneurs, entrepreneurial activities, individuals, self-employment, opportunity and risk. These keywords resonate with those found in most of the definitions that are existing in the literature. This demonstrates that the interviewees have a fair idea of what is entrepreneurship and who an entrepreneur is.

From the literature review in section 2.2.1, Richard Cantillon defines an entrepreneur as a self employed person who proportions his activities to market demands and in the process, bears additional risks. This definition compares with the summary of the definitions given by the respondents. The summary definition of entrepreneurship contains some aspects of the definition of entrepreneurship used in this study provided by Carlsson et al (2013), in section 2.2.1.

The interviewees' responses for the differences between SME development and entrepreneurship development are reported in Table 5.42

Table 5.42 Responses of the interviewees' with regards to the differences in SME and entrepreneurship development in Nigeria.

<b>Interviewees</b>	<b>Do you note any difference between SME development and entrepreneurship development in your country? If so what are these differences?</b>
Interviewee1	There are a lot of differences between SME development and Entrepreneurship development in the country. SME development is mostly associated with dropouts and illiterates whilst entrepreneurship development is associated with well or highly educated individuals who opt to venture into entrepreneurship for different reasons.
Interviewee2	There are many differences between SME development and Entrepreneurship development as most programs concentrate more on helping established businesses instead of encouraging potential entrepreneurs.
Interviewee3	There are differences as SMEs are supported more than startups and most programs focus on SMEs. The distinction between the two is not very clear so the two are interchanged and the general feeling is that entrepreneurship is being fostered whilst in actual fact it is actually the SMEs that are being supported.
Interviewee4	There is more of SME development than Entrepreneurship development. The support that is available is usually directed towards established venture in most cases.
Interviewee5	There is more of SME development in the country. The concentration is on improving established enterprises than encouraging startups. This is due to the risks involved with startups.
Interviewee6	Entrepreneurship and SME development in the country are considered to be one and the same so there are no differences.
Interviewee7	There are differences between SME and Entrepreneurship development in the country. Most programs concentrate on supporting established businesses (SMEs) whilst there are a few programs that assist start-ups.
Interviewee8	Entrepreneurship and SME development are considered to be one and the same as the differences are not easy to be distinguished because the differences are blurred but the major development that has occurred so far can be termed as SME development as there are more programs supporting established ventures than startups.
Interviewee9	SME development is linked to established enterprises especially with regards to growth and expansion of such enterprises and this is the development that is prevalent in the country whilst entrepreneurship development which is linked to developing potential entrepreneurs and new startups is not common.
Interviewee10	There is a difference. The focus is concentrated on SME development although there are programs that have commenced to look at entrepreneurship development, they are at an embryonic stage.

The responses of the interviewees are summarized below.

### ***Differences between SMEs and Entrepreneurship***

- *There are differences between SME and Entrepreneurship development in the country. Most programs concentrate on supporting established businesses (SMEs) whilst there are a few programs that assist start-ups. SME development is linked to established enterprises especially with regards to growth and expansion of such enterprises and this is the development that is prevalent in the country whilst entrepreneurship development which is linked to developing potential entrepreneurs and new startups is not common. SME development is mostly associated with dropouts and illiterates whilst entrepreneurship development is associated with well or highly educated individuals who opt to venture into entrepreneurship for different reasons.*

The differences between SMEs and Entrepreneurship is based surprisingly on the level of education according to the respondents, entrepreneurship is associated with educated individuals whilst SMEs are associated with illiterates and school dropouts. Another distinction is that SMEs development is associated with established enterprises, entrepreneurship in contrast is associated with those who want to enter realm of business.

From the literature review, the last distinction is in line with that provided in section 2.6.3 when comparing the differences between entrepreneurship policies and SME policies.

The different definitions of an entrepreneurial economy according to the interviewees are reported in Table 5.43

Table 5.43 Definitions of an entrepreneurial economy according to the interviewees in Nigeria.

<b>Interviewees</b>	<b>What in your opinion is an entrepreneurial economy?</b>
Interviewee1	An entrepreneurial economy is an economy that is derived from the operations of productive and successful enterprises especially new venture that grow exponentially through innovation.
Interviewee2	An entrepreneurial economy can be described as an economy that is derived out of the activities of enterprises. It is dependent on the rate and type of entrepreneurship and can contribute significantly to the economic growth of countries.
Interviewee3	An entrepreneurial economy is an economy which is derived as a result of the rate and type of entrepreneurship being practiced and the key stakeholders are the entrepreneurs. When the contribution of this economy is high, then entrepreneurship is successful.
Interviewee4	An entrepreneurial economy is the kind of economy that depends on the type and rate of entrepreneurship being practiced in the country. It is a dynamic economy since it depends on the birth and deaths of enterprises.
Interviewee5	An entrepreneurial economy is a modern economy that relies on the rate and type of entrepreneurial activities being practiced in the country. It is quite different from the managed economy which is centrally controlled.
Interviewee6	An entrepreneurial economy is an economy that is based on entrepreneurial activities and ventures. It is dynamic in nature and depends on the rate and type of entrepreneurship being practiced in the country.
Interviewee7	An entrepreneurial economy is derived from activities of entrepreneurs and it depends on the number and quality of the entrepreneurial ventures.
Interviewee8	An entrepreneurial economy is an economy that is based on the entrepreneurial activities of the country. It can be positive if these activities are productive or negative if they are destructive.
Interviewee9	An entrepreneurial economy is a dynamic economy that depends mainly on high growth entrepreneurship. If the entrepreneurship being practiced in a country is mainly the necessity type, then it is difficult to say that the country has an entrepreneurial economy.
Interviewee10	An entrepreneurial economy unlike the managed economy is derived from small but fast growing firms. It is dynamic and the state has little control over it.

The responses are summarized below.

### ***Entrepreneurial Economy Definitions***

- *An entrepreneurial economy is an economy which is derived as a result of the rate and type of entrepreneurship being practiced and the key stakeholders are the entrepreneurs. When the contribution of this economy is high, then entrepreneurship is successful.*

- *An entrepreneurial economy is a dynamic economy that depends mainly on high growth entrepreneurship. If the entrepreneurship being practiced in a country is mainly the necessity type, then it is difficult to say that the country has an entrepreneurial economy.*
- *An entrepreneurial economy unlike the managed economy is derived from small but fast growing firms. It is dynamic and the state has little control over it.*

The key phrases of the two main definitions are: the rate and type of entrepreneurship; key stakeholders; contribution to the GDP; dynamic economy; high-growth entrepreneurship; necessity type; managed economy; the state. These phrases are commonly encountered in the scripts presented so far by renowned scholars in the field of entrepreneurial economy. This means that there is a fair amount of knowledge about the entrepreneurial economy.

From the literature review, the entrepreneurial economy is modeled as an economy that is increasingly been dominated by knowledge, entrepreneurship capital, entrepreneurial capability and capacity to engage in entrepreneurial activities (Thurik, 2009). The entrepreneurial economy has been defined as an economy that is derived from the entrepreneurial activities of a country with regards to the overall economic activities in the country (Audretsch, Keilbach and Lehmann, 2006). The definitions presented by the interviewees compare to some extent to the model of the entrepreneurial economy.

The responses of the interviewees with regards to the contribution of entrepreneurship to economic growth are reported in Table 5.44

Table 5.44 Contribution of entrepreneurship to economic growth for the interviewees in Nigeria.

<b>Interviewees</b>	<b>What are your perspectives on the contribution of entrepreneurship to the economic growth of your country?</b>
Interviewee1	Entrepreneurship is the third contributor to the economy after the oil and agricultural sectors. As entrepreneurship is found in almost all sectors and its importance in the economy is growing at a faster pace.
Interviewee2	Entrepreneurship contributes to the economic growth of the country as the population is so large that the public and private sectors cannot absorb all the work force so the only other outlet is entrepreneurship which has contributed a lot to the economic growth through taxes and investments.
Interviewee3	Entrepreneurship contributes positively to the economic growth of the country through taxes and other levies that entrepreneurs pay to government.
Interviewee4	The contribution of entrepreneurship to economic growth of the country is very small as most entrepreneurs operate in the informal sector and they seldom pay their taxes. The problem of smuggled goods also affects the economy negatively.
Interviewee5	Entrepreneurship does not always contribute to the growth of the economy, it can even affect economic growth negatively. This is due to the fact that most entrepreneurs operate in the informal sector without paying taxes and most of their activities are contrary to established norms, thus undermining the economy.
Interviewee6	The contribution of entrepreneurship to the growth of the economy is poor. This is because most entrepreneurs are in the survival bracket and their activities are of the necessity type which does not contribute to economic growth.
Interviewee7	Entrepreneurship can contribute to the economic growth of the country if it is productive. It can also be detrimental to the economy if it is destructive for example, drugs and prostitution.
Interviewee8	The contribution of entrepreneurship to the growth of the economy has been minimal due to the type of entrepreneurship being practiced. A majority of the entrepreneurs are found in the necessity bracket in the informal sector which does not contribute to economic growth. Only a few entrepreneurs venture into high growth entrepreneurship.
Interviewee9	The contribution is minimal when compared to the contribution from the extraction of natural resources because high growth entrepreneurship is not being practiced nationwide.
Interviewee10	At present the contribution of entrepreneurship to the growth of the economy is minimal when compared to other sectors like the extraction of crude oil which is the mainstay of the economy. Another reason for this minimal contribution can be attributed to the fact that most entrepreneurs are survival entrepreneurs who are operating in the informal sector.

These answers are summarized below.

### ***Contribution of Entrepreneurship to the Economy***

- *Entrepreneurship is the third contributor to the economy after the oil and agricultural sectors. As entrepreneurship is found in almost all sectors and its importance in the economy is growing at a faster pace, its contribution is growing gradually.*
- *The contribution of entrepreneurship to economic growth of the country is very small as most entrepreneurs operate in the informal sector and they seldom pay their taxes. The problem of smuggled goods also affects the economy negatively.*

The two statements above are contrasting. The first one emphasized that entrepreneurship is the third contributor after the oil and agricultural sectors whilst the second statement emphasized that the contribution is very small since most entrepreneurs operate in the informal sector. Both statements are correct and offer some challenge towards the contribution of entrepreneurship to the economy. The much publicized diversification of the economy, if implemented combined with the transition from the informal to the formal sector, might increase the contribution of entrepreneurship to the economy.

From the literature, Stel, Carree and Thurik (2005) show that the contribution of entrepreneurship to economic growth depends on the type of entrepreneurship being practiced. Opportunity entrepreneurship will have a positive impact but the type of entrepreneurship dominantly practiced in LDCs is the necessity type which does not contribute to economic growth. An assertion supported by Brixiova (2010).

The comments of the interviewees with regards to poverty alleviation are shown in Table 5.45

Table 5.45 Comments on poverty alleviation by interviewees in Nigeria

<b>Interviewees</b>	<b>Please comment on how entrepreneurship contributes to poverty alleviation</b>
Interviewee1	The country has a good number of entrepreneurs who employ a lot of people thereby improving their standard of living and removing them from the absolute poverty bracket.
Interviewee2	The country has a high population so entrepreneurship absorbs most of the people made redundant and those self employed to earn an income thus improving their standard of living and as a consequence, reduce poverty.
Interviewee3	As entrepreneurs become successful, so their immediate and extended families improve their standard of living thus reducing poverty in the country.
Interviewee4	Jobless people become self-employed thus raising their standard of living when the venture is successful but these are few compared to the total number of enterprises.
Interviewee5	As most activities are in the informal sector, most entrepreneurs try only to get a daily survival which does not equate to poverty alleviation as most of the basic needs are not met.
Interviewee6	Most entrepreneurs are owners/managers and from their activities they can cater for both their immediate and extended families which in most cases reduce poverty.
Interviewee7	Entrepreneurship if it is productive and high growth, can significantly contribute to poverty alleviation in the country.
Interviewee8	Entrepreneurship contributes to poverty alleviation by assisting entrepreneurs to be able to provide daily subsistence to themselves and immediate family members.
Interviewee9	As the entrepreneurs if successful can survive with the immediate family, in some way this contributes to poverty alleviation.
Interviewee10	Entrepreneurship has not contributed significantly to poverty alleviation as most entrepreneurs are necessity entrepreneurs who are surviving on a daily basis without expanding or growing as the burden to maintain the enterprises is too heavy.

The summary of the responses is given below.

### ***Poverty Alleviation***

- *The country has a good number of entrepreneurs who employ a lot of people thereby improving their standard of living and removing them from the absolute poverty bracket.;*  
*The country has a very high population so entrepreneurship absorbs most of the people made redundant and those self employed to earn an income thus improving their standard of living and as a consequence, reduce the depth of poverty.*
- *As most activities are in the informal sector, most entrepreneurs try only to get daily subsistence which does not equate to poverty alleviation as most of the basic needs are not*



*met.; Entrepreneurship has not contributed significantly to poverty alleviation as most entrepreneurs are necessity entrepreneurs who are surviving on a daily basis without expanding or growing as the burdens to maintain the enterprises are too heavy.*

There are mixed opinions with regards to poverty alleviation based on two main arguments: The first being that there are few enterprises that really improve the standard of living of their employees and that entrepreneurship absorbs those made redundant helping them to earn an income which as a consequence reduces poverty. The other opinion is that entrepreneurship is just for survival which means that the poverty gap remains constant.

The United Nations *Unleashing Entrepreneurship report* cited in the introductory chapter, emphasized the focus of creating domestic employment by unleashing the and supporting the capacity and capability of local entrepreneurs to enable business to contribute in the alleviation of poverty (UNDP, 2004).

The contribution of entrepreneurship to the creation of jobs was investigated and the responses of the interviewees are given in Table 5.46

Table 5.46 Responses with regards to the contribution of entrepreneurship in the creation of jobs in Nigeria

<b>Interviewees</b>	<b>Does entrepreneurship contribute to the creation of jobs? How?</b>
Interviewee1	Entrepreneurship definitely contributes to the creation of jobs in the country as many people are being employed by entrepreneurial venture but this effect is not felt because of the high population of the country.
Interviewee2	Entrepreneurship does contribute to the creation of jobs since most ventures have a few employee and helping hands who are mostly relatives and apprentices which reduce the number of jobless people.
Interviewee3	The number of self employed individuals increase as the more enterprises are established thus reducing the unemployment rate though such a reduction is minimal.
Interviewee4	Since most entrepreneurs operate in the informal sector, very few jobs are created as the owner/manager usually seek helping hands from the extended family or the ethnic group.
Interviewee5	Most of the people employed are relatives and are not paid a regular wage but they

	are given shelter and food. They are also give money from time to time as and when the need arises so entrepreneurship does not really contribute to job creation.
Interviewee6	The entrepreneurship being practiced cater for self-employment without offering employment to others with official wages so the contribution to the creation of jobs is minimal as can seen the high unemployment rate in the country.
Interviewee7	The type of entrepreneurship mostly practiced in the country is the necessity type mostly in the informal sector which hardly creates jobs.
Interviewee8	The prevalent form of employment that is generated is self-employment since most entrepreneurs operate in the informal sector.
Interviewee9	Entrepreneurship contributes to job creation although most of the persons employed are not on official wages as they are usually extended family members of the entrepreneur. They are therefore given shelter and food and some allowances once in a while.
Interviewee10	Few jobs have been created by foreign entrepreneurs but the local entrepreneurs are still struggling to generate jobs as they rely more on helping hands from the extended family or ethnic group or clan.

The responses of the interviewees are summarized below.

### ***Creation of Jobs***

- *Entrepreneurship does contribute to the creation of jobs since most ventures have a few employees and helping hands who are mostly relatives and apprentices which reduce the number of jobless people.*
- *The entrepreneurship being practiced caters for self-employment without offering employment to others with official wages so the contribution to the creation of jobs is minimal as shown by the high unemployment rate in the country.*

The generation of employment form entrepreneurial activities has not gained momentum as most of those employed are not on official wages since a majority of them are extended family members. The other entrepreneurs are self-employed and cannot afford to employ others. The contribution is therefore minimal. From the literature, the findings of Birch (1979) show that 80% of new jobs were created by small firms rather than large corporations in the United States of America.

The key aspects on culture, society and mindset in Nigeria as expressed by the interviewees with regards to the main categories identified are illustrated in Table 5.47.

Table 5.47 Key aspects on culture, society and mindset in Nigeria

<b>Categories</b>	<b>Key aspects on Culture, Society and Mindset</b>
<b>Entrepreneurship as a viable career choice</b>	<ul style="list-style-type: none"> <li>• The citizenry does consider entrepreneurship as a viable career choice as people prefer to venture into entrepreneurship than searching for jobs in the established sectors. For example those in good jobs, do resign when they identify an entrepreneurial opportunity that they can exploit.</li> <li>• The citizenry considers entrepreneurship as a second career choice for those who cannot find employment in the public and private sectors and for school dropouts. But it is a viable choice for illiterates or school dropouts who are not engaged in agriculture.</li> </ul>
<b>Cultural Attitude to Wealth Creation and Accumulation</b>	<ul style="list-style-type: none"> <li>• The cultural attitude towards wealth creation is positive as the populace usually admire wealthy people and want to emulate the. A wealthy man has a very high status in society.</li> </ul>
<b>Risk taking and Failure</b>	<ul style="list-style-type: none"> <li>• The attitude of the society towards risk taking and failure is positive as people are usually encouraged to take more risk even after repeated failure. There is a belief that one day an individual will succeed. The society is risk prone and there is no fear of failure as individuals with an idea will continue to develop that idea despite many failures and challenges until they succeed in turning that idea into a useful product of service being encouraged along the way by relatives and friends.</li> </ul>
<b>Culture of Consumerism or Thrift</b>	<ul style="list-style-type: none"> <li>• The culture is a culture of consumerism as the population especially those who can afford have taste and wants that they constantly need to satisfy. It is a culture of consumerism because people with money always want to buy something new and they do it at an alarming rate.</li> <li>• The culture is that of thrift as people would like to save every penny to invest in entrepreneurial ventures.; The culture in the country is that of thrift as there is a mass poverty and people just try to survive on a daily basis.; The culture can be considered as a culture of thrift due to the fact that money does not come by easily so they hold on to the little they have</li> <li>• It is 50-50 as wealthy people have a culture of consumerism and poor people have a culture of thrift. It is a culture of both consumerism and thrift . For the rich it is a culture of consumerism whilst for the poor, it is a culture of thrift.</li> </ul>
<b>Nurturing of an Entrepreneurial Mindset</b>	<ul style="list-style-type: none"> <li>• Society contributes in the nurturing of an entrepreneurial mindset since young people are encouraged from an early age to venture into entrepreneurship and in most cases successful entrepreneurs from cities would come to the villages to recruit relatives and train them to become entrepreneurs. The society contributes to the nurturing of an entrepreneurial mindset as elders encourage everyone to venture into entrepreneurship even those who are employed.</li> </ul>
<b>Achievements of Entrepreneurs</b>	<ul style="list-style-type: none"> <li>• The achievements of entrepreneurs are usually celebrated in society and titles are normally given to successful entrepreneurs apart from the awards given to these entrepreneurs.</li> <li>• As most entrepreneurs are of the necessity type, the celebrations of entrepreneurial success is low-keyed as most celebrations are centered on the successful conclusion of some kind of a deal so such celebrations include only immediate family members</li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>• The society in general is collectivistic as people tend to help each other out especially in terms of happiness and sorrow. The society in general is collectivistic as there are elements of mutual labor or activities from members of the same clan.</li> <li>• The society in general is individualistic as people are more egocentric especially in big towns and cities. The society in general is individualistic as everyone is fighting hard to get wealthy so competition is very fierce everywhere in the country.</li> <li>• The society can be considered as both individualistic especially in big cities and collectivistic in the rural areas. This is because family ties are stronger</li> </ul>

The key aspects on the national entrepreneurship system in Nigeria as described by the interviewees are shown in Table 5.48. There is no national entrepreneurship system in existence but the necessity to create one was expressed and the key players, institutions, key developers that would enhance the creation of one were identified.

Table 5.48 Key aspects on the national entrepreneurship system in Nigeria

<b>Categories</b>	<b>Key aspects on the National Entrepreneurship System</b>
<b>Existence</b>	<ul style="list-style-type: none"> <li>• There is no national entrepreneurship system in the country at present although government is proposing to develop one.</li> <li>• The entrepreneurship system in the country cannot be termed as national, but there are some clusters that assist entrepreneurs.</li> </ul>
<b>Necessity</b>	<ul style="list-style-type: none"> <li>• It is necessary to cultivate an entrepreneurship ecosystem at the national level since such an ecosystem will strengthen and boost entrepreneurship in the country.</li> </ul>
<b>Key Players, Institutions and Key Developers</b>	<ul style="list-style-type: none"> <li>• <b>Key Players;</b> Entrepreneurs, Policymakers, Politicians, Local Leaders, Academicians. State governors, Consumers, Experts. Government, Private sector. Opinion leaders, Religious leaders, Public leaders. MNCs, Local communities, Professionals, Suppliers.</li> <li>• <b>Institutions;</b> Financial, Regulatory, Cultural, Social, Educational. Government departments, NGOs. Security, Legal, Religious. Commercial, civil society, Political.</li> <li>• <b>Key Developers;</b> Government, Entrepreneurs, Business People, Private sector. Politicians, Policymakers, Experts. Managers of MNCs, Academicians, Research and Development Teams. Unemployed.</li> </ul>
<b>Key Suggestions</b>	<ul style="list-style-type: none"> <li>• The organization of a nationwide workshop and seminars to sensitize people about the importance of an entrepreneurship ecosystem and to identify the key developers of the system.</li> <li>• The key suggestions would be the involvement of all stakeholders interested in entrepreneurship development in the country and the identification of committed individuals, government departments and institutions that will develop the system.</li> <li>• The interactions between the components of the ecosystem should be precise and well coordinated. An entrepreneurship ecosystem like all other ecosystems must have the right and appropriate components that interact in an effective way to cultivate a self sustaining entrepreneurship system. So the first step is to identify these components.</li> <li>• There should be a census of all entrepreneurs in the country together with their entrepreneurial activities. Next is to analyze the weaknesses and strengths of entrepreneurship in the country and come up with a decision on which areas should be improved and which areas more focus should be laid on to turn the weaknesses into strengths.</li> <li>• To encourage the transition from the informal to the formal sector.</li> <li>• The training of Policymakers to develop an entrepreneurship policy which in turn will form the basis for the development of an entrepreneurship ecosystem.</li> </ul>
<b>Stakeholders and Institutions to be included</b>	<ul style="list-style-type: none"> <li>• <b>Stakeholders;</b> Entrepreneurs, Business People, Policymakers, Consumers, Experts, Consultants. Entrepreneurs, Politicians, Professionals, Consumers,</li> </ul>

<b>in the ecosystem</b>	Public sector, Private sector. Entrepreneurs, Politicians, Consumers, Public Leaders, SME Proprietors. Opinion Leaders, Marketing, Social, Cultural, Politicians. Politicians, Community Leaders, Religious Leaders. <ul style="list-style-type: none"> <li>• <b>Institutions;</b> Legal, Cultural, Financial, Economic, Education, Trade, Legal, Cultural, Financial, Social, Regulatory, Religious. Cultural, Financial, Social, Regulatory, Government Departments, Security, Networking, Educational. Cultural, Educational, Research &amp; Development, Marketing, Networking, NGOs.</li> </ul>
<b>Strength and Importance</b>	<ul style="list-style-type: none"> <li>• All stakeholders and institutions should have equal strength and importance in an entrepreneurship ecosystem as they must all contribute meaningfully to have an effective ecosystem.</li> <li>• Some stakeholders and institutions should have more strength and importance than others in an ecosystem. They play more roles for the ecosystem to function properly. Some of these are: Financial, Regulatory, Entrepreneurs, and Policymakers.</li> </ul>

The key aspects on the governance, policies, programs and structures with regards to the fostering of entrepreneurship in Nigeria as described by the interviewees are shown in Table 5.49. The existing process and the challenges faced in developing strategies for the promotion of entrepreneurship are also illustrated.

Table 5.49 Key aspects on governance, policies, programs and structures in Nigeria

<b>Categories</b>	<b>Key aspects on Governance, Policies, Programs and Structures</b>
<b>Strategic Intent</b>	<ul style="list-style-type: none"> <li>• Government has a clearly stated strategic objective to promote entrepreneurship as this will help to diversify the economy away from the reliance on the exploitation of natural resources</li> <li>• The government has an intention to develop entrepreneurship in the country. The major problem is the transformation of the intent for implementation.</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• The lack of experts in formulating entrepreneurship policies and the difficulties in the identification of committed individuals, key players and experienced policymakers in entrepreneurship.</li> <li>• The most difficult challenges in fostering entrepreneurship are lack of finance, lack of experts, and policymakers in the entrepreneurship discipline.</li> <li>• The most difficult challenges government is facing emanates from politicians who would usually push for an agenda for selfish interests so policies that are good and sound are usually thrown out in favor of unpopular policies but which benefit individual politicians.</li> <li>• The most difficult challenges are the infrastructure for entrepreneurship which is very poor, the bureaucracy, and the type of entrepreneurship being practiced by the local entrepreneurs which is the survival type.</li> </ul>
<b>Access to Finance</b>	<ul style="list-style-type: none"> <li>• The government is making adequate moves to facilitate access to finance for entrepreneurs but these moves are insufficient since most entrepreneurs cite access to finance as the major obstacle in starting a venture. Government therefore needs to develop other strategies to tackle this problem.</li> <li>• The government is making some moves with regards to access to finance for entrepreneurs as they are supporting microfinance programs through the central bank. But the problem is that most of the entrepreneurs cannot access this finance as they operate in the informal sector.</li> </ul>
<b>Regulatory Framework</b>	<ul style="list-style-type: none"> <li>• The present regulatory framework does not favor entrepreneurs as there are</li> </ul>

	<p>still a lot of obstacles that entrepreneurs face such as bureaucracy, unfair competition and illegal intrusion.</p> <ul style="list-style-type: none"> <li>• The regulatory framework has improved greatly but there are still a lot to be done to convince entrepreneurs to move from the informal to the formal sector as some rules and regulations are hindering this transition.</li> </ul>
<b>Constraints and Obstacles</b>	<ul style="list-style-type: none"> <li>• Entrepreneurs are always intimidated by public officials and this is so frequent that entrepreneurs prefer to operate underground and are afraid to expand.; Some public officials are playing on the ignorance of entrepreneurs to extort money for services that should be free but on the other hand, entrepreneurs want to speed up the process so they end up paying facilitation fees such as bribes.; With public officials, entrepreneurs always complain that they face threats of closure if they do not comply to the requests of officials for bribes and facilitation payments.</li> </ul>
<b>Policies</b>	<ul style="list-style-type: none"> <li>• There is no standalone policy on entrepreneurship but there are several policies that deal mainly with SMEs which are also normally considered as entrepreneurship.</li> </ul>
<b>Structure</b>	<ul style="list-style-type: none"> <li>• There is no separate ministry for entrepreneurship but there are several departments in different ministries that deal with SMEs/entrepreneurial activities.</li> </ul>
<b>Process</b>	<ul style="list-style-type: none"> <li>• In most cases, there is an adhoc process for developing SME/Entrepreneurship policies.</li> <li>• The entrepreneurship/SME policy development process is a formal process with policymakers who concentrate mainly on SMEs</li> </ul>
<b>Specific Policies and Programs</b>	<ul style="list-style-type: none"> <li>• There are specific SME policies that target people to become self-employed. The major policy measures are the provision of skills and training, equipment and support at the early stages of operations with the aim of encouraging people to venture into entrepreneurship or be self-employed. The major program elements include sensitizing the people and identifying those ready to be trained. The primary structure comprises of government agencies, NGOs, Co-operatives.</li> </ul>
<b>Ideal Structure</b>	<ul style="list-style-type: none"> <li>• The ideal structure for developing and delivering the entrepreneurship agenda should be a ministry of entrepreneurship. Such a ministry would be able to formulate policies and implement them in an effective way. It could also coordinate the efforts of all stakeholders to achieve more meaningful results such as productive entrepreneurship which is a prerequisite for entrepreneurial economic growth.</li> <li>• The ideal structure should be a National Commission for Entrepreneurship Development. This commission would be charged with the responsibility of coordinating all entrepreneurial activities in the country. The key success indicators shall be the contribution of entrepreneurship in the economy, the number of jobs created and the density of high growth firms.</li> </ul>

Some of the key aspects on the focus of entrepreneurship in Nigeria according to the interviewees are shown in Table 5.50. The critical one being the creation of new businesses and the establishment of an entrepreneurial society.

Table 5.50 Key aspects on entrepreneurship focus in Nigeria

<b>Categories</b>	<b>Key aspects on Entrepreneurship Focus</b>
<b>Creation of New Businesses</b>	<ul style="list-style-type: none"> <li>• The creation of new businesses improves business churning since businesses die and new businesses spring up, this makes the economy more vibrant.</li> <li>• As a potential entrepreneur, the creation of new businesses will help to revamp the economy of the country since the natural resources which are the main stay of the economy are diminishing at a faster rate due to massive exploitation by foreign companies.</li> <li>• The creation of new businesses can boost the economy by reducing the unemployment rate, increase the amount government receive in taxes and contributing to the GDP.</li> </ul>
<b>Focus of policies and programs</b>	<ul style="list-style-type: none"> <li>• More support for SMEs; Some policies and programs that focus on strengthening SMEs but few if any in encouraging people to become entrepreneurs. Most government policy is focused on strengthening SMEs</li> </ul>
<b>Development of an Entrepreneurial Society</b>	<ul style="list-style-type: none"> <li>• The major elements should focus on favoring local entrepreneurs over foreign entrepreneurs. The policy elements should consider the encouraging of local entrepreneurs to move from necessity entrepreneurship to high growth entrepreneurship. Reducing the red tape for entrepreneurs, improving access to finance and lay emphasis to entrepreneurship education.</li> <li>• The major elements should look at entrepreneurship education, motivation and incentives and awareness of the vital role entrepreneurship is playing. Other element should look at fair competition, and the economic freedom of entrepreneurs. Such element will encourage individuals to venture into entrepreneurship.</li> </ul>
<b>Special programs</b>	<ul style="list-style-type: none"> <li>• There are programs that target youths and women to encourage them to venture into entrepreneurship but these are spread mostly in the urban areas.</li> <li>• There are some programs that target in particular women, youths and the unemployed etc. But these programs usually help the beneficiaries to form cooperatives.</li> </ul>
<b>Emphasis</b>	<ul style="list-style-type: none"> <li>• The country needs to put more effort in the encouragement of indigenous entrepreneurs by revising the regulatory framework, the legal and security institutions.</li> <li>• The country needs to lay emphasis on the cultivation of a national system for entrepreneurship and the creation of a ministry of entrepreneurship.</li> <li>• More emphasis should be placed on the transition from the informal to the formal sector with regards to entrepreneurship. ; The country needs to place more emphasis in encouraging the transition from the necessity to high growth entrepreneurship in the future to reap the benefits of entrepreneurship.</li> </ul>

Institutions, infrastructure, support, education and training aspects according to the interviewees in Nigeria are described in Table 5.51. Networks, nongovernmental organizations are also described. The demand and the type of education offered are deliberated on. The contribution of other stakeholders in the provision of entrepreneurship education and the availability of educators are also depicted.

Table 5.51 Key aspects on institutions, infrastructure, support, education and training in Nigeria

<b>Categories</b>	<b>Key aspects on Institutions, Infrastructure, Support, Education and Training</b>
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>The overall infrastructure is not effective in supporting entrepreneurship as roads are in a very bad state, electricity supply is intermittent, business premises are expensive and security is poor. The few research centers for technological research are in a poor state.</li> </ul>
<b>Institutions</b>	<ul style="list-style-type: none"> <li>Financial, Educational, Social, Cultural, Legal, Security, Networking, Regulatory, Religious, Chamber of Commerce, Marketing, Commercial, Political, Civil.</li> </ul>
<b>Non Governmental Organizations</b>	<ul style="list-style-type: none"> <li>There are some NGOs both local and international that support and promote entrepreneurship.</li> </ul>
<b>Professional Bodies</b>	<ul style="list-style-type: none"> <li>There are enough professional bodies to provide the services entrepreneurs need especially in areas such as: Accounting, Legal, Administrative, Auditing and Management.</li> <li>There are not enough professional bodies in the provision of entrepreneurial training and education.</li> </ul>
<b>Networks</b>	<ul style="list-style-type: none"> <li>There are some clusters formed by entrepreneurs either because of geographical proximity or same area of expertise. These networks exist though they do not function well. There are some networks usually formed by business associations.</li> </ul>
<b>Demand for Education</b>	<ul style="list-style-type: none"> <li>There is a high demand for entrepreneurship education and training as many people are aspiring to become entrepreneurs but lack the necessary training and skills. The society is entrepreneurial in nature so there is a high demand for entrepreneurship education because though people have entrepreneurship intentions and orientations, the entrepreneurial skills and training are lacking.</li> </ul>
<b>Description of Education offered</b>	<ul style="list-style-type: none"> <li>Although government is making effort to offer entrepreneurship education, the education being offered is not sufficient so government should make more efforts to provide the type of entrepreneurship education that will help individuals to venture into entrepreneurship instead of how to maintain small businesses education that is being offered at present.</li> <li>The entrepreneurship education being offered at present does not meet the needs of the nation. Most entrepreneurs are found in the informal sector and are mostly necessity entrepreneurs, strategies must be in place to educate all types of entrepreneurs.</li> <li>The entrepreneurship education offered at present is aimed at tertiary institutions which is conspicuously not enough as it should be offered at all stages and in different levels in order to be able to cater for all those interested in entrepreneurship.</li> </ul>
<b>Government's effort in providing Entrepreneurship Education</b>	<ul style="list-style-type: none"> <li>Government should do more in embedding entrepreneurship in education and this can be achieved by including all stakeholders and entrepreneurs to contribute their input and the ministry of education to develop a curriculum for entrepreneurship education.</li> <li>The modern economy is determined by the entrepreneurial activities of a country therefore educating and training an entrepreneurial force should be government's priority.</li> <li>The government should do more in embedding entrepreneurship in education as it is pivotal to the growth and diversification of the economy and would create much needed jobs.</li> </ul>
<b>Other Stakeholders in providing Entrepreneurship Education</b>	<ul style="list-style-type: none"> <li>There are other stakeholders such as the private sector and NGOs that assist government in the provision of entrepreneurship education</li> <li>There are no other stakeholders in the development of main stream education.</li> </ul>
<b>Entrepreneurship educators</b>	<ul style="list-style-type: none"> <li>The educational curriculum should be revisited to lay emphasis on entrepreneurship education at all levels and those majoring in entrepreneurship should be encouraged by issuing scholarships to meriting students to study in countries where entrepreneurship education is advanced.</li> </ul>



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- By conducting a verification exercise to know how many entrepreneurship educators are in the country so that the gaps can be revealed and filled either by importing entrepreneurship educators (short term) or by continuous training of entrepreneurship educators in and out of the country (long term).
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The general comments of the general survey, the entrepreneurs' respondents and the interviewees are summarized in Table 5.52 and they were taken into consideration in the development of the frameworks.

Table 5.52 General comments from Nigeria

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**General Comments**

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- The country is well known for its entrepreneurial capacity, all stakeholders should endeavor to be committed to improve the entrepreneurial capability.
  - Government should employ experts who will help them to formulate entrepreneurship policies.
  - The type of entrepreneurship being practiced is mostly the survival type where the entrepreneurs are normally self-employed. The entrepreneurs should be encouraged to practice high growth entrepreneurship so that jobs can be provided to the unemployed.
  - Government and the private sector should put more efforts to unleash entrepreneurship as the modern economy depends greatly on the entrepreneurial activities of a nation.
  - For entrepreneurship to flourish in the country, a ministry should be dedicated to it. Politicians must shelve the difference of parties and work together when it come to fostering entrepreneurship in the country. It is the only way that a solid foundation will be built to create an entrepreneurial society.
  - All stakeholders should work together to improve the entrepreneurial landscape of the country.
  - All stakeholders should meet more frequently to pave a way for the promotion of entrepreneurship in the country.
  - The government should endeavor to develop a standalone entrepreneurship policy in order to be able to garner the benefits of entrepreneurship and also to develop an entrepreneurial society.
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### 5.4.2 The case of Sierra Leone

Using similar analyses, the open-ended questions for entrepreneurs and the general public with the interviews conducted are analyzed in this section to have a insight on how to answer the research questions and develop an entrepreneurship ecosystem framework. The analyses will also enhance the comparison of the two countries.

#### 5.4.2.1 Entrepreneurs responses in Sierra Leone

A thorough reading all the 50 responses enhanced the development of categories that include similar themes. Each response was then assigned to a category or several categories. The categories were then refined and reviewed to represent the major themes. Table 5.53 shows a summary of the results of the analysis. The most important categories as expressed by the respondents in descending order are as follows: Regulatory environment; Institutions; Infrastructure; Entrepreneurship awareness; Finance; Markets; Technological and Science parks; Clusters; Politicians.

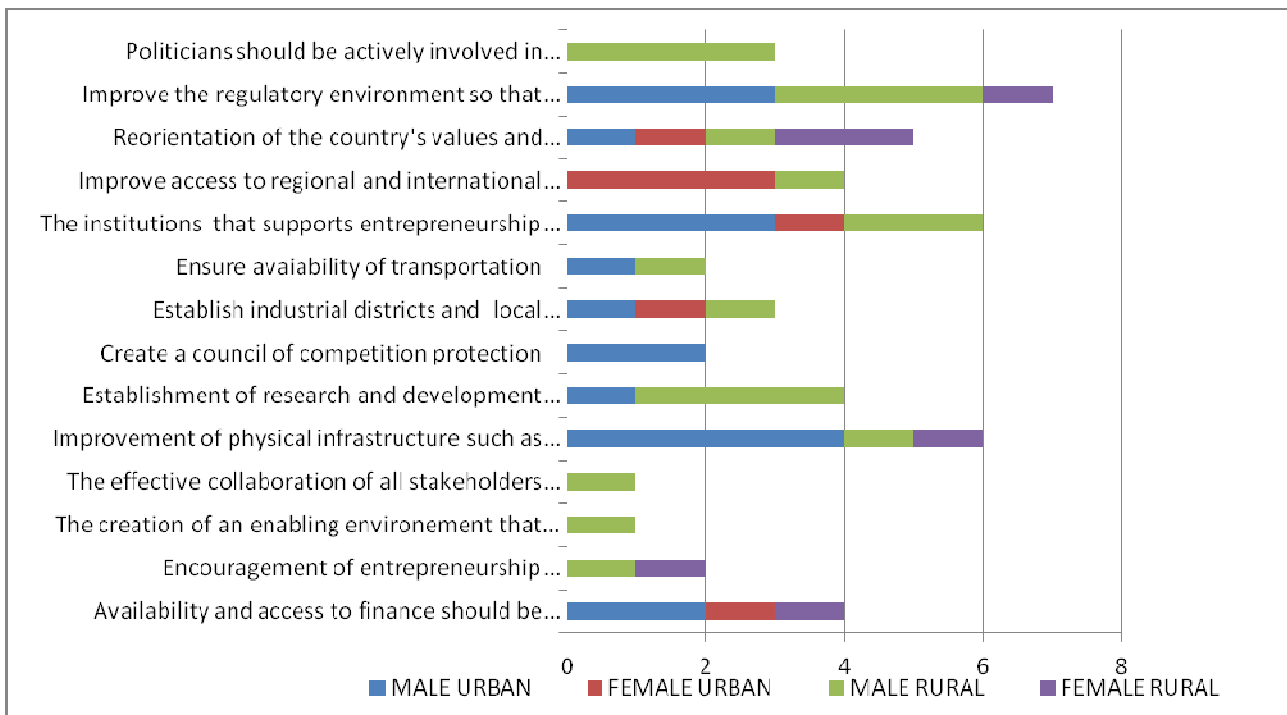
Table 5.53 Main categories and distribution of entrepreneurs in Sierra Leone

Categories	Area of attention	No. of Entrepreneurs	Male Urban	Female Urban	Male Rural	Female Rural
<b>Finance</b>	Availability and access to finance should be improved especially for potential entrepreneurs	4	2	1	0	1
<b>250Networks</b>	Encouragement of entrepreneurship cooperatives and networks	2	-	-	1	1
<b>Infrastructure</b>	Improvement of physical infrastructure such as electricity supply, roads and pipe borne water and business premises	6	4	-	1	1
<b>Enabling Environment</b>	The creation of an enabling environment that will attract foreign investors and entrepreneurs	1	-	-	1	-
<b>Stakeholders</b>	The effective collaboration of all stakeholders involve in the promotion of entrepreneurship	1	-	-	1	-
<b>Technological and science parks</b>	Establishment of research and development centers for	4	1	-	3	-

entrepreneurship						
<b>Competition</b>	Create a council of competition protection	2	2	-	-	-
<b>Clusters</b>	Establish industrial districts and local manufacturing bases in the country	3	1	1	1	-
<b>Transportation</b>	Ensure availability of transportation	2	1	-	1	-
<b>Institutions</b>	The institutions that support entrepreneurship should be made more effective. The establishment of institutions for entrepreneurship training and education	6	3	1	2	
<b>Markets</b>	Improve access to regional and international markets	4	-	3	1	-
<b>Entrepreneurship Awareness</b>	Reorientation of the country's values and behaviors towards entrepreneurship	5	1	1	1	2
<b>Regulatory Environment</b>	Improve the regulatory environment so that local entrepreneurs can venture into entrepreneurship	7	3	-	3	1
<b>Politicians</b>	Politicians should be actively involved in fostering entrepreneurship	3	-	-	3	-

Figure 5.23 which shows graphically the responses to the open-ended questions is derived from Table 5.5

Figure 5.23 Suggestions of entrepreneurs in Sierra Leone



#### 5.4.2.2 General survey responses with regards to the entrepreneurship environment in Sierra Leone

The general survey was concerned with the comments on the present state of the entrepreneurship environment, the success and failures of public policies and general suggestions. A summary of the description of the environment in terms of strengths and opportunities is shown in Table 5.54. The respondents from the general survey who made the observations are included in Table 5.64 coded as RESL (for Respondent in Sierra Leone) and the number assigned to the respondent (For example RESL1 means the first respondent in Sierra Leone).

Table 5.54 Key features on strengths and opportunities in Sierra Leone

	Key features on Strengths and Opportunities	Respondents
<b>Categories</b>		
<b>Markets</b>	<ul style="list-style-type: none"> <li>Emerging markets</li> <li>Competitive markets</li> <li>Access to MRU markets</li> <li>Access to ECOWAS markets</li> <li>Access to International markets</li> </ul>	RESL1;RESL3;RESL6; RESL12;RESL34
<b>Natural and Human Resources</b>	<ul style="list-style-type: none"> <li>Abundance of natural resources</li> <li>Youthful population</li> <li>Natural Harbor</li> <li>Navigable rivers</li> <li>Abundance of Labor</li> <li>Ecology supporting tourism</li> </ul>	RESL4;RESL8;RESL9;RESL11;RESL12;RESL14;RESL15;RESL16;RESL17; RESL40;RESL41
<b>Physical Location</b>	<ul style="list-style-type: none"> <li>Adjacent to European markets shipping lanes</li> </ul>	RESL36;RESL37;RESL38;RESL39;RESL44
<b>Knowledge Spillovers</b>	<ul style="list-style-type: none"> <li>Spillovers from the MNCs</li> <li>Training provided by MNCs</li> </ul>	RESL13;RESL21;RESL35
<b>Society</b>	<ul style="list-style-type: none"> <li>Cohesiveness of the Society</li> <li>Awareness of the importance of Entrepreneurship</li> <li>Religious tolerance</li> </ul>	RESL1;RESL2;RESL3RESL4;RESL7;RESL7;RESL10;RESL20;RESL22;RESL28
<b>Security</b>	<ul style="list-style-type: none"> <li>Relative security</li> <li>Professional training and expansion of the Police Force</li> </ul>	RESL19;RESL48;RESL50
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>Gradual improvement of physical infrastructure</li> <li>Expanding ICT</li> <li>Establishment of Special Economic Zones</li> </ul>	RESL10;RESL32;RESL50
<b>Governance</b>	<ul style="list-style-type: none"> <li>Recent commitments of government to improve entrepreneurship</li> <li>Political stability</li> <li>Establishment of the investment and export promotion agency</li> <li>Freedom of movement</li> <li>Low import duty and tax exemption for investments in critical areas</li> <li>Government's inclination to improve the business climate</li> <li>The creation of entrepreneurship institutions</li> <li>Formulation of policies that are favorable to entrepreneurs;</li> </ul>	RESL1;RESL2;RESL5;RESL6;RESL7;RESL8;RESL9;RESL10;RESL23;RESL25;RESL26;RESL27;RESL44;RESL45;RESL48
<b>Finance</b>	<ul style="list-style-type: none"> <li>Establishment of more commercial banks and Financial Institutions</li> </ul>	RRESL1;RESL2;RESL3;RESL4;RESL5;RESL6;RESL7;RESL8;RESL24;RESL31
<b>Education</b>	<ul style="list-style-type: none"> <li>Recent establishment of private universities</li> </ul>	RESL 8;RESL14;RESL18;RESL24
<b>Entrepreneurial activities</b>	<ul style="list-style-type: none"> <li>Moves to encourage entrepreneurship in certain sectors such as agriculture and tourism</li> <li>Free movement of people and goods</li> <li>One stop shop for all enquiries and registrations</li> </ul>	RESL10;RESL13;RESL18;RESL29;RESL33;RESL46; RESL47

<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>• Improvement of the infrastructure by the MNCs</li> </ul>	RESL9;RESL12;RESL14;RESL30;RESL43
<b>Human Capital</b>	<ul style="list-style-type: none"> <li>• Development of the human resources by MNCs</li> <li>• Possibility of gaining professional knowledge</li> <li>• Conversion of the unskilled labor to a highly skilled labor</li> <li>• Technical assistance from international agencies</li> </ul>	RESL3;RESL5;RESL6;RESL14;RESL18;RESL24;RESL32

Table 5.55 illustrates the weaknesses of the entrepreneurship environment as expressed by the respondents. The obstacles and constraints posed by the environments are also shown as both contribute to weakness of the entrepreneurship environment.

Table 5.55 Key features on weaknesses, obstacles and constraints in Sierra Leone

	<b>Key features on Weaknesses, Obstacles and Constraints</b>	<b>Respondents</b>
<b>Categories</b>		
<b>Human capacity development</b>	<ul style="list-style-type: none"> <li>• More of unskilled than skilled labor and those skilled are in the low technology bracket</li> <li>• Lack of trained personnel</li> <li>• Level of education of trainees</li> <li>• Failure to adapt to changing business environment</li> <li>• Limited supply of manpower</li> </ul>	RESL10;RESL11;RESL12;RESL15;RESL21;RESL24;RESL38;RESL41
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>• Lack of basic utilities and Infrastructure</li> <li>• Difficulty to expand the harbor</li> <li>• Insufficient river transports</li> <li>• Internet connect Availability of funds</li> <li>• Dependency on external funding</li> <li>• Lack of high technological bases ion very slow</li> <li>• Delay in completion infrastructural projects</li> <li>• Embezzlement of project funds</li> <li>• Poor quality of new physical infrastructure</li> </ul>	RESL10;RESL11;RESL12;RESL14;RESL16;RESL16;RESL17;RESL30;RESL32;RESL41;RESL49;RESL50
<b>Finance</b>	<ul style="list-style-type: none"> <li>• Low support from financial institutions</li> <li>• Inadequate capital</li> <li>• Most banks and institutions do not comply to government regulations</li> <li>• Not many venture capitalists and business angels</li> <li>• Availability of finances</li> <li>• Accessibility of finances</li> <li>• Collateral requirements</li> </ul>	RESL1;RESL2;RESL3;RESL4;RESL6;RESL7;RESL8;RESL19;RESL24;RESL31
<b>Institutions</b>	<ul style="list-style-type: none"> <li>• Weak institutions</li> <li>• Untrained policymakers</li> </ul>	RESL1;RESL5;RESL6;RESL8;RESL9;RESL10;RESL14;RESL16;RESL28;RESL44;RESL45;RESL45

	<ul style="list-style-type: none"> <li>• Unfavorable policies</li> <li>• Outright misrepresentation of the law</li> <li>• Administrative barriers</li> <li>• Corruption</li> <li>• outdated laws</li> <li>• Poor labor laws</li> <li>• Delayed justice</li> </ul>	SL46;RESL47
<b>International relations</b>	<ul style="list-style-type: none"> <li>• There is still a fear to visit the country due to negative propaganda</li> <li>• Spread of Health disasters</li> </ul>	RESL18;RESL38;RESL39;RESL40
<b>Entrepreneurial activities</b>	<ul style="list-style-type: none"> <li>• Entrepreneurship is seen as a part time activity</li> <li>• Little or no opportunities for local companies</li> <li>• The existence of fraudsters</li> <li>• Entrepreneurship is not well comprehended</li> <li>• Entrepreneurship not being considered as a viable option</li> <li>• Absence of an entrepreneurship policy</li> </ul>	RESL4;RESL6;RESL7;RESL10;RESL11;RESL13;RESL14;RESL28;RESL42;RESL50
<b>Organizations</b>	<ul style="list-style-type: none"> <li>• No supportive organizations</li> </ul>	RESL10;RESL11;RESL12
<b>Markets</b>	<ul style="list-style-type: none"> <li>• Small internal market</li> <li>• Purchasing power of the populace</li> <li>• Preference of imported goods</li> <li>• Poor quality of local goods</li> </ul>	RESL6;RESL7;RESL23;RESL27;RESL33;RESL34
<b>Cost of doing business</b>	<ul style="list-style-type: none"> <li>• High customs tariffs</li> <li>• High Taxes</li> <li>• High cost of business premises</li> </ul>	RESL1;RESL25;RESL36;RESL37;RESL46
<b>Security</b>	<ul style="list-style-type: none"> <li>• Armed robbery</li> <li>• Fraudulent conversions</li> <li>• Delay in police investigations</li> </ul>	RESL8;RESL10;RESL19;RESL20;RESL44
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Conflict of interests</li> <li>• Political interference</li> <li>• Facilitation payments</li> </ul>	RESL10;RESL23;RESL25;RESL26;RESL27;RESL48
<b>Education</b>	<ul style="list-style-type: none"> <li>• Inadequate entrepreneurship education</li> <li>• Scarcity of qualified educators</li> <li>• Absence of entrepreneurship education institutes</li> </ul>	RESL10;RESL13;RESL24;RESL35
<b>Transportation</b>	<ul style="list-style-type: none"> <li>• High cost</li> <li>• Availability of water transportation</li> <li>• Traffic congestion in the city</li> <li>• Frequent accidents</li> </ul>	RESL10;RESL11;RESL12;RESL29;RESL43

#### 5.4.2.3 General survey responses with regards to the success and failure of public policies for entrepreneurship in Sierra Leone

Public policies in general cover a range of sectors. The policies shown in Table 5.56 are those that are related to the improvement of the business climate. They are derived from the responses to the

questions with regards to the successes and failures of public policies with regards to entrepreneurship in the general survey questionnaire. The measures ‘good’ and ‘poor’ refers to the respondents’ judgments of the performance of a particular policy. They usually encompass SMEs and entrepreneurship policies. The areas of attention, the objectives, measures taken and the performance of such policies are also given.

Table 5.56 Performance of public policies in Sierra Leone

Area of attention	Policy objectives	Measures	Performance	Respondents
Markets	To enlarge and create new markets	The liberalization of markets	Good	RESL2;RESL4;RESL5;RESL34;RESL39
Economic freedom	To improve freedom of movement and association of entrepreneurs and wealth	The ease to own and access local and foreign bank accounts	Good	RESL4;RESL5;RESL44;RESL45
Security	Protection of entrepreneurs, enterprises and property	Improved security, legal aspects and court proceedings	Good	RESL7;RESL19;RESL29;RESL44
Competition	To enhance the competition of the local entrepreneurs	The introduction of the Local Content Policy	Poor	RESL3;RESL4;RESL5;RESL16;RESL46
Finance	To improve availability and accessibility of finance	The introduction of laws that enforce banks to give loans to entrepreneurs and SMEs. Establishment of more financial institutions	Poor	RESL11;RESL31;RESL42;RESL43;RESL44;RESL47;RESL50
Transparency and Accountability	To eradicate corruption in all sectors	The establishment of the Anti Corruption Committee	Poor	RESL5;RESL19;RESL20;RESL21;RESL23;RESL48
Business Climate	To improve the investment climate	The establishment of the Sierra Leone Investment and Export Promotion Agency	Good	RESL8;RESL9;RESL12;RESL13;RESL18;RESL21;RESL22;RESL23;RESL26;RESL27;RESL28;RESL30;RESL32;RESL33;RESL34;
Human Capital	To transform unskilled labor to skilled labor	Laws that enforce Foreign Companies to provide training to their local employees	Poor	RESL2;RESL4;RESL7;RESL9;RESL14;RESL15;RESL25;RESL37
Entrepreneurship Education	To improve access to entrepreneurship education	The establishment of private universities	Poor	RESL1;RESL24;RESL35;RESL40;RESL41



#### 5.4.2.4 General survey responses with regards to the suggestions in Sierra Leone

Key suggestions of respondents in Sierra Leone are reported in Table 5.67. The major suggestions centered on the categories of education and research, finance, infrastructure and institutions.

Table 5.57 Key Suggestions of adults in Sierra Leone

Categories	Key Suggestions	Respondents
<b>Security</b>	<ul style="list-style-type: none"> <li>• More power to the Police to question suspected fraudsters</li> </ul>	RESL16;RESL19;RESL26;RESL44;RESL45;RESL47;RESL48 RESL6;RESL12;RESL24;RESL
<b>Education and Research</b>	<ul style="list-style-type: none"> <li>• Government to create learning institutions both in the formal and informal sectors to train entrepreneurs</li> <li>•</li> </ul>	RESL1; RESL6;RESL12;RESL24;RESL35;RESL40;RESL41
<b>Finance</b>	<ul style="list-style-type: none"> <li>• Provide loans to entrepreneurs</li> <li>• Improve access to credit facilities</li> <li>• Government should finance more startups</li> <li>• Government should ensure that banks and institutions comply to rules and regulation and agreed conventions</li> </ul>	RESL2;RESL10;RESL11;RESL31;RESL42;RESL47
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>• Priority should be given to river transportation to ease cost of transportation of goods in the country</li> <li>• The introduction of effective monitoring and evaluation mechanisms for infrastructure projects</li> <li>• Continuous maintenance of roads for the safety of commuters</li> <li>• Improve the speed of internet connection and ICT to cover the whole of the country</li> </ul>	RESL17;RESL18;RESL27;RESL28;RESL30;RESL32;RESL33;RESL43;RESL50
<b>Human Capital</b>	<ul style="list-style-type: none"> <li>• Formation of Entrepreneurship Associations</li> <li>• To encourage entrepreneurs to operate in the main sectors</li> <li>• To introduce firm linkages between local firms and MNCs</li> <li>• Government to encourage local business owners</li> </ul>	RESL19;RESL22;RESL23;RESL35;RESL36;RESL37
<b>Institutions</b>	<ul style="list-style-type: none"> <li>• Removal of unnecessary Barriers</li> <li>• To help local entrepreneurs to compete with their foreign counterparts</li> <li>• Protect local companies against unfair competition</li> <li>• Religious leaders to contribute to improving the entrepreneurship environment</li> <li>• Policies that will improve the entrepreneurial system</li> <li>• Entrepreneurship Promotion Agencies are needed</li> </ul>	RESL4;RESL5;RESL7;RESL8;RESL9;RESL13;RESL14;RESL15;RESL16;RESL19;RESL20;RESL26;RESL27
<b>Markets</b>	<ul style="list-style-type: none"> <li>• Strengthened trade ties and enlarge the market</li> <li>• Support marketing of products produced in the country in regional markets</li> </ul>	RESL15;RESL21;RESL25;RESL29;RESL34;RESL39;RESL46

#### 5.4.2.5 Interview responses in Sierra Leone

To understand how entrepreneurship is viewed in Sierra Leone with regards to its definition and who is an entrepreneur, the differences between SMEs and entrepreneurship, entrepreneurial

economy, the contribution of entrepreneurship to the economy, the creation of jobs and the contribution to poverty alleviation, the interviewees were asked to give their opinions on these terms. The responses of the interviewees are shown in Table 5.58

Table 5.58 Responses of the interviewees with regards to the definitions in Sierra Leone.

<b>Interviewees</b>	<b>What is your definition of entrepreneurship and who is an entrepreneur?</b>
Interviewee1	Entrepreneurship is the act of establishing and operating an entrepreneurial venture. An entrepreneur is someone who is self-employed and operates his or her business.
Interviewee2	Entrepreneurship is the organization of new and existing ideas that will create opportunities for exploitation to produce a new product or service that meets the needs of the people. An entrepreneur is the individual who ventures to organize these ideas and takes the risks in realizing the product or service.
Interviewee3	An entrepreneur is someone who sees an opportunity and finds ways and means of exploiting that opportunity for personal gain. He or she is usually self employed. Entrepreneurship can be described as the activities of entrepreneurs and all concerned stakeholders.
Interviewee4	Entrepreneurship is the act of identifying opportunities that may lead to the creation of successful ventures. An entrepreneur is someone who sees an opportunity where others have not seen one and takes the risk to exploit that opportunity.
Interviewee5	Entrepreneurship is the discipline that deals with the activities of entrepreneurs. An entrepreneurs is someone who takes risks in entering in uncertain markets to introduce a new product of service for profit and self satisfaction.
Interviewee6	Entrepreneurship can be described as the activities of entrepreneurs. An entrepreneur is someone who wants to work for himself by finding and exploiting opportunities so that he will be able to provide goods and services at a profit.
Interviewee7	Entrepreneurship is the act of engaging in entrepreneurial activities. An entrepreneur is someone who works in uncertainty to exploit an opportunity that has some risk in the pursuant of profit.
Interviewee8	The act of engaging in entrepreneurial activities by entrepreneurs and potential entrepreneurs: An entrepreneur is someone who engages in risky activities to exploit opportunities that have been identified.
Interviewee9	Entrepreneurship is a discipline that deals with the activities of entrepreneurs and the ways to improve these activities. An entrepreneur is an individual who has identified an opportunity and must act taking all the risk associated with that opportunity before the opportunity window closes.
Interviewee10	Activities that entrepreneurs undertake to realize entrepreneurial ventures. An individual who identify and seizes an opportunity.

Below is a summary of their main definitions

### ***Definitions of entrepreneurship and an entrepreneur***

*Entrepreneurship can be described as the activities of entrepreneurs. An entrepreneur is someone who wants to work for himself by finding and exploiting opportunities so that he will be able to provide goods and services at a profit.”*

*“Entrepreneurship is the organization of new and existing ideas that will create opportunities for exploitation to produce a new product or service that meets the needs of the people. An entrepreneur is the individual who venture to organize these ideas and takes the risks in realizing the product or service.*

*Entrepreneurship is a discipline that deals with the activities of entrepreneurs and the ways to improve these activities. An entrepreneur is an individual who has identified an opportunity and must act taking all the risk associated with that opportunity before the opportunity window closes.*

The keywords are opportunities, risk, self-employment and ideas which are also present in diverse definitions of entrepreneurship and who an entrepreneur is in the extant literature. This shows that the people have some kind of knowledge about these terms which also confirms the existence of the phenomenon in the country. The comparisons made for Nigeria from the literature review in section 5.4.1.5 also apply here.

The responses to the differences between SME development and entrepreneurship development for the interviewees in Sierra Leone are shown in Table 5.59

Table 5.59 Responses of the interviewees with regards to the differences in SME and entrepreneurship development in Sierra Leone.

<b>Interviewees</b>	<b>Do you note any difference between SME development and entrepreneurship development in your country? If so what are these differences?</b>
Interviewee1	There are no noticeable difference between SME development and Entrepreneurship development.
Interviewee2	There are differences between SME and entrepreneurship development as emphasis is laid more on SME development but the line that distinguishes both developments is blurred so entrepreneurship and SME development is usually considered to be the same.
Interviewee3	There are more petty traders who operate micro enterprises. The entrepreneurs are usually foreigners who have a strong network and connections with the government.
Interviewee4	There are marked differences between SME development and Entrepreneurship development as most of the local entrepreneurs are really individuals who are operating small businesses without risking to start new entrepreneurial ventures and they usually operate in well established sectors.
Interviewee5	There are a lot of differences between SME development and Entrepreneurial Development. There are more SMEs in the country as a majority of the people is traders with micro enterprises just for survival of the proprietor and his or her family. Entrepreneurship development is mainly in the hands of foreigners since they have access to finance and have created powerful networks since colonial times. They also find support from politicians as some of these politicians prefer to deal with foreign entrepreneurs instead of the local entrepreneurs for fear that the latter might become too powerful and may challenge their political careers.
Interviewee6	There is mostly SME development though most enterprises are micro and the concentration is on retail and transportation. The proprietors are not real entrepreneurs but traders who are trying to survive.
Interviewee7	There is more SME development in the country than entrepreneurship development. This is due to the fact that most people are engaged in micro enterprises to eke out a living as people cannot find jobs in the established sectors whilst entrepreneurship activities are few as these are mainly practiced by foreigners.
Interviewee8	There are more SMEs so the development is focused on SMEs instead of the creation of new ventures which is the actual entrepreneurship.
Interviewee9	More SME development than Entrepreneurship development in the country and as most entrepreneurs are necessity entrepreneurs, they only wish to hold and maintain their enterprises.
Interviewee10	There are differences between SME and Entrepreneurship development. The focus is in SME development.

### ***Differences between SMEs and Entrepreneurship***

*There are no noticeable difference between SME development and Entrepreneurship development.*

*There are a lot of differences between SME development and Entrepreneurial Development. There are more SMEs in the country as a majority of the people are traders with micro enterprises just for survival of the proprietor and his or her family. Entrepreneurship development is mainly in the hands of foreigners since they have access to finance and have created powerful networks since colonial times. They also find support from politicians as some of these politicians prefer to deal with foreign entrepreneurs instead of the local entrepreneurs for fear that the latter might become too powerful and may challenge their political careers.*

SMEs are considered to be owned by local business people (also commonly known as traders) and the development is to target these traders whilst entrepreneurship is connected to foreign owned businesses and the development is targeted at this group of business people. This is due to the fact that entrepreneurial activities are dominated by foreigners. Recalling the situation in Nigeria, where entrepreneurship is linked to the level of education (educated, dropout, illiterate). In Sierra Leone instead entrepreneurship is linked to status of residence (foreigner, local). The comparisons made for Nigeria from the literature review in section 5.4.1.5 also apply here.

The opinions of the interviewees with regards to the entrepreneurial economy are listed in Table 5.60

Table 5.60 Definitions of an entrepreneurial economy according to the interviewees in Sierra Leone.

<b>Interviewees</b>	<b>What in your opinion is an entrepreneurial economy?</b>
Interviewee1	A entrepreneurial economy is an economy wherein the entrepreneurial activities play a major role to maintain the economy.
Interviewee2	The entrepreneurial economy unlike the managed economy depends on the number of successful enterprises created at any particular time in the country. These enterprises are usually young and small but fast growing and they create jobs and knowledge spillovers. These spillovers make the economy to churn thus creating an entrepreneurial economy.
Interviewee3	An entrepreneurial economy is an economy that depends on the operations of small but fast growing enterprises. It is usually run by private individuals with minimal intervention from government. It is a flexible economy that depends on the rate and type of entrepreneurship being practiced.
Interviewee4	An entrepreneurial economy is concerned with small enterprises and it is boosted by the type and rate of entrepreneurship being practiced. It depends on the creativity of entrepreneurs in a country.
Interviewee5	An entrepreneurial economy is derived from small successful enterprises that innovate to remain in the market. Unlike managed economies where the state usually plays a major role, whilst in the entrepreneurial economy, the role of the state is limited.
Interviewee6	This is a modern economy wherein countries do not depend on the centrally planned economy of the government but go all out to create their own economy by establishing enterprises which are local and can generate employment.
Interviewee7	An entrepreneurial economy is a modern economy that relies on small but fast growing and innovative firms that requires less government intervention for them to thrive. It is flexible.
Interviewee8	This is an economy that is based on the rate and type of entrepreneurship that is being practiced in the country and when its contribution to the GDP is higher than the managed economy, that economy is described as entrepreneurial.
Interviewee9	An entrepreneurial economy is an economy that is directly dependent on entrepreneurial ventures in the country. The larger the number of productive enterprises, the higher the entrepreneurial economy and for such economy to flourish, there should be the input of government in terms of tax holidays or rebate.
Interviewee10	A modern economy that relies on entrepreneurial ventures. Flexible and follows the rate and type of entrepreneurship.

### ***Entrepreneurial Economy Definitions***

*An entrepreneurial economy is an economy that depends on the operations of small but fast growing enterprises. It is usually run by private individuals with minimal intervention from*

*government. It is a flexible economy that depends on the rate and type of entrepreneurship being practiced.*

*This is a modern economy wherein countries do not depend on the centrally planned economy of the government but go all out to generate an economy by establishing enterprises which are local and can generate employment.*

*An entrepreneurial economy is an economy that is directly dependent on entrepreneurial ventures in the country. The larger the number of productive enterprises, the higher the entrepreneurial economy and for such economy to flourish, there should be the input of government in terms of tax holidays or rebate.*

The emphases from the definitions are that the entrepreneurial economy is flexible, created by small and fast growing firms and does not depend of government's central role in planning economy. Another factor is that the firms should be locally owned as foreign own firms are at times blamed for capital flight which reduces entrepreneurial economic growth. The comparisons made for Nigeria from the literature review in section 5.4.1.5 also apply here.

The views of the interviewees on the contribution of entrepreneurship to the economic growth of the country are listed in Table 5.61

Table 5.61 Contribution of entrepreneurship to economic growth for the interviewees in Sierra Leone.

<b>Interviewees</b>	<b>What are your perspectives on the contribution of entrepreneurship to the economic growth of your country?</b>
Interviewee1	The contribution of entrepreneurship to the economic growth of the country is very minimal as entrepreneurship activities are very marginalized.
Interviewee2	Entrepreneurship can boost the economy of the country and contribute to economic growth if nurtured well but in the country, the concentration is still on the managed economy especially in sectors like mining, agriculture, and professional employment in both the public and private sectors. Entrepreneurship is therefore relegated to individuals who try for their daily survival which does not contribute to economic growth.
Interviewee3	Entrepreneurship can contribute to the economic growth of the country in different ways through the creation of jobs, self-employment, payment of taxes and the creation of opportunities through spillovers.
Interviewee4	The contribution of entrepreneurship to the economy is meager as the focus in the country is mainly on the managed economy. This is because the country is dependent on the exploitation of mineral resources and donor aid to maintain the economy.
Interviewee5	Entrepreneurship can contribute to economic growth if practiced correctly. This is because some type of entrepreneurship being practiced is detrimental to the economy. But the main entrepreneurship being practiced in the country has little effect on the economic growth since it is the necessity type.
Interviewee6	Entrepreneurs are the next contributors to the economy after the MNCs exploiting mineral and marine resources. Though their contribution is small, they play a significant role to the growth of the economy.
Interviewee7	At present entrepreneurship is not contributing greatly to the economic growth because it is necessity entrepreneurship that is being practiced mainly and this type is only for the survival of entrepreneurs.
Interviewee8	The contribution of entrepreneurship to the economic growth of the country is negligible as the rate of entrepreneurship is very low.
Interviewee9	The contribution to the economic growth is meager as entrepreneurial activities being practiced are few.
Interviewee10	The contribution to economic growth depends on the type of entrepreneurship being practiced. Productive high growth entrepreneurship can contribute positively.

### ***Contribution of Entrepreneurship to the Economy***

*The contribution of entrepreneurship to the economy is meager according to the interviewees as the focus in the country is mainly on the managed economy. This is because the country is dependent on the exploitation of mineral resources and donor aid to maintain the economy.*



*The main entrepreneurship being practiced in the country has little effect on the economic growth since it is the necessity type.*

The contribution of entrepreneurship to economic growth is negligible as the main entrepreneurship being practiced by a majority of the people is the survival type. Most of the entrepreneurs who practice high growth entrepreneurship are foreigners and are seen by the general populace as exploiters and rent seekers. The comparisons made for Nigeria from the literature review in section 5.4.1.5 also apply here.

The comments of the interviewees on how entrepreneurship contributes to poverty alleviation in Sierra Leone are shown in Table 5.62

Table 5.62 Comments on poverty alleviation by interviewees in Sierra Leone

<b>Interviewees</b>	<b>Please comment on how entrepreneurship contributes to poverty alleviation</b>
Interviewee1	The contribution of entrepreneurship to poverty alleviation has not produced significant results as the type of entrepreneurship practiced is usually the survival type.
Interviewee2	Entrepreneurship has not contributed to poverty alleviation immensely as most of the entrepreneurs do not venture into sectors that not only create jobs but can also grow and expand. The type of entrepreneurship being practiced is the necessity type which caters only for the entrepreneur and his immediate family but with family ties very strong, even those employed are not usually on wages instead they are provided with basic needs such as food and shelter and a honorarium for minor personal expenses.
Interviewee3	As poverty is linked to unemployment, the generation of jobs would contribute to the alleviation of poverty.
Interviewee4	At present entrepreneurship has a negligible effect on poverty alleviation. Most of the entrepreneurs are operating small businesses in the informal sector trying to cater for their survival.
Interviewee5	The people operate micro enterprises in order to survive and there is a system wherein traders are supplied with goods in advance to pay after the sale of the goods. The profit margin though small, it helps these traders to survive and be out of the extreme poverty bracket.
Interviewee6	The people operate micro enterprises in order to survive and there is a system wherein traders are supplied with goods in advance to pay after the sale of the goods. The profit margin though small, it helps these traders to survive and be out of the extreme poverty bracket.
Interviewee7	Through employment
Interviewee8	With entrepreneurship, people can survive on a daily basis which contributes to

	poverty alleviation though at a very small scale.
Interviewee9	Entrepreneurship has not contributed meaningfully to poverty alleviation as the type of entrepreneurship being practiced is only for self-employment.
Interviewee10	Reducing unemployment either by self employment or being employed by an entrepreneurial firm leads to poverty alleviation. Taxes from these firms can also contribute to poverty alleviation.

### ***Poverty Alleviation***

*The contribution of entrepreneurship to poverty alleviation has not produced significant results as the type of entrepreneurship practiced is only for daily subsistence.*

*The type of entrepreneurship being practiced is the necessity type which caters only for the entrepreneur and his immediate family but with family ties being very strong, even those employed are not usually on wages instead they are provided with basic needs such as food and shelter and a honorarium for minor personal expenses.*

With the type of entrepreneurship being practiced, the incidence of poverty remains high as most people enter into entrepreneurship as a last resort to daily survival and not to accumulate wealth.

The poverty gap remains unchanged and as a consequence, the severity of poverty remains high.

The comparisons made for Nigeria from the literature review in section 5.4.1.5 also apply here.

The opinions of the interviewees with regards to the contribution of entrepreneurship to the creation of jobs are shown in Table 5.63

Table 5.63 Responses with regards to the contribution of entrepreneurship in the creation of jobs in Sierra Leone.

<b>Interviewees</b>	<b>Does entrepreneurship contribute to the creation of jobs? How?</b>
Interviewee1	Since necessity entrepreneurship is usually being practiced, It is only self-employment that prevails so the creation of jobs is very low.
Interviewee2	With a few exception of foreign entrepreneurs who operate in lucrative sectors such as production, manufacturing and can provide a few jobs, majority of the entrepreneurs especially the local one who operate mainly in retail, petty trading in the informal sector, do not create jobs as the main aim is that of survival.
Interviewee3	Although entrepreneurship usually creates jobs, this assumption depends on the type of entrepreneurship being practiced. The type being practiced in the country is the survival entrepreneurship which seldom contributes to job creation as the entrepreneurs cannot afford to offer employment.
Interviewee4	Foreign entrepreneurs do create jobs for the locals but local entrepreneurs who are in the majority seldom create jobs.
Interviewee5	The entrepreneurs are self employed and cannot create jobs. There exist some form of help from extended family members but the helping hands do not receive salaries but tokens once in a while.
Interviewee6	Few jobs are created since the type of entrepreneurship is the survival type which guarantees only self employment.
Interviewee7	A majority of employment created is self employment.
Interviewee8	The contribution to the creation of jobs is through self employment as the number of jobs created for other individuals is very low.
Interviewee9	Survival entrepreneurship is being practiced so the number of jobs being created are few.
Interviewee10	The provision of self employment or the employment of individuals can contribute to job creation though at times these jobs are few.

### ***Creation of Jobs***

*Since necessity entrepreneurship is usually being practiced, It is only self-employment that prevails so the creation of jobs is very low.*

*With a few exception of foreign entrepreneurs who operate in lucrative sectors such as production, manufacturing and can provide a few jobs, majority of the entrepreneurs especially the local ones who operate mainly in retail and petty trading in the informal sector, do not create jobs as the main aim is that of survival.*

The jobs created are very few. The influence of extended family ties, allows people to be formally working without receiving official wages. The other entrepreneurs are mostly self-employed and do not offer employment to others.

The key aspects on culture, society and mindset described by the interviewees in Sierra Leone are illustrated in Table 5.64. The major categories are entrepreneurship as a career choice, the attitude to wealth creation, risk taking and failure, consumerism and thrift, nurturing of an entrepreneurial mindset and whether the society is collectivistic or individualistic. The comparisons made for Nigeria from the literature review in section 5.4.1.5 also apply here.

Table 5.64 Key aspects on culture, society and mindset in Sierra Leone

<b>Categories</b>	<b>Key aspects on Culture, Society and Mindset</b>
<b>Entrepreneurship as a viable career choice</b>	<ul style="list-style-type: none"> <li>• Entrepreneurship is not normally considered as a viable career choice. People only jump into entrepreneurship when they fail to land a job in the public or private sectors. These entrepreneurs usually operate in the informal sector and are in transition waiting for a job opportunity in the established sectors</li> <li>• The citizenry does not consider entrepreneurship as a viable career choice because people look down on entrepreneurship as a sector for school dropouts and for those who could not gain employment. No prestige is therefore attached to entrepreneurship. Another problem is linked to the educational system which has neglected entrepreneurship as students are trained to be suitable for employment in the public or private sectors.</li> <li>• With the downsizing in the private sector and the saturation in the public sector, entrepreneurship is being seen as a viable career choice.</li> </ul>
<b>Cultural Attitude to Wealth Creation and Accumulation</b>	<ul style="list-style-type: none"> <li>• The cultural attitude towards wealth creation and accumulation is positive in general as wealthy individuals are given special respect and they enjoy a higher status in society.</li> <li>• Successful wealthy people are admired in society though the cultural attitude towards wealth creation and accumulation is at times questionable as people usually come up with different stories as to how the wealth was created and accumulated</li> </ul>
<b>Risk taking and Failure</b>	<ul style="list-style-type: none"> <li>• The society is not used to taking risks and failure is seen as a stigma so people are afraid to venture into the unknown to try new ideas and those who venture and fail, just disappear from the scene to avoid embarrassment</li> <li>• The society is risk averse due to financial insecurity and failure is seen as punishment and failed individuals are seen as the scum of society.</li> <li>• The attitude of the society towards risk taking and failure is positive since people are very desperate to survive, they can take any risk to eke out a living through self employment and though the failure rate is high, they continue to try until they succeed.</li> </ul>
<b>Culture of Consumerism or Thrift</b>	<ul style="list-style-type: none"> <li>• There is a culture of thrift in the country as even those employed do not know when their next salary is due. Whilst those in the private sector depend on the fluctuation of the market and those in the SME sector are just trying to survive.</li> <li>• The culture is a culture of thrift as people tend to hold on to what they have.; People do not spend much, they tend to save the little money they have.</li> </ul>

<b>Nurturing of an Entrepreneurial Mindset</b>	<ul style="list-style-type: none"> <li>• Society does not contribute to the nurturing of entrepreneurs as the phenomenon has not being wide spread within the society. People still consider entrepreneurship as a second class activity for people who have failed to enter mainstream sectors.</li> <li>• Society does not contribute to the nurturing of entrepreneurship mindset. People look at short term benefits than long term so society concentrate much on how individuals can make a quick gain out of deals than venturing into entrepreneurship.</li> </ul>
<b>Achievements of Entrepreneurs</b>	<ul style="list-style-type: none"> <li>• The chamber of commerce usually organizes a dinner and awards night every year where successful entrepreneurs are awarded. Recently, some NGOs are also doing the same.</li> <li>• Not much is celebrated as most entrepreneurs are foreigners who have their networks which are exclusive.</li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>• The society is collectivistic in nature as people tend to help each other in various ways and extended family ties are very strong.</li> </ul>

The essential aspects with regards to the national entrepreneurship system as described by the interviewees in Sierra Leone are illustrated in Table 5.65. Though there is no system in existence at present, the components that would make up such a system are described.

Table 5.65 Key aspects on the national entrepreneurship system in Sierra Leone

<b>Categories</b>	<b>Key aspects on the National Entrepreneurship System</b>
<b>Existence</b>	<ul style="list-style-type: none"> <li>• There is no national entrepreneurship system at present in the country.</li> </ul>
<b>Necessity</b>	<ul style="list-style-type: none"> <li>• There is no entrepreneurship ecosystem in the country but the respondents stressed that it is necessary to cultivate one as such an action will help in boosting entrepreneurship activities in the country</li> </ul>
<b>Key Players, Institutions and Key Developers</b>	<ul style="list-style-type: none"> <li>• <b>Key Players;</b> Academicians, Public Leaders, Consumers, Policymakers, Entrepreneurs, Politicians, Professionals, Opinion leaders, Youths, Unemployed, Religious Leaders, Union Leaders.</li> <li>• <b>Institutions;</b> Regulatory, Financial, Educational, Normative, Training, Research, Cultural, Security, Networking, Legal.</li> <li>• <b>Key Developers;</b> Entrepreneurs, Policymakers, NGOs, Heads of Government Departments concerned, Universities, Ministries, Unemployed, Heads of Financial Institutions, Public leaders, Consultants</li> </ul>
<b>Key Suggestions</b>	<ul style="list-style-type: none"> <li>• The first activity is to evaluate the present state of entrepreneurship in the country to be followed by a national sensitization and later, a national consultation. It is only after these exercises that an entrepreneurship ecosystem can be drafted.</li> <li>• Developing an entrepreneurship ecosystem, the starting point should be the grassroots participants and government as they are the people who formed the base of entrepreneurship in the country. Consultations with this group will go a long way in cultivating an effective entrepreneurship ecosystem.</li> <li>• The components of the system should first be identified and made committed to the functioning of the system. Their interaction should be spontaneous and not restrictive</li> </ul>
<b>Stakeholders and Institutions to be included in the ecosystem</b>	<ul style="list-style-type: none"> <li>• <b>Stakeholders;</b> Successful Entrepreneurs, Students, Professionals, Public Leaders, Managers of MNCs, SME Managers, Politicians, Public Leaders, Youths, Consumers, Professional Heads, Opinion Leaders, Unemployed, Managers, Academicians, Policymakers, Venerable groups, Heads of Local government, Heads of central government,</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Institutions;</b> Financial, Regulatory, Marketing, Educational, Research, Networking, Cognitive, Normative, Legal, Security, NGOs Cultural, Social,</li> </ul>
<b>Strength and Importance</b>	<ul style="list-style-type: none"> <li>• Stakeholders and institutions do not have the same strength and importance. Below is a ranking in terms of strength and importance: <b>Stakeholders:</b> Successful entrepreneurs, Managers of MNCs, Entrepreneurs, Public Leaders, Professors, Students, and Politicians. <b>Institutions:</b> Financial, Marketing, Educational, Regulatory, Cultural, Social</li> <li>• All stakeholders and institutions should have the same importance and strength as they all contribute equally in maintaining a dynamic entrepreneurship ecosystem.</li> </ul>

The governance, policies, programs and structures for entrepreneurship in Sierra Leone as described by the interviewees are shown in Table 5.76. The intent of the government, the challenges and the major constraints and obstacles are also listed.

Table 5.66 Key aspects on governance, policies, programs and structures in Sierra Leone

<b>Categories</b>	<b>Key aspects on Governance, Policies, Programs and Structures</b>
<b>Strategic Intent</b>	<ul style="list-style-type: none"> <li>• Government does not have a clearly stated strategic intent to promote entrepreneurial activities</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• The most difficult challenges are linked with the mindset of the population, a lack of a clear cut policy and inadequate infrastructure combine with the difficulties in finding finance for entrepreneurial activities.</li> <li>• The government is at present concerned with improving the infrastructure in the country and since this is capital intensive, the government is focusing more on the exploitation of natural resources to maintain the economy.</li> <li>• The cultural dimension is the most difficult challenge as people are still looking up to government and the private sector for jobs.</li> </ul>
<b>Access to Finance</b>	<ul style="list-style-type: none"> <li>• Government is making some moves with regards to access to finance for entrepreneurs as the central bank is encouraging commercial banks to provide micro credit loans to SMEs.</li> <li>• There are also private micro credit institutions that augment the efforts of government though the concentration is mainly on SMEs.</li> <li>• The government is making some moves to help entrepreneurs access finance but these moves are not adequate as the major problem entrepreneurs are facing is lack of finance.</li> </ul>
<b>Regulatory Framework</b>	<ul style="list-style-type: none"> <li>• The present regulatory framework is not conducive for entrepreneurs. The taxes are high and competition is not fair. There has been some improvement though in the registration of businesses.</li> <li>• The regulatory framework is still fraught with difficulties as there are major problems in the acquisition and registration of property and land , bribery and corruption</li> </ul>
<b>Constraints and Obstacles</b>	<ul style="list-style-type: none"> <li>• The major constraints are the corruption of public officers which include bribery, facilitation payment and a lack of transparency</li> </ul>
<b>Policies</b>	<ul style="list-style-type: none"> <li>• There is no stand alone policy at the moment in the country. The policy that deals with entrepreneurship development in the country is the SME policy which is not yet fully implemented.</li> </ul>
<b>Structure</b>	<ul style="list-style-type: none"> <li>• There is not yet a structure in the government for the identification of entrepreneurship oriented policies and programs. There is no separate ministry but there are several departments in various ministries that deal with</li> </ul>

	entrepreneurship and SMEs.
<b>Process</b>	<ul style="list-style-type: none"> <li>• There is no formal process in place for the development of entrepreneurship policies.; There is no formal entrepreneurship development process in place.</li> <li>• There is no entrepreneurship policy development process in place at present</li> <li>• The process can be considered as <i>ad hoc</i></li> </ul>
<b>Specific Policies and Programs</b>	<ul style="list-style-type: none"> <li>• There are no specific policies and programs in place to encourage people to become entrepreneurs.</li> <li>• There are some programs that encourage people to become self-employed. The primary structure that delivers these programs is through NGOs.</li> </ul>
<b>Ideal Structure</b>	<ul style="list-style-type: none"> <li>• The ideal structure should be a ministry of Entrepreneurship and SME development. The key success indicators would be the contribution of entrepreneurship to the GDP and the number of jobs created.</li> <li>• The ideal structure will be a National Commission for Entrepreneurship Development and the key success indicators would be the contribution of entrepreneurship to the economy and the number of jobs created.</li> </ul>

The entrepreneurship focus in Sierra Leone according to the interviewees is depicted in Table 5.67.

The importance of the creation of new ventures and the creation of an entrepreneurial society is presented. The ideal structure will be either a ministry or a national commission as echoed by the respondents.

Table 5.67 Key aspects on entrepreneurship focus in Sierra Leone

<b>Categories</b>	<b>Key aspects on Entrepreneurship Focus</b>
<b>Creation of New Businesses</b>	<ul style="list-style-type: none"> <li>• The creation of a new business which is capable of generating employment is very important to the economy as the unemployment rate especially for the youths is very high in the country.</li> <li>• The creation of new businesses is of paramount importance to the economy as such businesses if productive, will ease the burden from government as the highest job provider, improve the standard of living and create employment</li> <li>• The creation of new businesses is vital for the growth of the economy as they can create jobs and revitalize the economy by paying taxes and wages.</li> <li>• The creation of new businesses will help to boost the economy especially when the entrepreneurial base of the country is very low and it is only the local entrepreneurs who will steer internally driven economic growth.</li> </ul>
<b>Focus of policies and programs</b>	<ul style="list-style-type: none"> <li>• There are a handful of programs that focus on strengthening existing SMEs especially in terms of providing finance through microcredit. But there is an absence of policies and programs that encourage people to become entrepreneurs. The absence is due to the fact that it is only recently that people start to embrace entrepreneurship as an alternative to steady and fixed term jobs.</li> </ul>
<b>Development of an Entrepreneurial Society</b>	<ul style="list-style-type: none"> <li>• The major elements of a policy towards the development of an entrepreneurial society should state the participation of all stakeholders and the commitment of government in initiating the process, monitoring and evaluation.</li> <li>• The major elements of a policy towards the development of an entrepreneurial society should be first to develop a National Policy on entrepreneurship and later a ministry for entrepreneurship which can be either a standalone ministry or maybe combined with the ministry of trade and industry.</li> <li>• The major elements of a policy towards the development of an</li> </ul>

	entrepreneurial society should state the participation of all stakeholders and the commitment of government in initiating the process, monitoring and evaluation.
<b>Special programs</b>	<ul style="list-style-type: none"> <li>• There are some targeted programs to encourage entrepreneurs especially among women and the youths. Some of these programs are sponsored by the government whilst others are sponsored by NGOs.</li> <li>• There are programs that target youths, women and disabled persons though such programs are usually implemented by NGOs.</li> </ul>
<b>Emphasis</b>	<ul style="list-style-type: none"> <li>• The country needs to place more emphasis on encouraging the youths to see entrepreneurship as a viable career choice as jobs in the established sectors are already saturated. Such action will stimulate more entrepreneurship activity.</li> <li>• More emphasis on changing the mindset of the populace towards entrepreneurship. A culture should be inculcated wherein entrepreneurship is appreciated at all levels.</li> </ul>

The state and importance of the institutions, infrastructure, support, education and training for the promotion of entrepreneurship in Sierra Leone according to the interviewees is illustrated in Table 5.68. The demand and type of education being offered and the stakeholders in providing entrepreneurship education is also described.

Table 5.68 Key aspects on institutions, infrastructure, support, education and training in S/ Leone

<b>Categories</b>	<b>Key aspects on Institutions, Infrastructure, Support, Education and Training</b>
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>• The overall infrastructure of the country is not effective in supporting entrepreneurship as there is still a lack of basic infrastructure like electricity, road networks, pipe borne water, commercial, technological and virtual infrastructure whilst the financial infrastructure is also weak</li> </ul>
<b>Institutions</b>	<ul style="list-style-type: none"> <li>• The following institutions are critical for promoting entrepreneurship: Regulatory, Financial, Educational, Networking, Professional, Tax regimes, Marketing, Chamber of Commerce, Research, Cultural, Legal, Security, and Social.</li> </ul>
<b>Non Governmental Organizations</b>	<ul style="list-style-type: none"> <li>• There are a few NGOs that support entrepreneurship though their efforts are not well coordinated</li> </ul>
<b>Professional Bodies</b>	<ul style="list-style-type: none"> <li>• There are some professional bodies that provide services that entrepreneurs require but most of these services are concentrated in the legal, accounting and auditing sectors and the provision of management consultancy.</li> </ul>
<b>Networks</b>	<ul style="list-style-type: none"> <li>• With the exception of a few clusters like the <i>gara</i> industry, the <i>gari</i> industry and the fresh vegetable sector that seem to be networking, most entrepreneurs especially the local one do not have a solid network.</li> <li>• The entrepreneurship networks are very poor. Apart from a few well coordinated networks operated exclusively by foreign entrepreneurs, the local networks do not function properly.</li> </ul>
<b>Demand for Education</b>	<ul style="list-style-type: none"> <li>• There is a high demand for entrepreneurship education, training and skills because most entrepreneurs are school dropouts who operate in the informal sector. These entrepreneurs lack the appropriate training and skills.</li> <li>• There is a high demand for entrepreneurship education, training and skills as people are looking for ways to create their own enterprises especially when they cannot find employment in the established sectors or those that have been made redundant.</li> </ul>



	<ul style="list-style-type: none"> <li>• Not too sure there is a high demand for entrepreneurship education as students still vie for main stream courses that will help them to find employment instead of creating their own ventures.</li> </ul>
<b>Description of Education offered</b>	<ul style="list-style-type: none"> <li>• The entrepreneurship education that is being offered in the country is not well coordinated. Most of this education is offered by NGOs and is based on managing small businesses.</li> <li>• The entrepreneurship education being offered at present is neither sufficient nor appropriate as evidenced by the high rate of venture deaths. Entrepreneurship education is also limited to a few tertiary level courses.</li> </ul>
<b>Government's Effort in providing Entrepreneurship Education</b>	<ul style="list-style-type: none"> <li>• The government needs to do more in embedding entrepreneurship education in the national curriculum as this will enhance and amplify the choices of the young generation in terms of which career to follow.</li> <li>• Government should do more in embedding entrepreneurship in the educational curriculum so that the mindset of students is prepared with regards to the importance and benefits of entrepreneurship.</li> <li>• Government should do more in embedding entrepreneurship in the educational curriculum so that the mindset of students is prepared with regards to the importance and benefits of entrepreneurship.</li> </ul>
<b>Other Stakeholders in providing Entrepreneurship Education</b>	<ul style="list-style-type: none"> <li>• There are a few NGOs in the development of entrepreneurship education but most of them focus on the grassroots level.</li> <li>• There are no other stakeholders in the development of mainstream entrepreneurship education.</li> </ul>
<b>Entrepreneurship Educators</b>	<ul style="list-style-type: none"> <li>• To develop a pool of effective entrepreneurship educators, government should design a policy in which entrepreneurship education is introduced at all levels and imports successful entrepreneurship educators from successful countries as a short term measure.</li> <li>• Undergraduates and graduates have to be encouraged and reoriented towards courses and specialization in entrepreneurship education.</li> <li>• The government and the private sector should work together to develop a curriculum that targets the nurturing of entrepreneurship educators. This could be achieved through consultations, seminars and workshops. The ministry of education should lead the process.</li> </ul>

General comments from the general survey respondents, the entrepreneurs' respondents and the interviewees on how to unleash entrepreneurship in Sierra Leone are listed in Table 5.69. Areas where emphasis should be stressed such as entrepreneurship education and the investment climate are also described.

Table 5.69 General comments from Sierra Leone

General Comments
<ul style="list-style-type: none"> <li>• The government should go all out to encourage entrepreneurs by providing access to finance, incentives and tax breaks to local entrepreneurs and not only to Multinational Companies.</li> <li>• Emphasis should be laid on entrepreneurship education so that the future generation will see entrepreneurship as a viable career choice.</li> <li>• The investment climate should be made more comfortable and the infrastructure for entrepreneurship should be improved in order to be able to boost entrepreneurial activities.</li> <li>• The country is still at the embryonic state in terms of entrepreneurship development. It is therefore necessary that all stake holders contribute and be committed to the development of a national entrepreneurship system though the major part should be played by the government</li> <li>• Entrepreneurship should be encouraged at all costs as this will relieve the burden of the provision of jobs from government and it will also improve the standard of living of the citizens.</li> <li>• Entrepreneurship can contribute to a country's economic growth but it may also damage the country's economy. Countries must therefore be careful on the type of entrepreneurship that is being practiced as some type may benefit the individual entrepreneur at the expense of the society and this type should be totally discouraged.</li> <li>• Entrepreneurship should be seen as the life line of any modern economy so all stakeholders should work towards fostering entrepreneurship.</li> </ul>

## 5.5 Comparisons

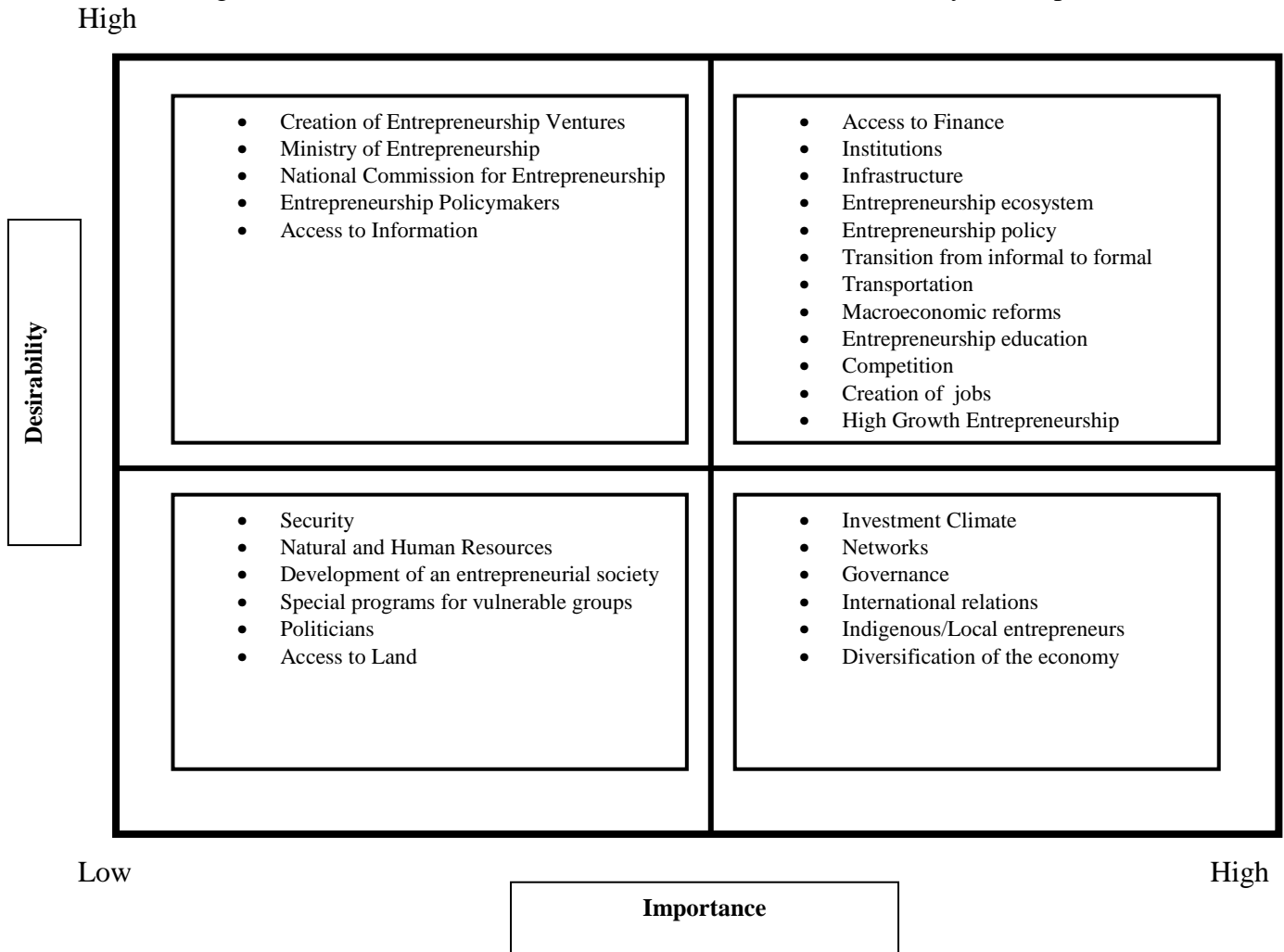
The two cases are compared in this section to identify the main similarities and differences between the two countries to enhance the formulation of entrepreneurship policy frameworks and the mapping of entrepreneurship ecosystems. The comparison will also facilitate the answering of the research questions. The different sources of data, the categories developed and the major themes of the different components have been used in the comparison. The comparisons were made using the open ended questions and the semi-structured interview questions. A number of methods that have been identified for analyzing this type of data in the literature range from the grounded theory approach advocated by Glaser and Strauss (1967) to the methods of presenting research findings forwarded by Jones (1985). The approach used here, was that advocated by Burnard (1994), which makes use of a systematic method of analyzing textual data by decomposing the text into meaning units and grouping together ideas of a similar sort. The data from the open ended questions and the interviews have been divided into two main units: (1) the desirability and importance of most of the major categories developed and (2) the uniqueness and importance of the major categories to derive the similarities and differences between countries. An example, is the work of Stevenson and

Lundstrom (2001), in comparing the countries in the multiple case study with regards to entrepreneurship policy.

### **5.5.1 Similarities**

The similarities of both countries are shown in Figure 5.25, taking into consideration the levels of desirability and importance of the components with regards to entrepreneurship. The figure is derived from all the tables in section 5.4.1 for Nigeria and all the tables in section 5.4.2 for Sierra Leone. All the main categories in both countries have been taken into account. The levels range from high to low horizontally and vertically. The priorities were developed taking into consideration the total number of respondents and interviewees who identify a certain issue in terms of desirability and importance, if the number is high (above 55% for all the informants per country) then the issue is considered a high desirability or importance and the issue is considered a low desirability or importance if the number is low (below 40%). Taking into consideration that an issue can be high in terms of desirability but low in terms of importance. For example the politicians issue is placed on the low desirability and low importance quadrant because most of the responses claimed that politicians are not contributing significantly to the promotion of entrepreneurial activities in both countries. Components in the quadrant with high desirability and high importance have been critically examined in the development of the frameworks since they play a pivotal role.

Figure 5. 24 Similarities of both countries in terms of desirability and importance



The priorities and difficulties encountered in establishing the components according to the respondents in each of the selected countries are shown in Table 5.70. The levels of the priority and difficulty are divided into four; high priority, low priority, high difficulty and low difficulty depending on the number of respondents who matched a certain component as having a particular level of priority or importance. The distinction between high and low is the same as explained in terms of desirability and importance. These levels have been considered in developing the building blocks of the entrepreneurship ecosystem.

Table 5.70 The priority and difficulty levels of the similarities

Components	Levels of Priority and Difficulty			
	Nigeria Priority	Nigeria Difficulty	S/Leone Priority	S/Leone Difficulty
Access to finance	High	High	High	High
Institutions	High	High	High	High
Infrastructure	High	High	High	High
Entrepreneurship Ecosystem	High	High	High	High
Entrepreneurship Policy	High	High	High	High
Transition from Informal to Formal Sector	High	High	High	High
Macroeconomic reforms	High	High	High	High
Entrepreneurship Education	High	High	High	High
Competition	High	High	High	High
High Growth Entrepreneurship	High	High	High	High
Diversification of the economy	High	High	High	High
Investment Climate	High	High	High	High
Creation of Entrepreneurship Ventures	High	Low	High	Low
Ministry of Entrepreneurship/National Commission	High	Low	High	Low
Entrepreneurship Policymakers	High	Low	High	Low
Security	High	Low	High	Low
Transportation	High	Low	High	Low
Creation of Jobs	High	Low	High	Low
Indigenous/Local Entrepreneurs	High	Low	High	Low
Access to Land	High	Low	High	Low
Networks	Low	High	Low	High
Governance	Low	High	Low	High
International Relations	Low	High	Low	High
Natural and Human Resources	Low	Low	Low	Low
Development of an Entrepreneurial Society	Low	Low	Low	Low
Special programs for vulnerable groups	Low	Low	Low	Low
Politicians	Low	Low	Low	Low
Access to information	Low	Low	Low	Low

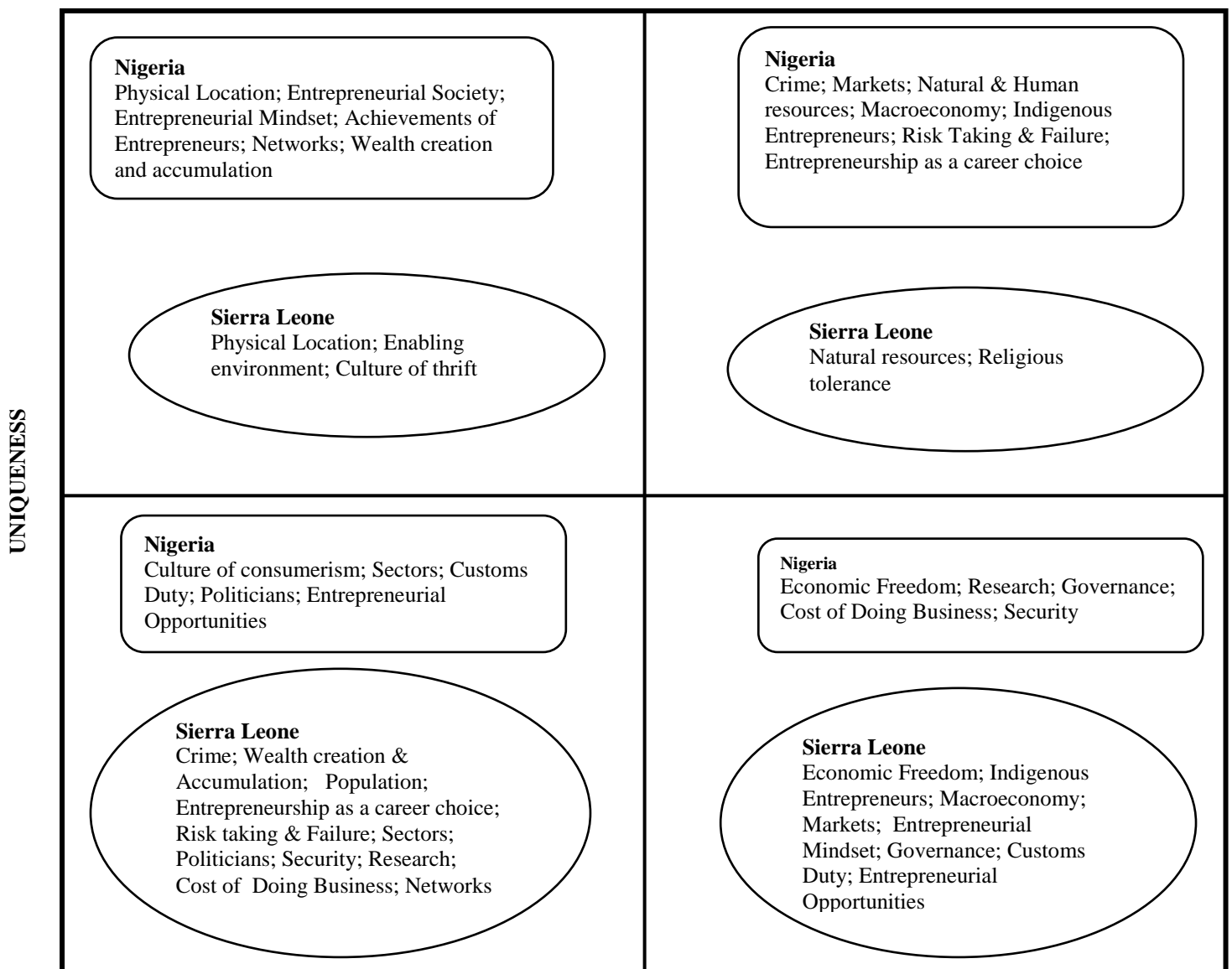
### 5.5.2 Differences

The differences between the two countries are shown in Figure 5.25, taking into consideration the uniqueness and importance of the differences in variables as expressed by all the informants in both countries. The main categories of all the tables in Section 5.4.1 for Nigeria and all the tables in Section 5.4.2 for Sierra Leone have been used to produce Figure 5.25. The uniqueness and importance are measured in two levels; high and low both vertically and horizontally. The determination of whether a variable is considered to have a high or low uniqueness is similar to that explained in Section 5.5.1. The treatment is also applied to the importance dimension. Each of the four quadrants contain both countries because of the differences in what is unique and what is important. The high uniqueness and high importance quadrant is critical when mapping country

specific ecosystems. This echoes the assertion that entrepreneurship ecosystems consist of main building blocks, interconnected key actors and an enterprising culture (Cohen, 2006; Isenberg, 2011; West and Bamford, 2005). Since these components are locally based, each ecosystem is therefore the result of the specific and idiosyncratic way in which the components are nationally available and combined (Kantis and Federico, 2012).

Figure 5.25 Differences of both countries in terms of uniqueness and importance

High



**IMPORTANCE**

High

Low

The priority and difficulty levels of the components for both countries are illustrated in Table 5.71. The levels were categorized as either high or low according to the respondents' evaluations. For example, combating crime according to the tables in sections 5.4.1 and 5.4.2, is a high priority and a high difficulty in Nigeria where there are frequent incidents of armed robbery and kidnappings whilst in Sierra Leone this issue is given a low priority and low difficult as there are very few cases of armed robbery ad kidnappings. Components which score high in all the four columns required critical appraisal as their influence in the ecosystem can be either positive or negative depending on the national conditions.

Table 5.71 The priority and difficulty levels of the differences

Components	Levels of Priority and Difficulty			
	Nigeria Priority	Nigeria Difficulty	S/Leone Priority	S/Leone Difficulty
Crime	High	High	Low	Low
Markets	High	Low	Low	High
Insecurity	High	High	Low	Low
Macroeconomy	High	High	High	High
Governance	High	High	Low	Low
Indigenous/Local Entrepreneurs	Low	Low	High	High
Wealth Creation and Accumulation	Low	Low	High	High
Natural Resources	High	Low	High	Low
Physical Location	Low	Low	Low	Low
Entrepreneurship as a career choice	Low	Low	High	High
Population	High	Low	High	High
Cost of Doing Business	High	High	Low	High
Entrepreneurial Mindset	Low	Low	High	High
Entrepreneurial Society	Low	Low	High	High
Culture of Consumerism	High	Low	Low	High
Networks	High	Low	Low	High
Politicians	High	High	Low	Low
Research	High	Low	High	High
Risk Taking and Failure	Low	Low	High	High
Enabling Environment	High	High	High	High
Stakeholders	High	High	High	High
Customs Tariff	High	Low	Low	Low
Achievements of Entrepreneurs	High	Low	Low	High
Economic Freedom	High	High	High	Low
Sectors	High	Low	High	High

The combination of Figure 5.24 and Figure 5.25 with Table 5.70 and Table 5.71 has been used to answer the research questions and develop the frameworks for entrepreneurship policies and

mapping the entrepreneurship ecosystems. The two countries are found at the extreme ends of the economic spectrum. Whilst Nigeria is leading in Africa, Sierra Leone is among the laggards in terms of GDP as shown in Table 4.1.

## 5.6 Results

The results of the analysis are based on both the quantitative analysis (descriptive statistics) and the qualitative analysis as both analyses have been combined to answer the research questions bearing in mind the purpose of the study. The two research questions are answered in the sections that follow.

### *5.6.1 What is the impact of entrepreneurship ecosystems on entrepreneurs in the selected countries?*

The first question is concerned with entrepreneurship ecosystems and the underlying propositions are **Proposition 1** and **Proposition 5** (see section 3.4.1). From the findings, there are no solid entrepreneurship ecosystems in the countries selected for the study. This is shown in Table 5.48 for Nigeria where the interviewees answers are summarized as follows “there is no national entrepreneurship system in the country at present although government is proposing to develop one” and “the entrepreneurship system in the country cannot be termed as national but there are some clusters that assist entrepreneurs”. In Table 5.65 for Sierra Leone where the interviewees claims are summarized as follows “there is no national entrepreneurship system at present in the country” and “there is no entrepreneurship ecosystem in the country but there is a need to cultivate one as such an action will help in boosting entrepreneurship in the country”. This is due to the fact that what appears to be entrepreneurship ecosystems are really diverse programs which are not well coordinated that seemed to be responsible for entrepreneurship but in actual fact, they are focusing on SMEs. According to evidences from the data collected, the stakeholders and key developers are not committed and the policies seem to be unfavorable to entrepreneurs. The evidence is in line with the literature from Nigeria where Thaddeus (2012), emphasized that the major obstacle to



stimulating entrepreneurship is attributed to the adoption of inappropriate policies at different times (see section 4.2.2). In Sierra Leone, there is a call to establish a culture that encourages entrepreneurship (Ministry of Trade and Industry, n.d.) refer to section 4.3.2. The impact of the entrepreneurship ecosystem on entrepreneurs is therefore negligible in both countries as shown in Table 5.82.

Table 5.72 Present impact of the entrepreneurship ecosystem in both countries

Components	Evidence form Case study	Impact on Entrepreneurs	Nigeria	S/Leone	References
Institutions	The existing institutions are weak. New institutions are needed to boost entrepreneurship	The impact on entrepreneurs has been, barriers, delays and bureaucracy	X	X	Table 5.38 Table 5.40 Table 5.47 Table 5.53 Table 5.55 Table 5.57 Table 5.68
Infrastructure	There is infrastructure deficit. The state of the existing infrastructure is poor.	The impact on entrepreneurs is the high cost of doing business.	X	X	Table 5.38 Table 5.40 Table 5.51 Table 5.53 Table 5.54 Table 5.55 Table 5.57 Table 5.68
Programs	Many ineffective programs which are poorly coordinated	Entrepreneurs are confused about which program to follow as there are many duplications	X	X	Table 5.36 Table 5.37 Table 5.39 Table 5.50 Table 5.55 Table 5.67 Table 5.68
Entrepreneurship Environment	The entrepreneurship environment is not conducive.	Entrepreneurs find it difficult to operate in such a harsh environment	X	X	Table 5.39 Table 5.47 Table 5.49 Table 5.50 Table 5.53 Table 5.54 Table 5.55 Table 5.56 Table 5.67
Stakeholders	The stakeholders are not very committed to the fostering of entrepreneurship	Poor strategies and advise	X	X	Table 5.48 Table 5.49 Table 5.51 Table 5.53 Table 5.67
Policies	Unfavorable policies	Low capacity and less competitive advantage	X	X	Table 5.38 Table 5.48 Table 5.49 Table 5.50 Table 5.66 Table 5.67

Security	Civil and religious disorders, crime and theft	Fear to operate in certain territories	X		Table 5.38 Table 5.40 Table 5.54 Table 5.55 Table 5.56 Table 5.57
Governance	Interference from politicians	Operating under duress	X	X	Table 5.37 Table 5.51 Table 5.53 Table 5.54 Table 5.55
Corruption	No accountability and transparency	Intimidation and threats	X	X	Table 5.49 Table 5.56 Table 5.66
Markets	Small and poor market	Poor sales		X	Table 5.37 Table 5.38 Table 5.53 Table 5.54 Table 5.55 Table 5.56 Table 5.57
International Influence	Pressure from the International community	Entrepreneurs obliged to follow dictates	X	X	Table 5.36 Table 5.55

To move from this negative to a positive impact, an entrepreneurship ecosystem has been mapped in which the entrepreneur is the central figure. The building blocks of this entrepreneurship ecosystem are the same for each country, the difference is in the components that form each block since such components are idiosyncratic. The influence of the external factors introduced by the international environment such as globalization and international institutions is also taken into consideration.

The ideal entrepreneurship ecosystem developed is illustrated in Figure 5.26 and it comprises four basic components that are all linked to the entrepreneur as a central figure and concurrently linked to each other as the interactions amongst the various components and the interactions between the entrepreneur and the components are necessary for a sustainable entrepreneurship ecosystem. The ideal framework was developed taking into consideration the frameworks such as the model developed by Isenberg (2009), the World Economic Forum (2013) the Booz & Company entrepreneurship ecosystem (2011) and the entrepreneurial ecosystem stakeholder model developed by the MIT Sloan School of Management. Please refer to section 2.6.2 for more details on these

models. A combination of these models with the suggestions and comments of the respondents and interviewees resulted the realization of the ideal model.

This ideal entrepreneurship ecosystem, could be applied in any country in Africa by adjusting the sub-components which are country specific to be able to map an ecosystem pertinent to that country. There are four main components which consist of sub-components. These components are derived from section 5.4.1.5 for Nigeria and section 5.4.2.5 for Sierra Leone.

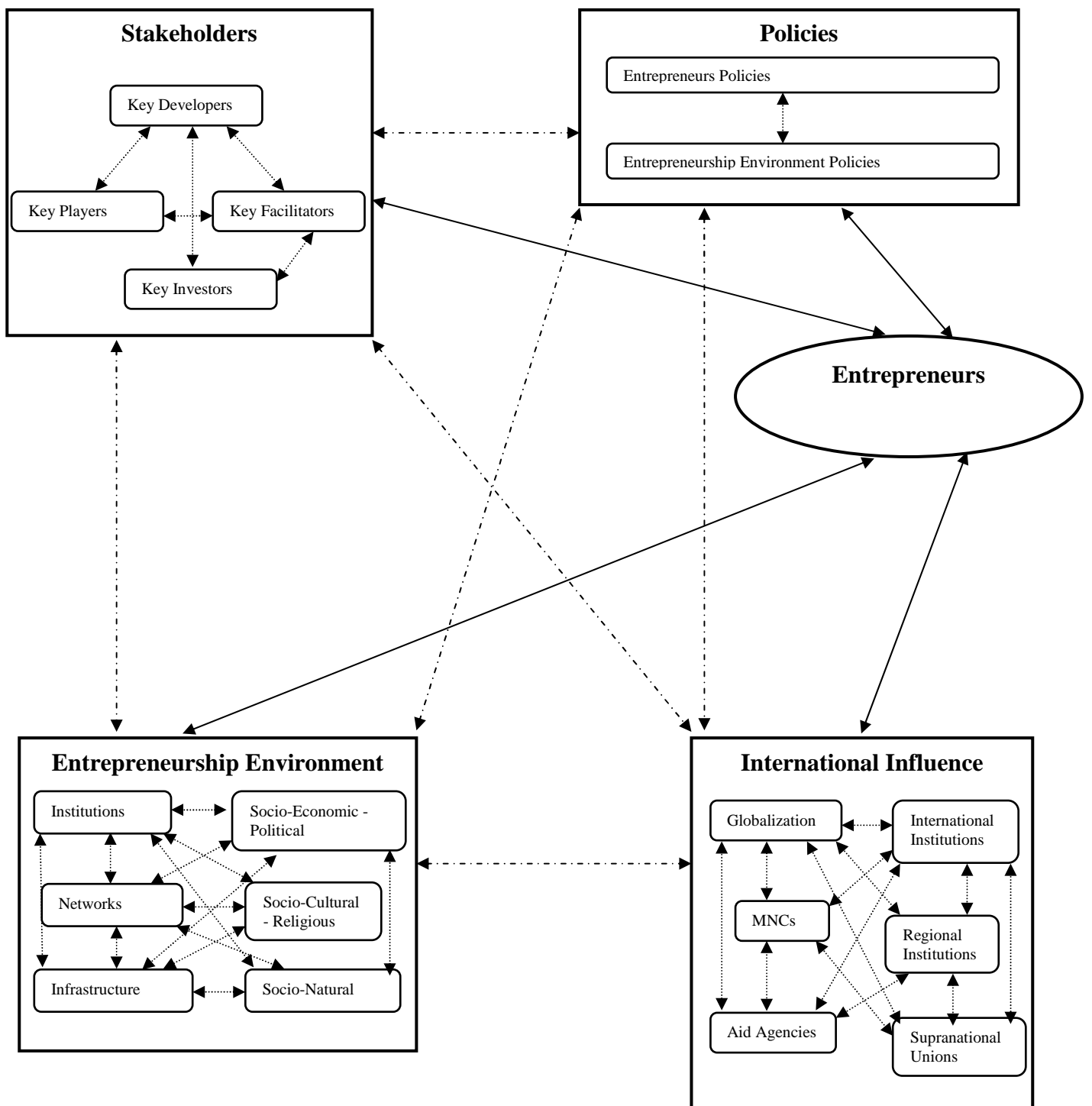
**Entrepreneurship environment:** - *Institutions; Infrastructure; Networks; Socio-Cultural-Religious; Socio-Economic-Political; Socio-Natural;*

**Policies:** - *Entrepreneurs Policies; Entrepreneurship Environment Policies.*

**Stakeholders:** - *Key Developers; Key Players; Key Facilitators; Key Investors.*

**International Influence:-** *Globalization; International institutions; Regional Institutions; Supra National Unions; Aid Agencies.*

Figure 5.26 Framework for the ideal entrepreneurship ecosystem



There are many interactions between the sub-components, the main components and entrepreneurs. These interactions can produce positive effects for the entrepreneurs although often times they can have opposite effects which makes it extremely challenging for the conceptual entrepreneurship

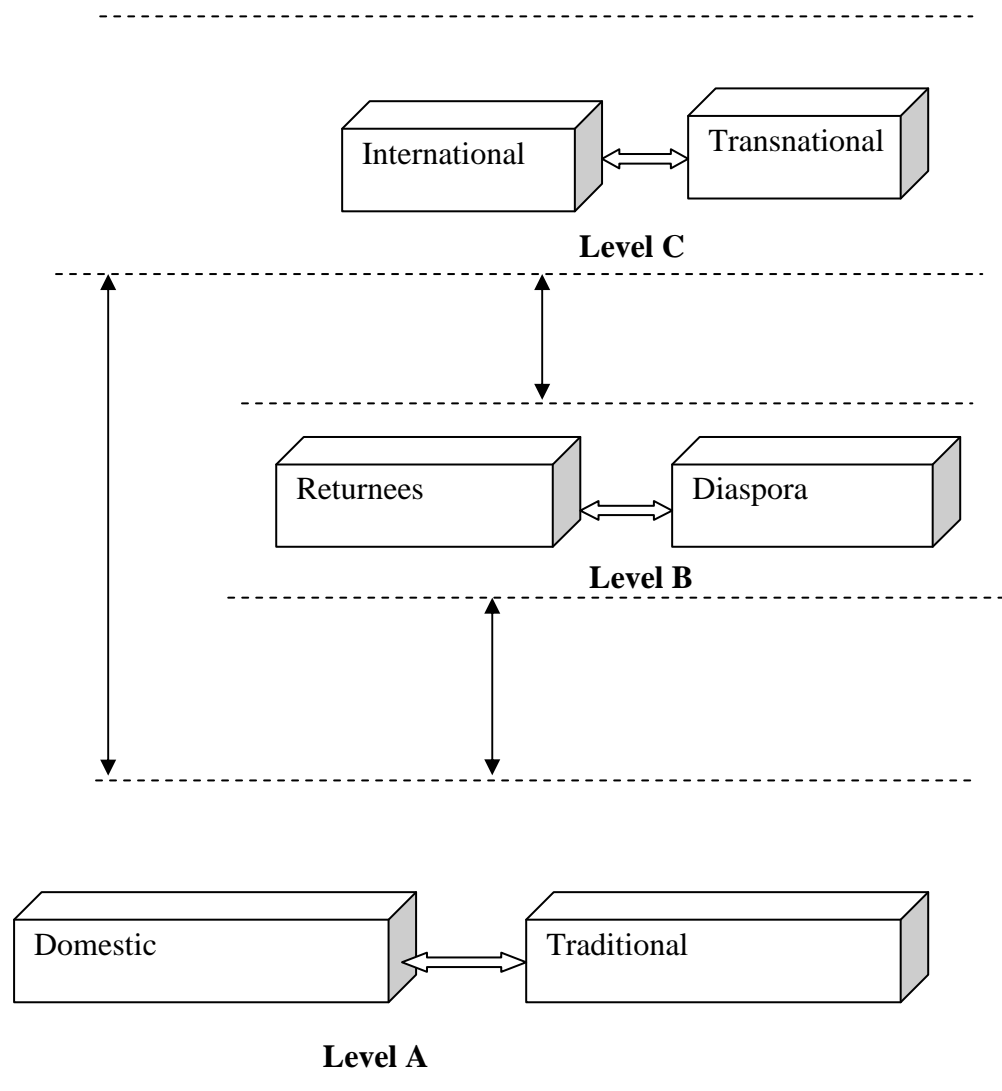
ecosystem to have an overall positive impact on entrepreneurs. The solid lines show direct interaction to the entrepreneur whilst the dashed lines show the interactions within the different blocks and across blocks. It should be noted that the mere existence of these frameworks is a necessary but insufficient condition for attaining entrepreneurial economic growth. The commitment and interaction of all the actors is crucial and the government should provide enough support and incentives for the smooth functioning of the ecosystem especially at the initial stages until the ecosystem becomes self sustaining.

The entrepreneurship ecosystem will have a positive impact on entrepreneurs if they are involved in the cultivation of the system and are allowed to participate unconditionally in the functioning of the system. The expected outcome of strategies is to encourage productive entrepreneurship and discourage unproductive entrepreneurship and entrepreneurs can spearhead this process through their networks. For the ideal framework to be effective, entrepreneurs should interact at levels where they are comfortable and can contribute their wealth of knowledge and experience without fear of being segregated because of social or educational background. Such a network for the countries is shown in Figure 5.27. The framework is divided into three levels and there are horizontal interactions within each level and vertical interactions across levels. From the literature, network are usually referred to as collaborative relationships between actors and these actors can be individuals, groups, communities and organizations. Refer to section 2.5.4 for more details. The evidence from the data shows the importance of networks (Table 5.51, Table 5.53, Table 5.68) but in most cases there is tension between entrepreneurs operating at different levels (for example returnees and local entrepreneurs or international and national entrepreneurs) In Table 5.38, this issue is listed as a weakness or an obstacle. To overcome such a constraint, the network diagram placed entrepreneurs at different levels with horizontal and vertical linkages.

***Domestic and Traditional Entrepreneurs*** – these are the majority and they operate mostly in the informal sector. They are mostly school dropouts or illiterate and are frequently exploited. There are

a few in the formal sector who are well educated. With the right entrepreneurship ecosystem they can get better organized and their network can be very effective. At their level these entrepreneurs can exchange ideas freely.

Figure 5. 27 Framework for a network of entrepreneurs in both countries



**Returnees and Diaspora Entrepreneurs** - This group is gaining momentum though it is not as large as the first group. Their exposure to other countries arms them with a great potential for change. However, local entrepreneurs who have not been out of the shores of the country, feel shy to express their opinions in such a group. As a consequence, good and practical ideas are not shared.

There is a tendency also for this group to look down on the members of the first group when they mingle. There is a silent battle of us versus them whenever these two groups meet.

***Transnational and International Entrepreneurs*** – This is an exclusive group with few members and high entry barriers. It is well organized both formally and informally. This group mingles with the cream of society and members have better access to finance. They contribute in shaping the entrepreneurial landscape.

The expected impact on entrepreneurs when the entrepreneurship ecosystem is cultivated, functioning effectively and self-sustaining is summarized taking into consideration the four main components of the ecosystem is shown in Table 5.73. This is the ideal impact *ceteris paribus*.

Table 5.73 Expected impact of the entrepreneurship ecosystem on entrepreneurs

<b>Components</b>	<b>Sub-components</b>	<b>Impact on Entrepreneurs</b>	<b>References</b>
Stakeholders	Key Developers	Ownership of system	Table 5.48
	Key Players	Commitment to the system	Table 5.49
	Key Facilitators	Assistance when needed	Table 5.51
	Key Investors	Finance for promising ideas	Table 5.53 Table 5.67
Policies	Entrepreneurs Policies	High growth entrepreneurs	Table 5.38
	Environment Policies	Conducive environment	Table 5.48
			Table 5.49
			Table 5.50
			Table 5.66 Table 5.67
Entrepreneurship Environment	Institutions	Ease of operations	Table 5.39
	Socio-Cultural-Religious	Freedom of movement and association	Table 5.47 Table 5.22
	Socio-Politico-Economic	Economic freedom and inclusive growth	Table 5.49 Table 5.50
	Socio-Natural	Sustainable operations	Table 5.54
	Networks	Access to knowledge, information and representativeness	Table 5.55 Table 5.56
	Infrastructure	Minimize the cost of doing business	Table 5.67
International Influence	Globalization	Reaping the benefits	Table 5.36
	International Institutions	Knowledge Exchange, support and International issues	Table 5.55
	MNCs	Spillovers	
	Regional Institutions	Regional programs and market expansion	
	Aid Agencies	Right and effective aid	
	Supranational Unions	Partnerships and global trade blocks	

### ***5.6.2 How can entrepreneurship ecosystems in selected African countries be improved through entrepreneurship policies to attain sustainable economic growth?***

The public policies that deal with entrepreneurship in the two countries are basically the same despite the differences in the business climate. Both country's policies concentrate on Small and Medium Scale Enterprises (SMEs) to a certain extent. These policies though intended to promote entrepreneurship, have not been very successful in both countries according to the evidence provided in Table 5.39 for Nigeria and Table 5.56 for Sierra Leone. There is therefore a need to refine or formulate new policies for entrepreneurship.

Though naturally, there are latent entrepreneurship ecosystems in any country whether formal or informal, the present policies do not contribute to the improvement of these ecosystems as their concentration is on established ventures.

To improve the entrepreneurship ecosystems entrepreneurship policies are needed but these policies whilst aiming at the same outcome, are idiosyncratic. Entrepreneurship policy is an emerging concept that needs to be properly developed according to Lundstrom and Stevenson (2001). From the analyses of the data, the main policy themes that emerged are policies for the entrepreneurs and policies for the entrepreneurship environment as shown in Table 5.48, Table 5.49 and Table 5.50 for Nigeria and Table 5.65, Table 5.66 and Table 5.67 for Sierra Leone. Two separate policies although intertwined have been formulated as a result of these findings: Policies for Entrepreneurs and Policies for the Entrepreneurship Environment. The importance of entrepreneurship policies with regard to the entrepreneurship environment is also illustrated in the framework developed by Gnyawali and Fogel (1994). In both countries, the need for a national entity such as a commission or ministry of entrepreneurship and well defined solid formal processes has been emphasized by data from the interviewees. The data with regards to entrepreneurship policies from all the respondents and interviewees is reflected by the following underlying propositions: **Proposition 2, Proposition 3 and Proposition 4 and Proposition 5** which are described in section 3.4.1 but



revisited here with linking them to the literature and the responses. The situation is depicted in Table 5.74

Table 5.74 Links between the literature, propositions and informants opinions

Proposition	Literature connection	Opinions of the informants	Remarks
<b>Proposition 2</b> <i>Entrepreneurial capital is influenced by the types of entrepreneurship policies implemented in a country.</i>	Entrepreneurship policy poses significant challenges since its effectiveness require an appropriate trade-off between market concentration and productivity performance (Minniti, 2008). Governments should focus their efforts in targeting the entrepreneurship sector rather than aiming to improve the overall national business sector. The policy framework of growth drivers for entrepreneurship provided by Gabr and Hoffman (2006), described the demand side (opportunities) and the supply side (ability and capital), the entrepreneurs' cognitive model of motivation and the culture. The linking the innovation capacity with the entrepreneurial capacity of a country is very important (Chisholm et al, 2014) and requires unique entrepreneurship policies. To guard against the diversion of entrepreneurship capital towards non productive or destructive activities, special sets of policies are needed (Dutz, Ordober and Willig, 2000).	Create a level playing field; Establishment of science parks; Risk prone society; Brain drain; Inadequate capital for the exploitation of resources; Governments to create learning institutions both in the formal and informal sectors;	Policies for the entrepreneurs and the entrepreneurship environment.
<b>Proposition 3:</b> <i>Niche entrepreneurship policies, could transform altering and evading entrepreneurs to abiding entrepreneurs in a country.</i>	These are policies that target particular groups according to the framework developed by Stevenson Lundstrom and Stevenson (2002). Such a framework could be useful in targeting entrepreneurs that evade or alter institutions. Recalling the basic hypothesis proposed by Baumol (1990), that the while the supply of entrepreneurs varies, the productive contribution of entrepreneurial activities varies much more because these activities are shared between productive and unproductive or even destructive activities. Policies are therefore needed to induce a more felicitous allocation of entrepreneurial resources (Baumol, 1990) because at times entrepreneurs may use parasitical means that are actually damaging to a country's economy.	Transition from the informal to the formal sector; Promotion of indigenous entrepreneurs; The country needs to place more emphasis on encouraging the youths to see entrepreneurship as a viable career choice as jobs in the established sectors are already saturated. Such action will stimulate more entrepreneurship activity;	Policies for the entrepreneurs and the entrepreneurship environment.

<p><b>Proposition 4:</b> <i>Holistic entrepreneurship policy could upgrade survival entrepreneurs to high-growth entrepreneurs in a country.</i></p>	<p>According to the framework of Lundstrom and Stevenson (2002), a holistic entrepreneurship policy encompasses all the other policies such as the SME policy, target groups policy and new venture creation policy. Survival entrepreneurs also referred to as necessity entrepreneurs are mostly the unemployed and redundant workers venturing into entrepreneurship (Acs, 2006). But Fayolle (2011), admonished that to encourage the creation of new ventures by the jobless, jobseekers, underemployed and people in precarious situations may result in some kind of 'forced' entrepreneurship. Shane (2009) on the other hand, commented that encouraging more people to become entrepreneurs is a bad policy stressing that in general typical startups are not the source of economic vitality or job creation. To obtain higher economic growth, startups should be more productive than existing enterprises according to the scholar.</p>	<p>Introduction of programs that facilitate entrepreneurship activities; Training in skills that are in demand; The coherence between policies that promote FDI and local entrepreneurs; Effective programs that target youth entrepreneurship; The creation of new businesses is of paramount importance to the economy as such businesses if productive, will ease the burden from government as the highest job provider, improve the standard of living and create employment.</p>	<p>Policies for the entrepreneurs and the entrepreneurship environment.</p>
<p><b>Proposition 5:</b> <i>The rate of increase in entrepreneurial economic growth is directly proportional to the rate of increase in high growth entrepreneurs whether innovative or imitative in a country.</i></p>	<p>In the framework provided by Peneder (2009), growth refers to productivity, income and employment. There is evidence that the key to entrepreneurial economic growth lies in the entrepreneurial capacity of an economy (Audretsch, Keilbach and Lehmann, 2006). Entrepreneurial capital is assumed to have a positive impact on growth and competitiveness in a number of ways (Romer, 19886; Porter, 1990; Cohen and Klepper, 1992). It is assumed that the type of entrepreneurship being practiced, determines the impact on economic growth. Analysis carried out by Stel, Carree and Thurik (2005), found that entrepreneurship has a positive impact on the GDP growth for developed countries but a negative impact for developing countries. The findings concluded that opportunity entrepreneurship is being practiced in developed countries whilst necessity entrepreneurship is being practiced in developing countries. An assertion supported by Brixiova (2010). This proposition assumes a positive impact of high growth entrepreneurs on entrepreneurial economic growth.</p>	<p>The country needs to put more effort in the encouragement of indigenous entrepreneurs by revising the regulatory framework, the legal and security institutions. The country needs to lay emphasis on the cultivation of a national system for entrepreneurship and the creation of a ministry of entrepreneurship. More emphasis should be placed on the transition from the informal to the formal sector with regards to entrepreneurship. ; The country needs to place more emphasis in encouraging the transition from the necessity to high growth entrepreneurship in the future to reap the benefits of entrepreneurship; Entrepreneurship can contribute to a country's</p>	<p>Policies for the entrepreneurs and the entrepreneurship environment.</p>

economic growth but it may also damage the country's economy. Countries must therefore be careful on the type of entrepreneurship that is being practiced as some type may benefit the individual entrepreneur at the expense of the society and this type should be totally discouraged.

From Table 5.74, an appropriate approach was to divide the entrepreneurship policies into policies for entrepreneurs and policies for the entrepreneurship environment for both countries.

The policy frameworks for both countries were developed taken into account the frameworks described in the literature review. The link between the frameworks from the literature and those developed for both countries is illustrated in Table 5.75.

Table 5.75 Links the frameworks in the literature to those developed

<b>Frameworks from the Literature review</b>	<b>Main components</b>	<b>Frameworks developed</b>	<b>Links</b>
The policy framework of growth drivers for entrepreneurship. Gabr and Hoffman (2006).	<ul style="list-style-type: none"> <li>• Demand (Opportunities)</li> <li>• Supply (Ability and Capital)</li> <li>• Incentives (benefits and costs)</li> <li>• Culture (behavior)</li> </ul>	Entrepreneurs policy	<ul style="list-style-type: none"> <li>• Informal to formal entrepreneurs (Incentives)</li> <li>• Evading entrepreneurs (Incentives, demand and supply)</li> <li>• Altering entrepreneurs (behavior)</li> <li>• High growth entrepreneurs (Opportunities , ability and capital)</li> <li>• Entrepreneurship as a viable career choice (Culture)</li> </ul>
The entrepreneurship policy framework. Peneder (2009).	<ul style="list-style-type: none"> <li>• Opportunities (Regulation and Knowledge creation)</li> </ul>	Entrepreneurs policy Entrepreneurship	<ul style="list-style-type: none"> <li>• Informal, evading and altering entrepreneurs (Opportunities and resources)</li> </ul>

	<ul style="list-style-type: none"> <li>• Resources (Financial and Human)</li> <li>• Entrepreneurship environment</li> <li>• Infrastructure</li> </ul>	environment policy	<ul style="list-style-type: none"> <li>• Structure, support, education and training, research and governance (Entrepreneurship environment)</li> <li>• Infrastructure</li> </ul>
Entrepreneurship policy types. Lundstrom and Stevenson (2002).	<ul style="list-style-type: none"> <li>• E-extension policy (SME policies)</li> <li>• Niche policy (Target groups)</li> <li>• New firm creation policy</li> <li>• Holistic entrepreneurship policy</li> </ul>	Entrepreneurs policy  Entrepreneurship environment policy	<ul style="list-style-type: none"> <li>• Informal, evading and altering entrepreneurs (E-extension policy)</li> <li>• Abiding entrepreneurs (Target groups policy)</li> <li>• High growth entrepreneurs (Holistic entrepreneurship policy)</li> <li>• Structure (Holistic entrepreneurship policy)</li> </ul>

### *Nigeria*

The main focus of policies for entrepreneurs in Nigeria should be on the transition from the informal sector to the formal sector as it is evident that there is a large informal sector. Also from necessity to high growth as there is sufficient evidence that most entrepreneurs are the survival type. The conversion of evading (entrepreneurs who evade taxes and other obligations) to abiding (entrepreneurs who abide by the rules and regulations) entrepreneurs as the incidences of smuggling and tax evasion are very common. The smooth integration of returnees/Diaspora entrepreneurs as there are many instances where this last group is not satisfied with the barriers they have to face when trying to establish in the country (apparently, there exist a local versus Diaspora syndrome) in the business sector. The overall objective is to have high growth and high impact entrepreneurs who would revolutionize economic growth through entrepreneurship. There are a few of this type of entrepreneur but their number is negligible compared to the population of entrepreneurs. This is illustrated in Figure 5.28 which is derived from Table 5.76 which illustrates the links between the

proposed policy, the issues identified, the specific sections in the results/analysis and the related propositions.

Table 5.76 Links between proposed policies and issues identified for Nigeria

<b>Proposed policy</b>	<b>Issues identified</b>	<b>Specific statements in the results /analysis</b>	<b>Related propositions</b>
Entrepreneurs policy	Many entrepreneurs in the informal sector	Many necessity entrepreneurs	P2;P3
	Some of the entrepreneurs are rent seekers	Some of the entrepreneurship activities are destructive ( e.g. smuggling)	P3
	Lack of encouragement of different types of entrepreneurs	Coherence between FDI promotion and local entrepreneurs; Tensions between domestic and returnees/Diaspora entrepreneurs	P4;P5
	Promotion of target group entrepreneurs	Effective programs to promote high growth entrepreneurship for all target groups	P3;P4
Entrepreneurship environment policy	Security of entrepreneurs	The formulation of new strategies to combat crime and theft	P2
	The overall infrastructure is not effective in supporting entrepreneurship	Infrastructure deficit; Underinvestment in infrastructure; Finance to upgrade infrastructure; The introduction of the National Integrated Infrastructure Master Plan	P4
	Lack of meaningful support from government	Negative interference from government; Partisan interest instead of national interest	P4
	No national system of entrepreneurship	The ideal structure should be either a national commission or a ministry.	P1
	Ineffective institutions; Lack of accountability and transparency	Make institutions effective and independent; Key institutions Include: Financial, Educational , Social, Cultural, Legal, Security, Networking, Regulatory, Religious, Commercial, Marketing, Political and civil.	P1;P4; P5
	Scarcity of support to foster entrepreneurship	Introduction of programs and the strengthening of organizations that will facilitate entrepreneurial activities	P2; P3;P4
	Lack of focus on entrepreneurial education and training development	To diffuse entrepreneurship education. The introduction of compulsory entrepreneurship education for graduates. There is a high demand for entrepreneurship education.	P2;P5
Apparent absence of research	Establishment of science or	P2;P5	

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institutions (public and Private) technology parks. Improve  
and technological centers and research centers at universities  
science parks

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The major policy domains are:

*Minimization Policy:* To reduce the number of potential entrepreneurs entering the informal sector.

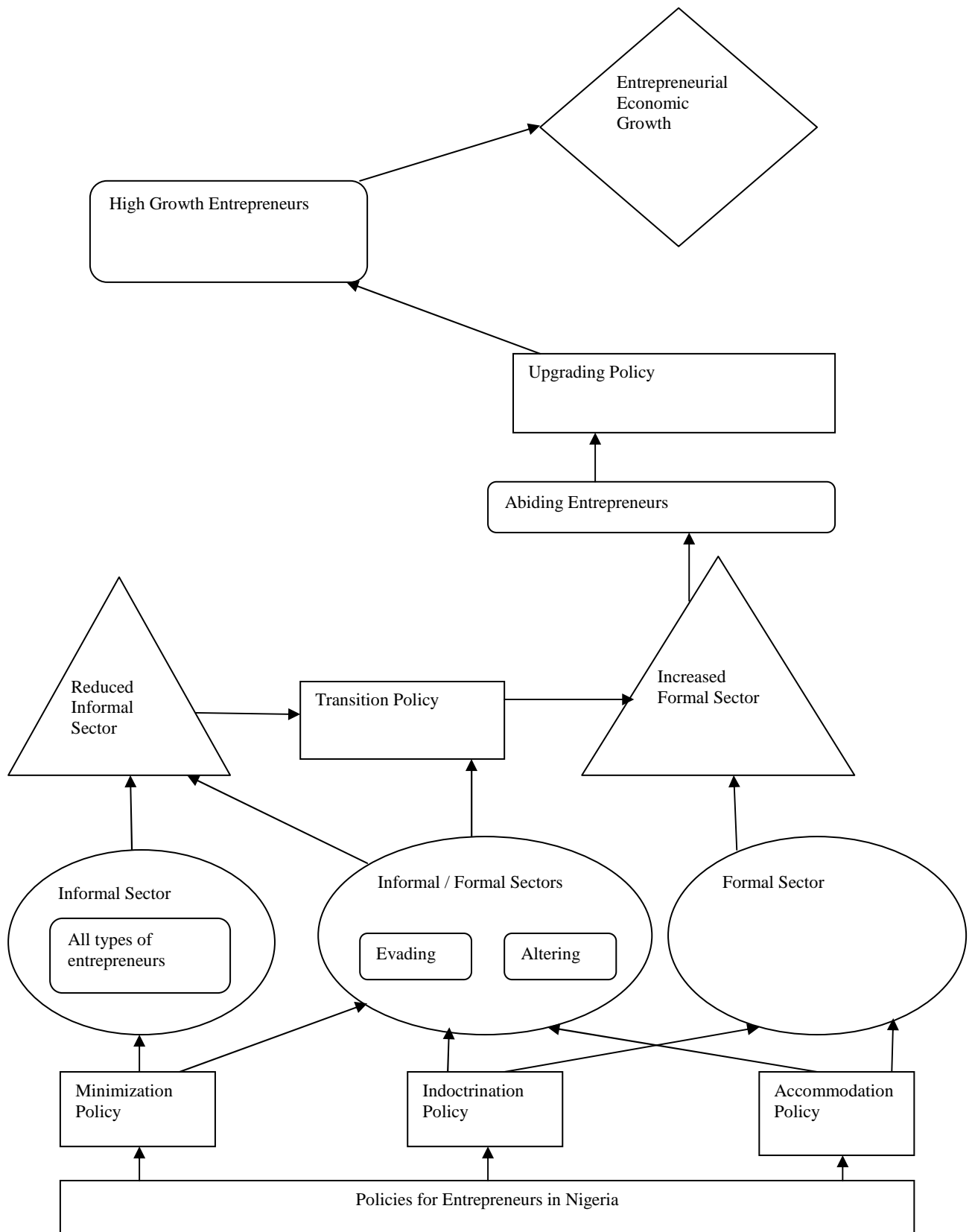
*Indoctrination Policy:* To inculcate values in evading and altering entrepreneurs to convert them to abiding entrepreneurs.

*Accommodation Policy:* To accommodate returnees and Diaspora entrepreneurs into main stream society.

*Transition Policy:* To encourage entrepreneurs operating in the informal sector to transit to the formal sector.

*Upgrading Policy:* To upgrade abiding entrepreneurs to high-growth entrepreneurs to enhance entrepreneurial economic growth.

Figure 5.28 Policy framework for entrepreneurs in Nigeria



The policy framework for the entrepreneurship environments which is also derived from Table 5.76 instead, should concentrate on governance and security. The stability of the government is an important factor for entrepreneurial activities and the security situation in a country plays a vital role in the protection of lives and properties and the free movement of entrepreneurs and their assets. The commitment of the government is also crucial for the development of an entrepreneurial society.

The structure could be a ministry or a national commission. It is recommended to start with a national commission to understand the pitfalls and later upgrade to a ministry when all the factors have been identified and various departments and agencies have been established. The overall infrastructure needs upgrading and maintenance. New infrastructure can be introduced according to the exigencies of the entrepreneurship environment. The framework is illustrated in Figure 5.29.

The main pillars are:

*The Structure:* This could be a national commission or a ministry for entrepreneurship.

*The Institutions:* More efforts on the financial, regulatory and socio-political institutions to make them more effective.

*The Infrastructure:* The physical infrastructure needs improvement whilst the technological, ICT and commercial infrastructure needs upgrading.

*Education and Training:* Formal and informal education and training must be introduced and encouraged at all levels.

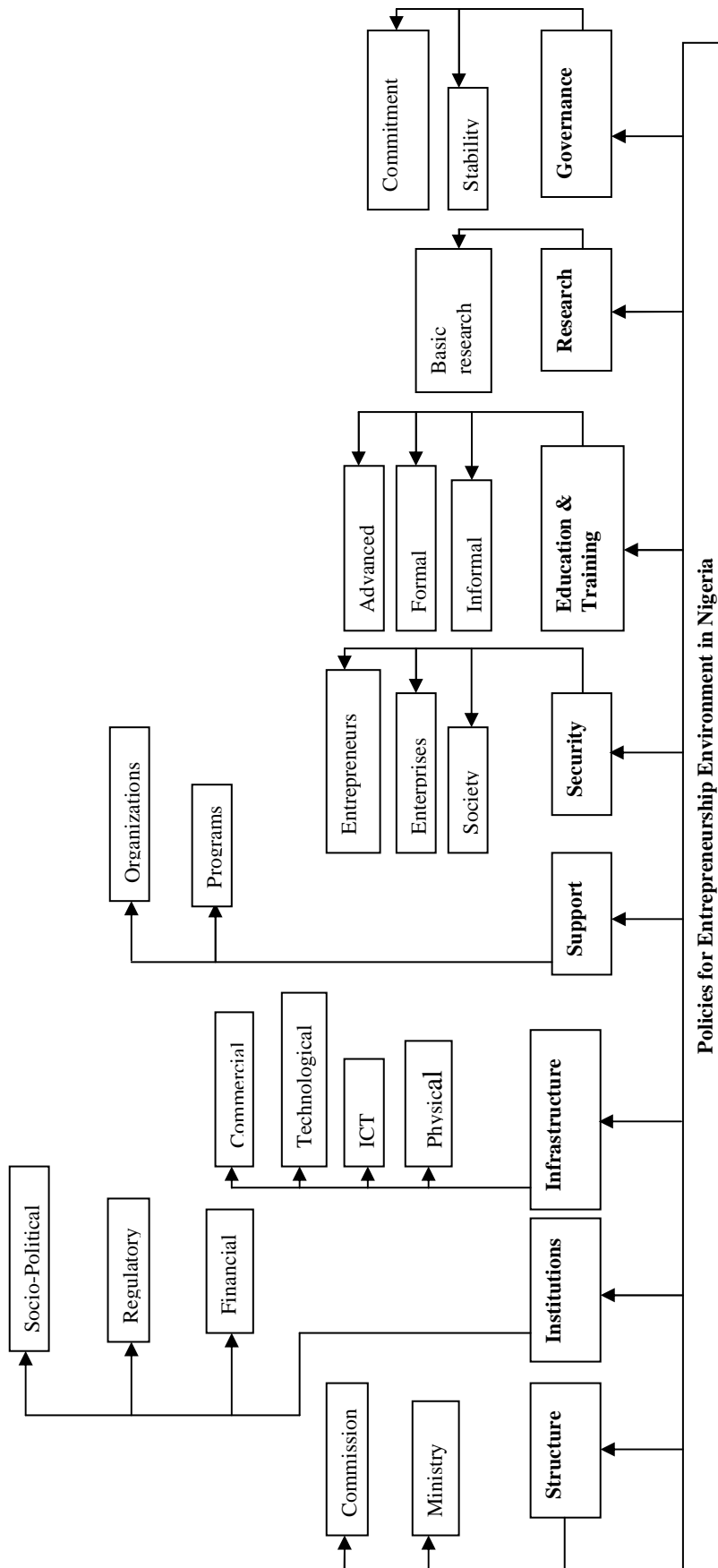
*Research and Development:* Basic research should be encouraged which will be developed to meet the needs of the society.

*Governance:* Stability and commitment of government is of utmost importance.

*Security:* There is an urgent need to improve the security of the society against external and internal threats.



Figure 5.29 Policy framework for the entrepreneurship environment in Nigeria



## Sierra Leone

The main focus of the policies for entrepreneurs in Sierra Leone should be mainly on the changing the mindset of the population from focusing on jobs in the public or private sectors towards venturing into entrepreneurship. This is as a result from the findings that people prefer stable jobs than taking risks in entrepreneurial ventures. The transition from the informal sector to the formal sector as there is a large informal sector is vital. To encourage returnees and members of the Diaspora who want to venture into entrepreneurship. The aim is to have a pool of abiding entrepreneurs who can be upgraded to high growth entrepreneurs which is a necessary ingredient to sustainable entrepreneurial economic growth. Of course there are high growth entrepreneurs who do not require all these phases but they are small in number. The framework is shown in Figure 5.30 which is derived from Table 5.77.

In addition to the policy domains for Nigeria described above, Sierra Leone needs an additional policy domain for entrepreneurs.

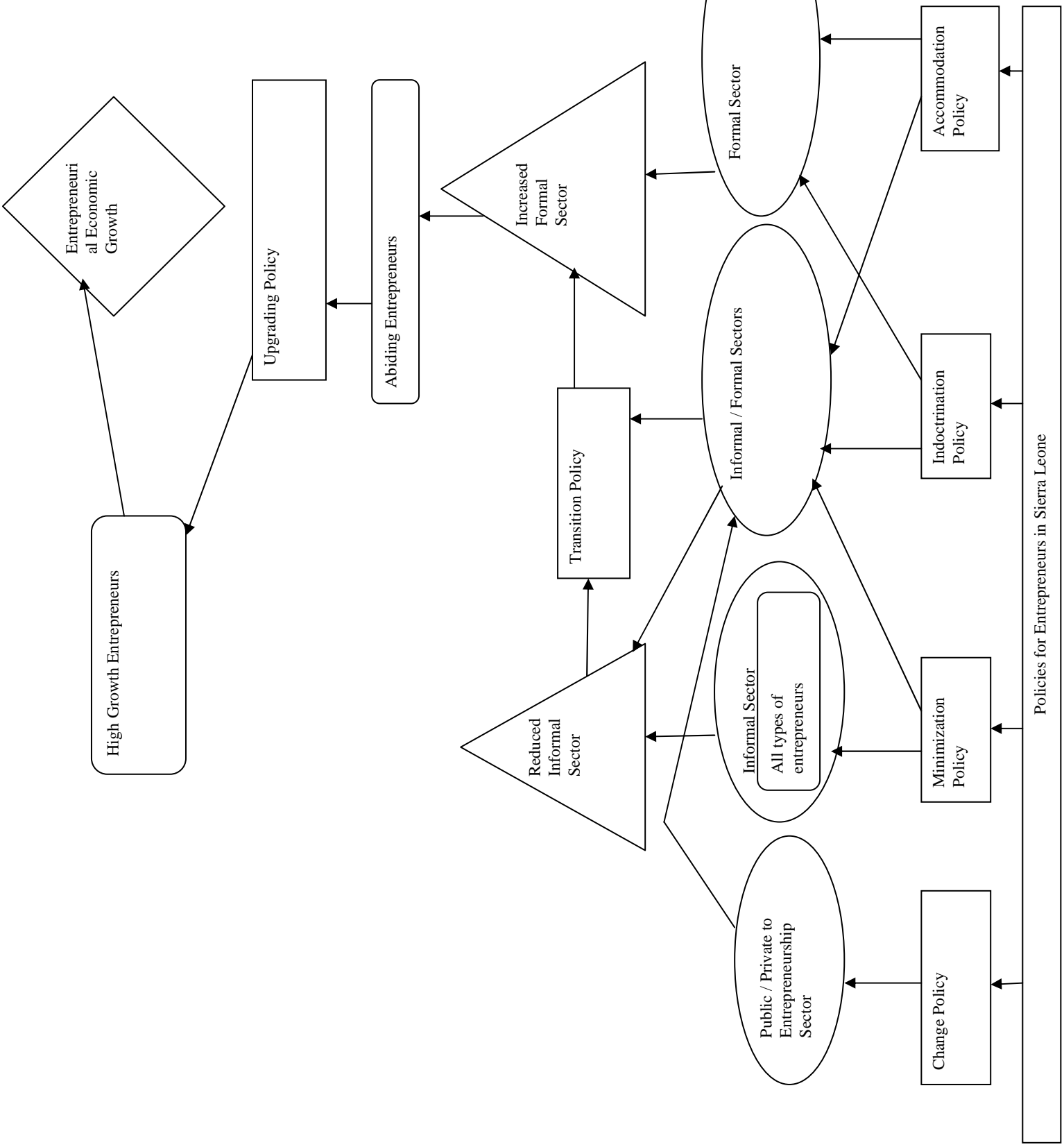
Table 5.77 Links between the proposed policies and the issues identified in Sierra Leone

Proposed policy	Issues identified	Specific statements in the results /analysis	Related propositions
Entrepreneurs policy	Many entrepreneurs in the informal sector	Many necessity entrepreneurs	P2;P3
	Some of the entrepreneurs are rent seekers	Some of the entrepreneurship activities are destructive ( e.g. smuggling)	P3
	Lack of encouragement of different types of entrepreneurs	Coherence between FDI promotion and local entrepreneurs; Tensions between domestic and returnees/Diaspora entrepreneurs	P4;P5
	Promotion of target group entrepreneurs	Effective programs to promote high growth entrepreneurship for all target groups	P3;P4
	Reorientation of the country's values and behaviors towards entrepreneurship	Society does not contribute to the nurturing of an entrepreneurial mindset. The citizenry to consider entrepreneurship as a viable career choice.	P2;P4
Entrepreneurship environment policy	Security of entrepreneurs	The formulation of new strategies to combat crime and theft	P2
	The overall infrastructure is not effective in supporting	Infrastructure deficit; Underinvestment in infrastructure;	P4

entrepreneurship	Finance to upgrade infrastructure; The introduction of the National Integrated Infrastructure Master Plan	
Lack of meaningful support from government	Negative interference from government; Partisan interest instead of national interest	P4
No national system of entrepreneurship	The ideal structure should be either a national commission or a ministry.	P1
Ineffective institutions; Lack of accountability and transparency	Make institutions effective and independent; Key institutions Include: Financial, Educational , Social, Cultural, Legal, Security, Networking, Regulatory, Religious, Commercial, Marketing, Political and civil.	P1;P4; P5
Scarcity of support to foster entrepreneurship	Introduction of programs and the strengthening of organizations that will facilitate entrepreneurial activities	P2; P3;P4
Lack of focus on entrepreneurial education and training development	To diffuse entrepreneurship education. The introduction of compulsory entrepreneurship education for graduates. There is a high demand for entrepreneurship education.	P2;P5
Apparent absence of research institutions (public and Private) and technological centers and science parks	Establishment of science or technology parks. Improve research centers at universities	P2;P5

*Change Policy:* The policy is meant to change the mindset of individuals to venture into entrepreneurship by the institutionalization of habits of creativity and innovation, the inculcation of risk prone habits and the minimization of the stigma of failure.

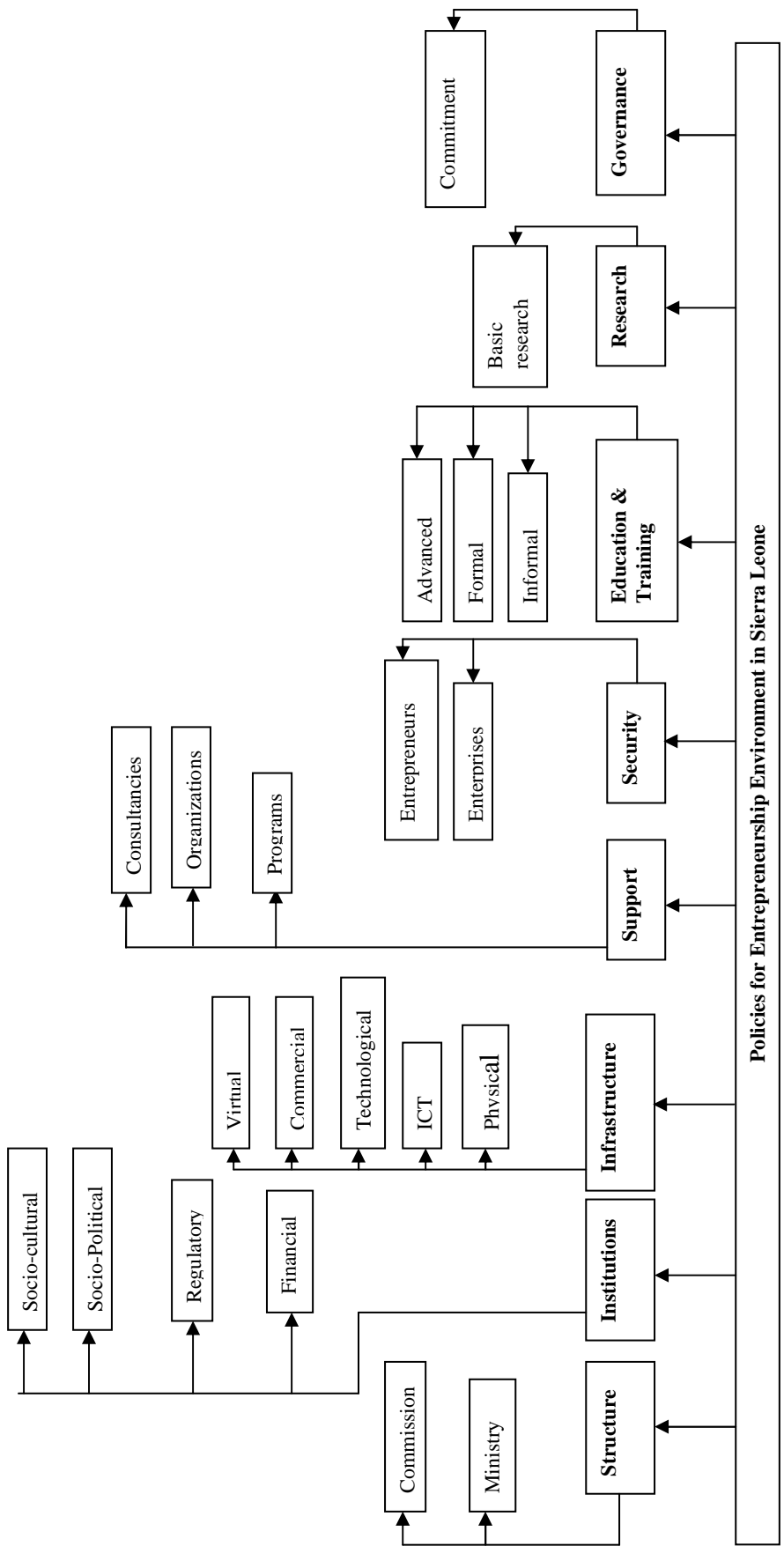
Figure 5.30 Policy framework for entrepreneurs in Sierra Leone



The policies for the improvement of the entrepreneurship environment should focus mainly on networks (virtual infrastructure) and socio-cultural institutions. The security situation is better in Sierra Leone than in Nigeria so there is a very limited need for extra measures and resources to be deployed in this direction. The infrastructure needs special attention and the same applies to entrepreneurship education, training and research.

The stability of the government has improved but the commitment of the government to the fostering of entrepreneurship needs to be increased. Socio-cultural institutions are needed to inculcate entrepreneurial orientations and intentions. The structure should be a national commission for a start which can then be upgraded to a ministry when all the entrepreneurial landscape has been properly demarcated. The framework is shown in Figure 5.31. The main pillars are the same as those for Nigeria with some pillars having more or less components.

Figure 5.31 Policy Framework for the entrepreneurship environment in Sierra Leone



## **5.7 Discussion of results**

The results show that entrepreneurship in Africa has not gained momentum as in other regions of the world especially the industrialized world. It is lagging far behind and what is being practiced at the moment is mainly entrepreneurship out of necessity especially for local entrepreneurs. Of course, there are a few opportunity entrepreneurs but most of these are foreigners especially in Sierra Leone or those with political connections in both countries. From the literature review, Tshikuku (2001), stated that the weakness of African entrepreneurship is due to the absence of a dynamic and powerful class of indigenous entrepreneurs. Most entrepreneurial ventures of appreciable scale are established by non-Africans since African entrepreneurs are constantly being marginalized or subjugated. The flaws in the present entrepreneurship landscape which are common to most countries in the continent have been identified. There is a lack of sound policies for entrepreneurship. The implementation of existing policies though they focus mainly on SMEs is ineffective.

The frameworks developed from the findings would be a starting point for the improvement of the entrepreneurial landscape of countries. This is due to the fact that despite the marked differences between the two countries (Nigeria and Sierra Leone), there are basic pillars that are common to both countries with regards to fostering productive entrepreneurship. It is assumed that this applies to other countries as well.

The relationship between policy and entrepreneurship activities varies across countries. Two policies are critical for promoting entrepreneurial economic growth: to prevent diversion of talent and capital towards unproductive entrepreneurship activities and foster opportunities for grassroots entrepreneurship to protect local inputs, which are vulnerable to monopolization according to Dutz, Ordover and Willig (2000). These suggestions are embedded in the frameworks that have been developed. From the findings, it is evident that government should lay emphasis on policies that facilitates the transition from entrepreneurship in the informal sector to the formal sector.

Governments' policy should not be too harsh for unsuccessful entrepreneurs in order to encourage risk taking and reduce the stigma of failure (Sheriff and Muffatto, 2014a).

Unraveling the complexity of entrepreneurship ecosystems in countries is of considerable practical as well as theoretical interest. From the findings, it is evident that the mapping of the ecosystems is a dynamic process that needs to be continually improved as and when necessary due to the presence of independent endogenous and exogenous factors. Discrepancies between objectives and outcomes of entrepreneurship ecosystems may be expected due to these factors. For sustainable entrepreneurial economic growth to be achieved, the following pillars are necessary and should always be present. The frameworks of the entrepreneurship policies and entrepreneurship ecosystems discussed in section 2.6.2 and section 2.6.3, contain these pillars supported by the general comment of the respondents in both countries (refer to Table 5.52 and Table 5.69 ).

- Conducive Entrepreneurship Environment
- Favorable Policies for Entrepreneurs and the Entrepreneurship Environment
- Productive and High Growth Entrepreneurs
- Effective Entrepreneurship Ecosystems

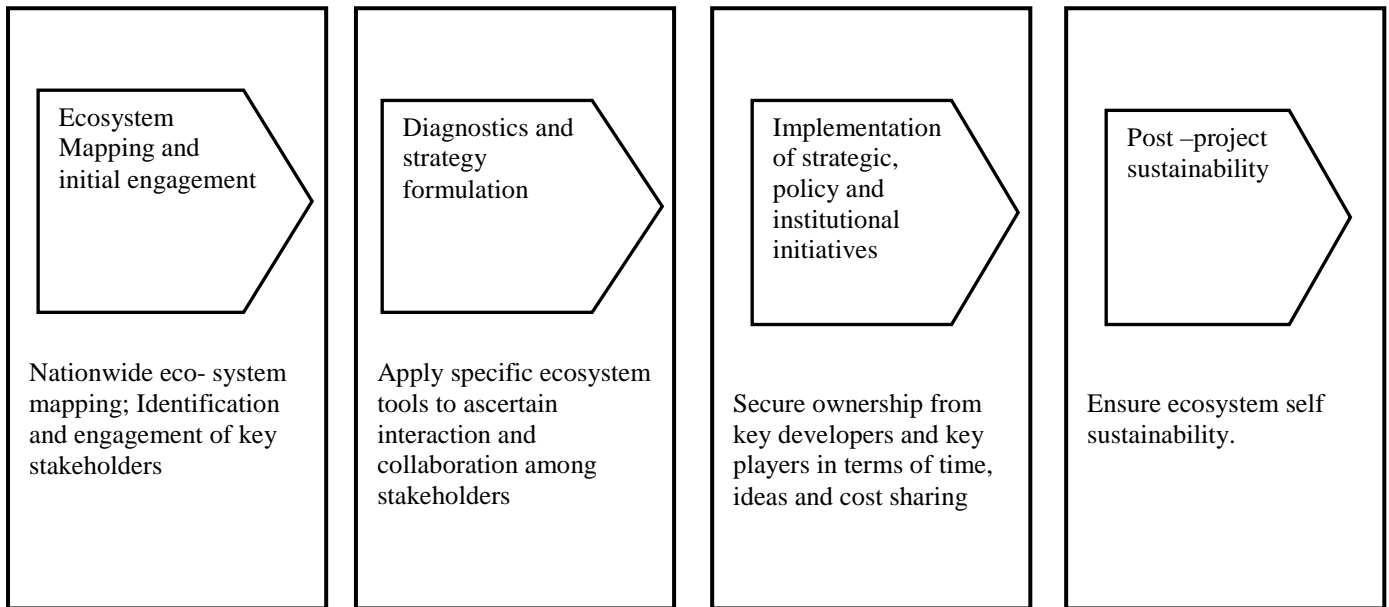
Although the presence of these pillars is not a sufficient condition as there are other aspects that are beyond the entrepreneurial landscape that influence economic growth.

To address the challenges of cultivating and strengthening entrepreneurship ecosystems, it is necessary to develop initiatives, strategies, instruments and pilot projects which will facilitate meaningful dialogue and assist key developers and players to acquire preliminary knowledge on how to face the challenges. One of the approaches is that developed by the World Bank for clusters initiatives which is adapted for this study. This is shown in Figure 5.32. The process is made up of four stages. A project of this nature will help policymakers, practitioners and researchers to gain a



profound knowledge on the creation of entrepreneurship ecosystems, their functioning and self sustainability (Sheriff and Muffatto, 2014b)

Figure 5. 32 A broad process to develop entrepreneurship ecosystems initiatives



Source: Adapted from A Practical Guide and Policy Implications for Developing Cluster Initiatives (World Bank, 2009)

## 5.8 Conclusion

In this chapter, the analyses of the data have been carried out and the results have been shown. The findings have been used to develop policies for entrepreneurs and the entrepreneurship environment. The findings have also been used to map an ideal entrepreneurship ecosystem which if implemented effectively may help to usher in sustainable entrepreneurial economic growth. In the next chapter which is the final chapter of this study, the conclusions are presented together with the limitations and areas for further investigation.

## Chapter 6

### Conclusions, Implications and Limitations

*“The more original a discovery, the more obvious it seems afterwards.”*

**Arthur Koestler (1905 -1983)**

#### 6.1 Introduction

This chapter presents the conclusions of the study taking into consideration the research problem. The theoretical and practical implications of the study are also presented. The limitations of the study which show the frontiers within which the research was conducted are explained. The need for further or detailed research and the domains for such research are stated.

#### 6.2 Conclusions about the research problem

Recalling the research problem (purpose) which stated that: *Limited research is available on entrepreneurship policies and ecosystems for countries in Africa that could be useful to policymakers and practitioners in fostering sustainable entrepreneurial economic growth.* In this work, the research questions have been answered by introducing frameworks for policies and entrepreneurship ecosystems and highlight the interactions between components or pillars.

Interlinking the findings of this study and the extant literature has increased the availability of research with regards to entrepreneurship in Africa. The findings offer important benefits to policymakers when formulating policies. To develop the frameworks, all the suggestions made by the respondents in this study have been considered. The frameworks are unique to the countries that were selected for the study but can be adopted and adapted to a variety of countries within the continent. This is theoretically possible since the two countries are at the top and bottom of the spectrum that indicates the National Entrepreneurship Systems of countries as measured by the Global Entrepreneurship Development Index (GEDI) and the GDP indicated by the World Bank Development Indicators of 2014 illustrated in Table 4.1. According to Acs et al. (2013), National

Systems of Entrepreneurship are a dynamic interaction between entrepreneurial attitudes, abilities and aspirations with the entrepreneurial processes within their institutional contexts taking into consideration the multifaceted and multi levels of the phenomenon.

### **6.3 Validity of the Research**

This study is exploratory in nature and the aim is to investigate the national entrepreneurship systems of countries to understand which factors are essential to entrepreneurial economic growth. The findings describe the key factors in the countries selected. The samples that have been used are purposive and they facilitated the gathering of many diverse opinions and suggestions to enhance the development of the frameworks. The choice of the sample is also due to the fact that entrepreneurs are a statistical minority in the population of nations.

To ensure the validity of the research, different methods have been used such as close-ended and open-ended questionnaires and semi structured interviews. The respondents were chosen from different categories which include entrepreneurs, the adult population and stakeholders and the findings have been compared to international reports and indices. All these measures were taken in order to enhance the credibility of my conclusions.

As the motivation of the research is not influenced by external factors such as to get published, receive funding, gain recognition or career advancement, the researcher's potential bias was reduced significantly. Secondly, the research was conducted with no certain conclusions in mind as this was an exploratory study which did not assume cause and effect relationships so there was no room for the manipulation whether unintentionally or unconsciously of the results taking into account the integrity of the researcher.

### **6.4 Implications for theory**

This stream of research has provided findings that are salient to researchers, policymakers and governments that wish to improve entrepreneurship activities in their countries. Recalling the theories that have been used in this study from section 2.5.1 which are as follows:

- New Ecological Perspective Theory (Ecosystems and ecological succession)
- Network Theory (Social networks and social capital)
- Institutional Theory (Regulative, Cognitive and Normative)

These theories are essential in the development of the foundation of a theory on the subject of this research. The model of the entrepreneurial economy which is described in section 2.6.4 taking into consideration the underlying forces, the external environment, the functioning of firms and government policy could also be useful in the development of such a theory. A careful examination on the importance and uniqueness of the issues in this study and the research phenomenon of this study *Sustainable entrepreneurial economic growth* shows that the phenomenon is not yet very well understood and still emerging. This is echoed by Audretsch, Keilbach and Lehmann (2006) and Thurik (2009). There is therefore a need to propose a theory that will address how the core components of this research are linked.

According to Zahra (2007) theory development and testing are important to entrepreneurship as a field of study since it propels the evolution of scholarship even though it involves a process of creativity and imagination.

This work supports the foundation for the development of a theory that links sustainable entrepreneurial economic growth to the dimensions of the entrepreneurship environments, entrepreneurship ecosystems and entrepreneurship policies. Such a theory will mirror the institutional theory linked to the regulative, cognitive and normative dimensions. The proposed foundation of such a theory assumes that

***Sustainable entrepreneurial economic growth depends on the entrepreneurship environments, entrepreneurship ecosystems, and entrepreneurship policies in the presence of high growth entrepreneurs.***

The following hypotheses which emerged from the findings of the study can be to test the proposed theory in future studies.

***Hypothesis 1: Favorable policies for entrepreneurs will increase the number of productive entrepreneurs in a country.***

The assumption is that if the policies are favorable, the tendency for entrepreneurs to engage in negative entrepreneurial activities is reduced greatly. Individuals would not be afraid to venture into entrepreneurship.

***Hypothesis 2: Conducive entrepreneurship environments will increase the rate of transition of entrepreneurs from the informal to the formal sector.***

Conducive environments are expected to lure in entrepreneurs into the formal sector, as the constraints and obstacles posed by the environment might have been drastically reduced.

***Hypothesis 3: Entrepreneurial economic growth will increase significantly with improved entrepreneurship ecosystems.***

Self-sustaining entrepreneurship ecosystems will contribute positively to economic growth since entrepreneurs can navigate buoyantly in such systems and ensure that such a system does not collapse by contributing positively to the economy of the society.

Commentaries on the future direction of entrepreneurship research have come from several scholars depicting areas of consensus as well as areas of dissonance in certain aspects and different themes have been tackled which included the purpose, the theoretical perspective, the focus, the level of analysis, the methodology and the time frame (Davidsson, Low and Wright, 2001; Low and MacMillan, 1988). The entrepreneurship research domain, needs to examine failed attempts and also focus on behavior in order to demonstrate entrepreneurial success (Davidsson, Low and Wright, 2001). Also, whilst the outcomes at the micro level are pertinent to the teaching of entrepreneurship as a subject, in the research domain, there is a need to address the societal level outcomes because of its importance to policymakers (Davidsson, Low and Wright, 2001). In this same vein, there are recommendations that entrepreneurship research should combine the dimensions of the scholarly domain and the societal phenomenon to successfully contextualize the field and the phenomenon (Welter, 2011). The relation between entrepreneurship and

macroeconomic outcome is under-represented in research which is not only troubling but also reflects the theoretical hurdles of incorporating entrepreneurship into mainstream economic theories (Baumol, 1968, Casson, 1982; Carlsson et al., 2012). Davidsson, Low and Wright (2001) buttressed the fact that there is a need for entrepreneurship as a research domain to address societal level outcomes as it will help policymakers in the formulation of entrepreneurship policies and Davidsson's (2003) distinction between entrepreneurship as a societal phenomenon and as a scholarly domain, requires research that combines both dimensions for a better contextualization of the phenomenon and the field. Works that will contribute meaningfully to entrepreneurship research according to Amit et al (1993), are studies that use new interdisciplinary approaches as such approaches which involve various aspects taken from multiple perspectives.

The findings have shown that the entrepreneurship landscape in the countries selected for the study have some basic similarities but are diverse in many ways in terms of the entrepreneurial intentions and orientations, stakeholders, socio-economic, socio-religious and socio-political aspects with regards to entrepreneurship. A one cap fits all description of entrepreneurship for these countries is therefore a misguided approach. Entrepreneurship policies are virtually non-existent, what exists are outdated policies for SMEs which are unfavorable to entrepreneurs although they are pivotal in entrepreneurial economic growth. Entrepreneurs are also sidelined when formulating these policies. Notwithstanding the presence of some basic components of an entrepreneurship environment, additional components unearthed were the belief system and security issues and their effect on entrepreneurial activities. The interactions of all the components identified are almost non-existent and as such, entrepreneurship ecosystems were neither evident nor being cultivated. The study has not only revealed the absence of pertinent entrepreneurship policies and entrepreneurship ecosystems, it has identified the main components and also developed frameworks for these policies and ecosystems. Such frameworks could enhance comparisons of entrepreneurial landscapes with other countries or regions.

Although necessity entrepreneurship is prevalent in both countries, not all the entrepreneurs are school dropouts or illiterates as most entrepreneurs interviewed possess some kind of tertiary education which dispels the common held view that entrepreneurs in Africa are not highly educated (Spring and Macdade, 1998). Another issue is that the growth in entrepreneurial activities is due mainly to the over saturation in the public sector and the downsizing or restructuring in the private sector and it is concentrated mainly in the informal sector which resonates with the premise that the motivation is not growth but survival and as a consequence, the contribution to economic growth is negligible (Berner, Gomez and Knorringa, 2008).

Research needs to move away from using models developed elsewhere and focus on nation specific strategies based on the country's strengths and weaknesses. National entrepreneurship systems and economic growth policies must be based on the underlying national research and not on global best practices. The findings of this work could be used as a starting point to understanding the drivers of entrepreneurial economic growth though the uniqueness of countries suggests that no umbrella solution exists for improving entrepreneurial economic growth. Researchers interested in investigating the impact of entrepreneurship ecosystem components (variables) on national entrepreneurship activities could find interesting and important information from this study.

## **6.5 Implications for practice**

The frameworks developed are country specific and they can become instrumental for countries that are seeking a way to growth and development through entrepreneurship. They can also be considered in broader contexts for the development of regional entrepreneurship programs (for example in the ECOWAS region, there is now the ECOWAS Power Pool similarly an ECOWAS entrepreneurship program can be established). The study has uncovered the performance of existing policies as shown in section 5.4.1.3 for Nigeria and in section 5.4.2.3 for Sierra Leone which will give insight to policymakers when refining existing policies or formulating new ones to avoid the pitfall of redesigning policies that will not succeed as Green et al (2007) presented examples of how

specific policies which have been recycled over time continue to fail. From the analysis, and the frameworks, the policies required for the two countries are very similar with the exception that Nigeria needs to concentrate more on policies with regards to security and governance and socio-political institutions whilst Sierra Leone needs to concentrate more on policies with regards to the change of the mindset of individuals towards entrepreneurship, socio-political and socio-cultural and governance. Practitioners such as entrepreneurs, those operating in the private sector, stakeholders and key developers could find the results useful in understanding entrepreneurship environments as a guide for the implementation of a collective impact approach for the creation of lasting solutions (Chisholm et al, 2014). The approach is explained in details in section 2.6.2. Such stakeholders and key developers include those identified in Table 5.21 for Nigeria and Table 5.32 for Sierra Leone.

International institutions and organizations could use the findings in describing or comparing the entrepreneurial activities, entrepreneurs, policies and ecosystems of countries and their relationship to economic growth. Though the number of programs directed at boosting entrepreneurship has increased rapidly, research is lagging behind (Policy Dialogue on Entrepreneurship, 2013). This work is an attempt in reducing this gap. A need for a global entrepreneurship research network has been expressed by different global institutions. Such a network will gain extensively from this work. Some of the aims of the network are to translate research into policy actions and generate lessons and insights for entrepreneurs, strategies and programs (Policy Dialogue on Entrepreneurship, 2013).

The United Nations in the 67th Session of the United Nations General Assembly, conveyed a high level thematic debate that discussed the promotion of entrepreneurship in the context of sustainable development and poverty eradication at the National, Regional and International levels (UN General Assembly, 2013). The debate advocated for a multi-stakeholder approach to promoting entrepreneurship. The findings of this study are compatible and will be an important contribution to such an approach.



## 6.6 Limitations

Although the findings show many implications, the study has typical survey limitations which are mentioned here because of their importance. Since the researcher is residing in Italy, it was difficult to conduct research in Africa due to the ICT infrastructure deficit in the continent which would have permitted virtual surveys and interviews. The absence of comprehensive databases for entrepreneurs compounded the problem.

The cost of conducting the research with the researcher present in the countries was very high, the interest manifested and travelling requirements, limited the number of countries and the number of respondents in the samples. Both countries are in West Africa. The difficulties in travelling within the countries coupled with insecurity restricted the research in just a few regions and these are Lagos, Ibadan and Port Harcourt in Nigeria and Freetown, Bo and Makeni in Sierra Leone. The difficulties encountered in collecting the data include

- Lack of cooperation from some respondents
- Appointments not being honored
- Interrupted participation of respondents
- Hostility of some respondents

The lack of support from the governments of the selected countries and the lukewarm reception from institutions dealing with entrepreneurship in the countries constrained the research. Notwithstanding the development of the frameworks, the research cannot be generalized to other countries without significant modifications.

## 6.7 Further research

Although entrepreneurship research has been broadened and deepened, there are still issues that need to be clarified (Zahra and Wright, 2011) for a creative reconstruction of the field. The scholars further asserted that future research should focus on what entrepreneurs do, rigorous process research and linking such research to the context of the entrepreneurial activities in order to improve the understanding of the interactions between new ventures and the ways such ventures create value for the entrepreneurs and society as a whole. Such research will not only enrich the field, but it will also provoke public policy debate. Entrepreneurship research has investigated the entrepreneurial activities in different populations but this is concentrated mainly in the developed and industrialized countries. Sufficient work has not yet been carried out in this direction (Bruton, Alstrom and Obloj, 2008) with regards to entrepreneurship in Africa.

Taking into consideration the positions of the scholars in the preceding paragraph, areas that need more attention and further research from this work are as follows:

- Replicate the research in other countries.
- Determine the overall effectiveness of the frameworks when implemented to identify areas that need to be refined or improved.
- Investigate the empirical validity of the frameworks by testing the new hypotheses
- Assess the causal complexity of entrepreneurship performance of countries after the implementation of the frameworks.
- Develop cause maps for sustainable and unsustainable entrepreneurial economic growth to visualize systematic propositions of relationships for a given country
- Explore under what conditions entrepreneurship ecosystems can combine the advantages (disadvantages) of natural and human resources to contribute to entrepreneurial economic growth.

- Examine how the implementation of entrepreneurship policies and ecosystems can contribute to the shift from a managed to an entrepreneurial economy.
- Investigate whether relationships among the entrepreneurship environment, the entrepreneurship policies and entrepreneurship ecosystems can manage to produce a win-win situation for entrepreneurs and society.

## **6.8 Conclusion**

In conclusion, this thesis is the culmination of four years of hard work and rough travel. A profound depth of knowledge about entrepreneurship in Africa has been acquired. It is apparent from the process of developing the thesis that my journey in researching entrepreneurship in Africa has just started. In general, the two main factors that have been identified as having hindered the progress of entrepreneurship in Africa are; the entrepreneurship policies and the entrepreneurship environment. In this work, the present state of these two factors have been investigated and frameworks have been developed that if and when implemented will improve the entrepreneurship situation in countries especially in Africa. Areas for further research which should help address the gaps which have been identified have been presented. This work has not only whetted the interest of the researcher in entrepreneurship research in Africa, it has also contributed to the learning and professional growth of the researcher. It is hoped that this work will provide good reading and valuable information.

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## **APPENDICES**

### **APPENDIX A**

#### **ANALYTIC HIERARCHY PROCESS**

<b>COUNTRY</b>	<b>CODES</b>	<b>REGION</b>
Botswana	BW	South
South Africa	ZA	South
Namibia	NA	South
Egypt	EG	North
Ghana	GH	West
Zambia	ZM	South
Tanzania	TZ	East

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Uganda	UG	East
Kenya	KE	East
Rwanda	RW	Central
Cameroon	CM	Central
Nigeria	NG	West
Ethiopia	ET	East
Sierra Leone	SL	West
Zimbabwe	ZW	South

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## SUPER DECISION REPORT

Main menu for case studies\_Rating model.mod

- Outline
- Main Structures
- Report

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Outline for case studies\_Rating model.mod

- *case studies\_Rating model.mod Model*

alternatives follow:

- BW
- CM
- EG
- ET
- GH
- KE
- NA
- NG
- RW

- ZA
- TZ
- UG
- ZM
- ZW
- SL












Main structure of toplevel network  
 What follows a brief recap of this network.

If you would like to, you can [return to the main menu](#).

<b>Alternative(s) in it:</b>	<ul style="list-style-type: none"> <li>• BW</li> <li>• CM</li> <li>• EG</li> <li>• ET</li> <li>• GH</li> <li>• KE</li> <li>• NA</li> <li>• NG</li> <li>• RW</li> <li>• ZA</li> <li>• TZ</li> <li>• UG</li> <li>• ZM</li> <li>• ZW</li> <li>• SL</li> </ul>
<b>Network Type:</b>	Bottom level
<b>Formula:</b>	Not applicable
<b>Clusters/Nodes</b>	<ul style="list-style-type: none"> <li>• <b>1 Goal Cluster:</b> <i>Selection of eight countries for case studies in Africa</i> <ul style="list-style-type: none"> <li>○ <b>Goal Node:</b> <i>To select eight countries for a PhD research in Africa</i></li> </ul> </li> <li>• <b>2 Criteria Cluster:</b> <i>Criteria for selecting the countries</i> <ul style="list-style-type: none"> <li>○ <b>1 IIAG:</b> <i>Governance Index</i></li> <li>○ <b>2 HDI:</b> <i>Human Development</i></li> <li>○ <b>3 DBR:</b> <i>Doing Business</i></li> <li>○ <b>4 GCR:</b> <i>Global Competitiveness</i></li> <li>○ <b>5 LPI:</b> <i>Legatum Prosperity</i></li> <li>○ <b>6 EFR:</b> <i>Economic Freedom</i></li> </ul> </li> </ul>

This is a report for how alternatives fed up through the system to give us our synthesized values.  
[Return to main menu.](#)













### Alternative Rankings

Graphic	Alternatives	Total	Normal	Ideal	Ranking
	BW	0.1382	0.1382	1.0000	1
	CM	0.0376	0.0376	0.2718	11
	EG	0.1100	0.1100	0.7962	4
	ET	0.0237	0.0237	0.1717	13
	GH	0.1008	0.1008	0.7296	5
	KE	0.0511	0.0511	0.3696	9
	NA	0.1216	0.1216	0.8799	3
	NG	0.0266	0.0266	0.1925	12
	RW	0.0445	0.0445	0.3220	10
	SL	0.0153	0.0153	0.1107	14
	TZ	0.0619	0.0619	0.4479	7
	UG	0.0539	0.0539	0.3904	8
	ZA	0.1348	0.1348	0.9754	2
	ZM	0.0662	0.0662	0.4792	6
	ZW	0.0138	0.0138	0.1002	15

### Ratings Information

This network is a bottom level network with ratings. So the alternatives for this network are found in the ratings system. The totals we get for the alternative priorities for this network come from the ratings system.

### Ratings Table

Graphic	Ratings Alternatives	Total	Ideal	Normal	Ranking
	BW	0.9783	1.0000	0.1382	1
	CM	0.2659	0.2718	0.0376	11
	EG	0.7789	0.7962	0.1100	4
	ET	0.1680	0.1717	0.0237	13
	GH	0.7138	0.7296	0.1008	5
	KE	0.3616	0.3696	0.0511	9
	NA	0.8608	0.8799	0.1216	3
	NG	0.1883	0.1925	0.0266	12
	RW	0.3150	0.3220	0.0445	10
	SL	0.1082	0.1107	0.0153	14
	TZ	0.4382	0.4479	0.0619	7
	UG	0.3819	0.3904	0.0539	8

	ZA	0.9542	0.9754	0.1348	2
	ZM	0.4688	0.4792	0.0662	6
	ZW	0.0980	0.1002	0.0138	15

### Countries Selected

Country	Region
Egypt	North
Morocco*	North
Botswana	South
Namibia	South
Kenya	East
Uganda	East
Rwanda	Central
Cameroon	Central
Nigeria	West
Sierra Leone	West

Note: \* Morocco though a French and Arabic speaking country was added to have two countries representing Northern Africa as stated in the inclusion criteria as the other countries in Northern Africa were in political and social turmoil during the selection process

## **APPENDIX B**

### **GENERAL QUESTIONNAIRE**

#### **UNIVERSITY OF PADUA**

#### **SUSTAINABLE ENTREPRENEURIAL ECONOMIC GROWTH IN AFRICA**

#### **GENERAL COUNTRY SURVEY QUESTIONNAIRE – 2013**

#### **ASSESSING THE ENTREPRENEURSHIP ENVIRONMENT AND POLICIES**

**The aim of this survey is to seek the opinions of the respondents regarding the formulation of an entrepreneurship policy for the country. Such a policy could be useful for the development of a national entrepreneurship ecosystem that could enhance sustainable entrepreneurial economic growth.**

**This questionnaire is composed of six sections and it should take only 30 minutes to complete the questionnaire. The sections are as follows;**

- SECTION 1 – Institutions**
- SECTION 2 – Finance**
- SECTION 3 – Infrastructure**
- SECTION 4 – Support**
- SECTION 5 – Policy**
- SECTION 6 - General**

**You have been identified because of your link with entrepreneurial activities in your country. Your valued participation will contribute significantly to the successful completion of the project and help inform the process of entrepreneurship policy development. Your anonymity is assured and the information received shall be treated confidentially. A summary of the research results and the final entrepreneurship ecosystem framework developed for the country will be made available at the end of the project.**

**Thank you.**

**SECTION 1: THE ROLE OF INSTITUTIONS FOR FOSTERING ENTREPRENEURSHIP**

Institutions are vital for fostering entrepreneurship since in general they provide stable and conducive conditions for entrepreneurial activities, but their role in developing countries still remains unclear. The essence of this section is to understand if the right institutional context to support entrepreneurship exists in the country.

**To what extent do you agree with the following statements regarding the situation in your country:**

<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly disagree</b>	<b>Not Applicable</b>	<b>No Knowledge</b>
<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>NA</b>	<b>NK</b>

	<b>Regulatory context</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>NA</b>	<b>NK</b>
RE1	Entrepreneurs cannot easily register a business							
RE2	Competition among businesses is fair							
RE3	Flexibility in taxation encourages entrepreneurs							
RE4	Bureaucratic delays are affecting entrepreneurs negatively							
RE5	Anti corruption policies will foster entrepreneurship							
RE6	Price is normally controlled by markets							
RE7	Legal business protection is not very effective							
	<b>Cultural &amp; Social context</b>							
CS1	Individuals view entrepreneurship as a career option							
CS2	There is a positive attitude to risk taking							
CS3	There is no fear of failure							
CS4	There is no stigma of failure							
CS5	The cultural attitude towards wealth creation is positive							
CS6	Successful entrepreneurs have a higher status in society							

CS7	The aspiration to become an entrepreneur is not high							
CS8	The society is more collectivist than individualist							
	<b>Educational</b>							
ED1	Mainstream entrepreneurship education should be introduced at all levels							
ED2	Effective entrepreneurship educators are not in abundance							
ED3	There are specialized entrepreneurship training institutions							
ED4	Apprenticeship schemes should include entrepreneurship education and skills							
ED5	The supply of entrepreneurship training is high							
ED6	The demand of entrepreneurship training is high							



## SECTION 2: FINANCIAL CAPITAL FOR ENTREPRENEURS AND NEW VENTURES

As finance is one of the obstacles in starting new ventures, the availability and accessibility of finance from the public and private sectors is very important and both will be assessed in this section.

### SECTION 2A: AVAILABILITY OF FINANCIAL SCHEMES

Entrepreneurs often find it very difficult to obtain finance. In this section, the focus is to assess the availability of different types of financial schemes both in the public and private sectors.

**How would you rate the degree of availability of the following financial schemes in your country:**

Readily available	Available	Neutral	Not readily available	Not available	Not Applicable	No Knowledge
5	4	3	2	1	NA	NK

	<b>Public Sources</b>	5	4	3	2	1	NA	NK
PU1	Government Investment Funds (eg. Central Banks)							
PU2	Credit Guarantee Funds (eg. State Banks)							
PU3	Pension Funds							
PU4	Bilateral Relations Financial Assistance (eg. DFID)							
	<b>Non Government Organizations</b>							
NGO1	International Non Governmental Organizations Funds (eg. Action Aid)							
NGO2	Non Governmental Organization Funds (eg. Community Based Organizations)							
NGO3	Donor Funds(eg. European Union)							
NGO4	Philanthropic Funds (eg. Venture Philanthropy)							
NGO5	Crowd Funding (open call essentially through the internet for financial resources either as a donation or in exchange for some kind of reward to support entrepreneurial ventures).							
	<b>Private Sources</b>							
PR1	International Bank Loans (eg. African Development Bank)							
PR2	National Bank Loans (eg. Commercial Banks)							
PR3	Micro Financial Institutions (eg. Grameen Bank)							
PR4	Venture Capital							
PR5	Business Angels							
PR6	Loans from relatives							
PR7	Loans from friends							
PR8	Money Lenders							
PR9	International Finance Institutions Funds (eg. International Finance Corporation)							
PR10	Foreign Direct Investment							
PR11	SME Stock Exchange							
PR12	Regional Blocks SME Funds (eg. ECOWAS)							

## SECTION 2B: ACCESSIBILITY TO THE FINANCIAL SCHEMES AVAILABLE

In this sub-section, the focus is to assess the accessibility of different types of financial schemes both in the public and private sectors.

**How would you rate the accessibility to the available financial schemes:**

Easily accessible	Accessible	Neutral	Not easily accessible	Not accessible	Not Applicable	No Knowledge
5	4	3	2	1	NA	NK

	<b>Public Sources</b>	5	4	3	2	1	NA	NK
PU1	Government Investment Funds (eg. Central Banks)							
PU2	Credit Guarantee Funds (eg. State Banks)							
PU3	Pension Funds							
PU4	Bilateral Relations Financial Assistance (eg. DFID)							
	<b>Non Government Organizations</b>							
NGO1	International Non Governmental Organizations Funds (eg. Action Aid)							
NGO2	Non Governmental Organization Funds (eg. Community Based Organizations)							
NGO3	Donor Funds(eg. European Union)							
NGO4	Philanthropic Funds (eg. Venture Philanthropy)							
NGO5	Crowd Funding (open call essentially through the internet for financial resources either as a donation or in exchange for some kind of reward to support entrepreneurial ventures).							
	<b>Private Sources</b>							
PR1	International Bank Loans (eg. African Development Bank)							
PR2	National Bank Loans (eg. Commercial Banks)							
PR3	Micro Financial Institutions (eg. Grameen Bank)							
PR4	Venture Capital							
PR5	Business Angels							
PR6	Loans from relatives							
PR7	Loans from friends							
PR8	Money Lenders							
PR9	International Finance Institutions Funds (eg. International Finance Corporation)							
PR10	Foreign Direct Investment							
PR11	SME Stock Exchange							
PR12	Regional Blocks SME Funds (eg. ECOWAS)							

### SECTION 3: INFRASTRUCTURE FOR THE ENTREPRENEURSHIP ENVIRONMENT

The infrastructure is one of the main pillars that support entrepreneurship in a country. This section will assess the state of the infrastructure and how it influences entrepreneurial activities.

#### SECTION 3A: STATE OF THE INFRASTRUCTURE

Physical Infrastructure is very capital intensive and because of the interrelated nature of infrastructure, entrepreneurship may be positively or negatively impacted by the state of the country's infrastructure. This section assesses the state of the infrastructure.

Please classify the state of the current infrastructure in your country

Excellent	Very good	Good	Poor	Very poor	Not Applicable	No Knowledge
5	4	3	2	1	NA	NK

	Physical Infrastructure	5	4	3	2	1	NA	NK
PI1	Urban roads							
PI2	Rural roads							
PI3	Railways							
PI4	Ports							
PI5	Affordable Business premises							
	<b>Commercial Infrastructure</b>							
CI1	Energy & Power production and distribution							
CI2	Logistics for transporting resources and products							
C13	Pipe borne water production and distribution							
	<b>Technological Infrastructure</b>							
TI1	Public centers of excellence for technological research							
TI2	Private centers of excellence for technological research							
TI3	Universities of excellence for technological research							
T14	Mechanisms to facilitate effective technology transfer							
	<b>Virtual Infrastructure</b>							
TR1	International trade networks (eg. Pan-Africa Trade Network)							
TR2	Regional Block trade networks(eg. ECOWAS Trade Network)							
TR3	Domestic trade networks (eg. Alternative Trade Network of Nigeria)							
	<b>Information &amp; Communications Infrastructure</b>							
IC1	Internet (Broad band)							
IC2	Mobile telephones							
IC3	Land telephones							
IC4	Information availability							
IC5	Information accessibility							
	<b>Financial Infrastructure</b>							
F1	Accounting standards							
F2	Auditing standards							
F3	Credit reporting schemes							
F4	Collateral and insolvency regimes							
F5	Payments and settlements systems							

## SECTION 3B: HOW DOES THE INFRASTRUCTURE FACILITATE ENTREPRENEURSHIP

Please describe the degree of influence of infrastructure in facilitating entrepreneurship in your country.

Please classify the degree of influence in terms of the following.

Very influential	Influential	Neutral	Slightly influential	Not influential	Not Applicable	No Knowledge
5	4	3	2	1	NA	NK

	Physical Infrastructure	5	4	3	2	1	NA	NK
PI1	Urban roads							
PI2	Rural roads							
PI3	Railways							
PI4	Ports							
PI5	Affordable Business premises							
	<b>Commercial Infrastructure</b>							
CI1	Energy & Power Production and Distribution							
CI2	Logistics for transporting resources and products							
CI3	Pipe borne water production and distribution							
	<b>Technological Infrastructure</b>							
TI1	Public centers of excellence for technological research							
TI2	Private centers of excellence for technological research							
TI3	Universities of excellence for technological research							
TI4	Mechanisms to facilitate effective technology transfer							
	<b>Virtual Infrastructure</b>							
TR1	International trade networks (eg. Pan-Africa Trade Network)							
TR2	Regional Block trade networks(eg. ECOWAS Trade Network)							
TR3	Domestic trade networks (eg. Alternative Trade Network of Nigeria)							
	<b>Information &amp; Communications Infrastructure</b>							
IC1	Internet (Broad band)							
IC2	Mobile communication							
IC3	Landlines							
IC4	Information availability							
IC5	Information accessibility							
	<b>Financial Infrastructure</b>							
F1	Accounting standards							
F2	Auditing standards							
F3	Credit reporting schemes							
F4	Collateral and insolvency regimes							
F5	Payments and settlements systems							

## SECTION 4: SUPPORT FOR ENTREPRENEURS AND NEW VENTURES

Support for entrepreneurship is the main foundation for building an entrepreneurial society. Two aspects are being investigated in this section; the availability and quality of support.

### SECTION 4A: THE AVAILABILITY OF SUPPORT

Entrepreneurship support plays an important role in creating a strong entrepreneurial environment. The support can take different forms such as Organizations, Professional bodies and Programs. This section rates the availability of support in your country.

**To what extent do you rate the availability of support for entrepreneurship in your country.**

Readily available	Available	Neutral	Not readily available	Unavailable	Not Applicable	No Knowledge
5	4	3	2	1	NA	NK

	<b>Organizations</b>	5	4	3	2	1	NA	NK
OR1	Chamber of Commerce							
OR2	Business Associations							
OR3	Non-Governmental Organizations							
OR4	Professional Associations							
OR5	Foundations (eg. World Wide Web Foundation: mobile entrepreneurship in Africa).							
OR6	Entrepreneur Cooperatives							
	<b>Consultancies</b>							
CO1	Legal							
CO2	Management							
CO3	Administrative							
CO4	Accounting							
CO5	Human Resources							
	<b>Programs</b>							
PO1	Entrepreneurship Development							
PO2	Market Development							
PO3	Network Development							
PO4	Securing Funds							
PO5	Building a pool of talents							
PO6	Empowerment							
PO7	Government procurement from entrepreneurs							

## SECTION 4B: THE QUALITY OF SUPPORT

In this section, the aim is to measure the quality of the available support in the country.

**In your opinion, how do you rate the quality of the available support to facilitate entrepreneurship:**

Excellent	Very good	Good	Poor	Very poor	Not Applicable	No Knowledge
5	4	3	2	1	NA	NK

	<b>Organizations</b>	5	4	3	2	1	NA	NK
OR1	Chamber of Commerce							
OR2	Business Associations							
OR3	Non-Governmental Organizations							
OR4	Professional Associations							
OR5	Foundations (eg. World Wide Web Foundation: mobile entrepreneurship in Africa).							
OR6	Entrepreneur Cooperatives							
	<b>Consultancies</b>							
CO1	Legal							
CO2	Management							
CO3	Administrative							
CO4	Accounting							
CO5	Human Resources							
	<b>Programs</b>							
PO1	Entrepreneurship Development							
PO2	Market Development							
PO3	Network Development							
PO4	Securing Funds							
PO5	Capacity Building							
PO6	Empowerment							
PO7	Government procurement from entrepreneurs							

## SECTION 5: POLICIES FOR THE PROMOTION OF ENTREPRENEURSHIP

The essence of this section is to focus on how the public policies of the country contribute to the stimulation and promotion of entrepreneurship.

To what extent do you agree with the following statements with regards to role of public policy in unleashing entrepreneurship in your country.

Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Not Applicable	No Knowledge
5	4	3	2	1	NA	NK

	<b>National entities</b>	5	4	3	2	1	NA	NK
ST1	A Ministry is needed for unleashing and supporting entrepreneurship in the country.							
ST2	A National Commission is adequate on its own to support and promote entrepreneurship.							
ST3	The present entities in the country are not sufficient for the promotion of entrepreneurship (eg. SME department in the Ministry of Trade and Industry).							
	<b>Policies</b>							
PL1	An entrepreneurship policy is necessary to unleash entrepreneurship.							
PL2	Entrepreneurship policy needs to be embedded in the SME Policy.							
PL3	Entrepreneurship policy needs to be embedded in Industrial Policy.							
PL4	Entrepreneurship policy needs to be embedded in Private Sector Policy.							
PL5	Plans are underway to formulate an Entrepreneurship Policy.							
	<b>Processes</b>							
PC1	A formal Entrepreneurship Policy development process is not in place.							
PC2	Policies are focusing more on transforming entrepreneurs from the informal to the formal sector.							
PC3	Current policies are not focused on encouraging productive entrepreneurship.							
PC4	Policies are geared towards the creation of a conducive environment for entrepreneurship.							
PC5	Policies should focus on increasing the supply of potential entrepreneurs.							
PC6	The creation of an entrepreneurial society is one of the major concerns of government.							
PC7	Government is seeking external assistance for the formulation of entrepreneurship policies							

<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly disagree</b>	<b>Not Applicable</b>	<b>No Knowledge</b>
<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>NA</b>	<b>NK</b>

	<b>Processes continued</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>NA</b>	<b>NK</b>
PC8	High growth entrepreneurship is not the main aim of the policy.							
PC9	Diversification of the economy can be achieved through high growth entrepreneurship policies.							
PC10	Entrepreneurship policy will unleash entrepreneurial economic growth.							
PC11	There exists a very effective, transparent and reciprocal State and Business relationship.							
	<b>Stakeholders in Entrepreneurship Promotion</b>							
AC1	Politicians contribute positively to entrepreneurship promotion.							
AC2	Public leaders advocate the fostering of entrepreneurship.							
AC3	All entrepreneurship promotion stakeholders are involved in the formulation of entrepreneurship policy.							
AC4	Educational institutions are playing a significant role in promoting entrepreneurship.							
AC5	International agencies operating in the country are contributing to the promotion of entrepreneurship.							
AC6	Non Governmental Organizations are participating in the promotion of entrepreneurship.							



## SECTION 6: GENERAL

Taking into account all the previous sections, please give a general assessment of the state of the entrepreneurship environment in your country.

**Please comment on the present state of the entrepreneurship environment in your country with regards to the following:**

GE1	Strengths of the entrepreneurship environment.	
GE2	Weaknesses of the entrepreneurship environment.	
GE3	Opportunities for improving the entrepreneurship environment.	
GE4	What are the common obstacles encountered when improving the entrepreneurship environment ?	
GE5	What constraints do you observe that restrict the improvement of the entrepreneurship environment?	
GE6	What are the principal successes of public policies towards entrepreneurship?	
GE7	What are the principal failures if any of entrepreneurship policies?	

**Please outline your Key suggestions for the improvement of the entrepreneurship environment in your country:**

GE8	<b>Suggestions:</b>
-----	---------------------

**GE 9: Please select from the list below the category that you belong to.  
(Position= CEO, Manager, Director, Professor, Student, Entrepreneur)**

Category	Position
Private Sector: Large Enterprises	
Private Sector: SMEs	
Public Administration	
Academia	
Government	
Non-Government	
Unemployed	
Other, please specify	

**GE10: Please give the following information with regards to yourself**

Age	
Gender	
Geographical location	
Any other information	

**GE11: Please check the country in which you are residing**

<b>GHANA</b>		<b>NIGERIA</b>		<b>SIERRA LEONE</b>	
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The researcher, on behalf of the University of Padua would like to thank you for your collaboration and will send you a copy of the report. To facilitate this, please provide some contact information. Please be advised that all personal information will remain confidential.

**OPTIONAL**

**Name:**

.....

**Address:**

.....

**Telephone:**

.....

**E-mail:**

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<b>Respondent ID</b>	
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## APPENDIX C

### ENTREPRENEURS QUESTIONNAIRE

#### UNIVERSITY OF PADUA

#### SUSTAINABLE ENTREPRENEURIAL ECONOMIC GROWTH IN AFRICA

#### COUNTRY SURVEY QUESTIONNAIRE FOR ENTREPRENEURS - 2013 ASSESSING THE IMPACT OF THE ENTREPRENEURSHIP ENVIRONMENT ON ENTREPRENEURS

The aim of this survey is for the respondents to give an account of the impact of the entrepreneurship environment on their activities to enhance evaluation of such environments. The findings could be useful to policymakers in identifying the constraints entrepreneurs face. This might contribute to the design of appropriate policy measures to improve the environment.

This questionnaire is composed of three sections and it should take only 20 minutes to complete the questionnaire. The sections are as follows;

- SECTION 1 – Entrepreneurs
- SECTION 2 – Enterprises
- SECTION 3 – The impact of the entrepreneurship environment

You have been identified because of your entrepreneurial activities in your country. Your valued participation will contribute significantly to the successful completion of the project and help inform the process of improving the entrepreneurship environment. Your anonymity is assured and the information received shall be treated confidentially.

A summary of the findings and recommendations for improving the entrepreneurship environment in your country will be made available at the end of the project should you be interested in receiving it.

Thank you.

## SECTION 1: ENTREPRENEURS

In this section, we seek to understand your entrepreneurship profile. The aim is to develop quantifiable statistics about entrepreneurs in the country from the sample.

		<b>ENTREPRENEUR</b>						
ENTR 1	Age							
ENTR 2	Gender							
ENTR 3	Educational background							
ENTR 4	Marital status							
ENTR 5	No. of immediate Family members							
ENTR 6	What motivated you to become an entrepreneur?							
ENTR 7	How many ventures have you started that are not above 3.5 years old for up to six ventures?	<b>Total no. of ventures (V)</b>						
		<b>Ventures</b>	<b>V1</b>	<b>V2</b>	<b>V3</b>	<b>V4</b>	<b>V5</b>	<b>V6</b>
		<b>Age</b>						
ENTR 8	In which sector(s) are the ventures operating for up to six ventures?	<b>Ventures (V)</b>	<b>V1</b>	<b>V2</b>	<b>V3</b>	<b>V4</b>	<b>V5</b>	<b>V6</b>
		<b>Sectors</b>						
ENTR 9	Which of these ventures is your main venture?	<b>Ventures (V)</b>	<b>V1</b>	<b>V2</b>	<b>V3</b>	<b>V4</b>	<b>V5</b>	<b>V6</b>
		<b>Main Venture</b>						
ENTR 10	Do you own any of these ventures simultaneously?	<b>YES</b>	<b>IF YES, Which ones:</b>					
		<b>NO</b>						
ENTR 11	Do you still own all of these ventures?	<b>YES</b>	<b>IF NO, Which ones are</b>			<b>Closed</b>	<b>Sold</b>	<b>Passed on</b>
		<b>NO</b>						
ENTR 12	How would you rate your successes in wealth generation as an entrepreneur?	<b>Extremely successful</b>	<b>Very Successful</b>	<b>Successful</b>	<b>Fairly successful</b>	<b>Unsuccessful</b>		
ENTR	Have you	<b>YES</b>					<b>NO</b>	

13	inherited any enterprise?	<b>If, Yes, How many?</b>				
		<b>From whom?</b>				
ENTR 14	Is your immediate family participating fully in the enterprise activities?	<b>YES</b>			<b>NO</b>	
		<b>If Yes, How many?</b>				
		<b>Who?</b>				
ENTR 15	In which part of the country are you located?	<b>State/Region/Province</b>	<b>City/Town/Village</b>			
ENTR 16	Have you migrated from another part of the country?	<b>YES</b>	<b>NO</b>			
		<b>From where?</b>				
ENTR 17	Do you agree that the entrepreneurship environment is conducive?	<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly disagree</b>
ENTR 18	Which constraints have you encountered from the entrepreneurship environment? (eg. Legal business protection).					
ENTR 19	Any other comments?					

## SECTION 2: ENTERPRISES

The profile of the enterprise chosen in section 1 as the main enterprise is being assessed in this section. Such an assessment will help in understanding the business sectors where entrepreneurs mainly operate and why.

		ENTERPRISE					Comments
ENTE1	No. of employees						
ENTE2	Business Sector of the Enterprise						
ENTE3	Why did you decide to operate in this sector?						
ENTE4	Location of the enterprise.						
ENTE5	Category of the enterprise.	<b>Goods</b>	<b>Services</b>		<b>Both</b>		
ENTE6	How successful has the enterprise been in terms of ?	<b>Making profit</b>			<b>Expansion of the business</b>		
ENTE7	What are your intentions with regards to the future of the enterprise? Please tick.	<b>Hold and maintain</b>					
		<b>Grow and expand</b>					
		<b>Harvest and sell</b>					
		<b>Go public</b>					
ENTE8	How has the entrepreneurship environment influenced the success of your enterprise?	<b>Extremely influential</b>	<b>Very Influential</b>	<b>Influential</b>	<b>Fairly influential</b>	<b>Not influential</b>	
ENTE9	What constraints is the enterprise facing with regards to the entrepreneurship environment at different stages? Please give brief details.	<b>Planning</b>					
		<b>Launching</b>					
		<b>Operating</b>					
ENTE10	As an owner of enterprises, are you involved in the process of improving the	<b>YES</b>			<b>NO</b>		
		<b>How?</b>					

	entrepreneurship environment? (eg. Consultative meetings with policymakers)			
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### SECTION 3: THE IMPACT OF THE ENTREPRENEURSHIP ENVIRONMENT

In this section, the focus is to evaluate the impact of the components that constitute the entrepreneurship environment on the activities of entrepreneurs in the country.

**How would you rate the supportiveness of the entrepreneurship environment on your entrepreneurial activities with regards to aspects listed below.**

Very supportive	Supportive	Neutral	Unsupportive	Very unsupportive	Not Applicable	No Knowledge
5	4	3	2	1	NA	NK

	<b>Capacity building</b>	5	4	3	2	1	NA	NK
CAP1	In the process of opportunity Identification							
CAP2	In the business planning process							
CAP3	For the acquisition of basic skills							
CAP4	For the acquisition of organizational Skills							
CAP5	For the acquisition of management Skills							
	<b>Finance for ventures</b>							
FIN1	Idea optimization stage							
FIN2	Early development stage							
FIN3	Venture launching stage							
FIN4	During early operations							
FIN5	For the expansion of the venture							
	<b>Suppliers</b>							
SUP1	Ensuring constant supplies							
SUP2	Ascertain supplier transparency							
SUP3	Control of transaction costs							
SUP4	Assure the quality of the supplies							
	<b>Launching a venture</b>							
EST1	Ease of starting a firm							
EST2	Ensuring the availability of appropriate premises							
EST3	Helping in lease/rent arrangements for premises							
EST4	Providing unconditional access to the pool of skilled workers							
EST5	Facilitating access to affordable and appropriate services/equipment							
EST6	Ease of closing a firm							
	<b>National rules and regulations for enterprises</b>							
REG1	Registering a firm							
REG2	Tax regime							
REG3	Competition rules							
REG4	Protection of property							



REG5	Access to relevant information							
REG6	Transparency of public officials							
REG7	Accountability of public officials							
REG8	Enforcement of contracts							
REG9	Economic freedom of entrepreneurs							
REG10	Legal protection of enterprises							

<b>Very supportive</b>	<b>Supportive</b>	<b>Neutral</b>	<b>Unsupportive</b>	<b>Very unsupportive</b>	<b>Not Applicable</b>	<b>No Knowledge</b>
<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>NA</b>	<b>NK</b>

	<b>Operations</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>NA</b>	<b>NK</b>
OPE1	Prevention of disruption of operations from external sources							
OPE2	Preventing illegal intrusions by authorities							
OPE3	Deterring corrupt practices							
OPE4	Ensuring access to essential services and utilities (eg. electricity, water, ICT)							
OPE5	Professional support							
OPE6	Logistical support							
OPE7	Boosting the work of networks							
OPE8	In the enhancing the operations of clusters							
OPE9	Access to relevant information							
OPE10	Reduction of information asymmetry							
	<b>Markets</b>							
MAR1	Facilitating access to national markets							
MAR2	Facilitating access to regional markets							
MAR3	Promoting imports and exports							
MAR4	Advocating for trade tariffs							
MAR5	Enable the creation of new markets							
	<b>Infrastructure</b>							
INF1	Physical Infrastructure							
INF2	Commercial Infrastructure							
INF3	Technological Infrastructure							
INF4	Virtual Infrastructure							
INF5	Information & Communication Infrastructure							
INF6	Financial Infrastructure							
	<b>Institutions</b>							
INS1	Political Institutions							
INS2	Social Institutions							
INS3	Cultural Institutions							
INS4	Educational Institutions							

Please outline your Key suggestions for the improvement of the entrepreneurship environment in your country:

<b>GES1</b>	<b>Suggestions:</b>
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The University of Padua would like to thank you for your collaboration and will send you a copy of the report. To facilitate this, please provide some contact information. Please be advised that all personal information will remain confidential.

**OPTIONAL**

**Name:**

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**Address:**

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**Telephone:**

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**E-mail:**

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 .....

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## **APPENDIX D**

### **INTERVIEW GUIDE**

#### **SUSTAINABLE ENTREPRENEURIAL ECONOMIC GROWTH IN AFRICA**

##### **Interview Guidelines**

###### **PART 1: General**

###### **A1: Definitions and Data**

- A1.1. What is your definition of entrepreneurship and who is an entrepreneur?
- A1.2. Do you note any difference between SME development and entrepreneurship development in your country? If so what are these differences?
- A1.3. What in your opinion is an Entrepreneurial Economy?
- A1.4. What are your perspectives on the contribution of entrepreneurship to the economic growth of your country?
- A1.5. Please comment on how entrepreneurship contributes to poverty alleviation in your country.
- A1.6. Does entrepreneurship contribute to the creation of jobs in your country? How?

###### **B1: Entrepreneurship culture, society and Mindset**

- B1.1. Do the citizenry consider entrepreneurship as a viable career choice? Please explain with some examples.
- B1.2. How would you describe the cultural attitude towards wealth creation and accumulation in your country ?
- B1.3. How would you describe the attitude of the society towards risk taking and failure?
- B1.4. Where would you place the culture of your country in terms of being a culture of consumerism or a culture of thrift? Why?
- B1.5. Does the society contribute in the nurturing of an entrepreneurial mindset in your country? Explain how?
- B1.6. Are the achievements of entrepreneurship celebrated in the society in your country? Explain How?
- B1.7. Would you say that the society in general is individualistic or collectivistic? Please explain.

### **C.1: National entrepreneurship system**

- C1.1 Does a national entrepreneurship system exist in the country? What is the structure of this system?
- C1.2 If there is no entrepreneurship ecosystem, do you think it is necessary to cultivate one? Why?
- C1.3 In your opinion, which are the key players and institutions in the national entrepreneurship system and who are the key developers of this system?
- C1.4 If you are to participate in cultivating entrepreneurship ecosystems, which key suggestions would you make?
- C1.5 Which stakeholders and institutions would you recommend to be included in the ecosystem?
- C1.6 In your opinion, do you think that all the stakeholders and institutions in an entrepreneurship ecosystem should have the same strength and importance? If not how would you classify them in terms of strength and importance?

### **D: Entrepreneurship Education and Training**

- D1.1 Do you think there is a high demand for entrepreneurship training and skills? If yes or no, why?
- D1.2 How would you describe the entrepreneurship education being offered at present in the country?
- D1.3 Do you think the government should do more in embedding entrepreneurship in Education? If yes or no, why?
- D1.4 Are there other stakeholders in the development of mainstream entrepreneurship education? Who are these?
- D1.5 In your opinion, how can the country develop a pool of effective entrepreneurship educators?

## **PART 2 National Stakeholders**

### **A2: Policies, Programs and Structure**

- A2.1 Is there a standalone entrepreneurship policy in your country? If yes, please explain. If no, which policy deals with entrepreneurship development in your country?
- A2.2 What is the structure in your government for identifying entrepreneurship-oriented policies and programs? Is there a separate ministry? Do several departments have responsibility? How is coordination managed?
- A2.3. What is the Entrepreneurship policy development process? Is there a formal process in place? Informal process? Ad hoc process?
- A2.4. Do you have specific policies and programs in place to encourage people to become entrepreneurs (or self-employed)? What are the major policy measures? What are the major policy objectives? What are the major program elements? What is the primary structure for delivering these policies and programs?
- A2.5. What in your opinion would be the ideal structure for developing and delivering the entrepreneurship agenda in the country ? What would be the key success indicators , based on your experience and knowledge?

### **B2: Governance for Entrepreneurship Development**

- B2.1. Does the government have a clearly stated strategic intent to promote entrepreneurial activities?
- B2.2. What are the most difficult challenges the government is facing in fostering entrepreneurship?
- B2.3. Is the government making adequate moves with regards to access to finance for entrepreneurs? If yes, how? If no, why?
- B2.4. How would you describe the present regulatory framework for entrepreneurs (registration, taxes, competition etc)?
- B2.5. What in your opinion are the constraints and obstacles that entrepreneurs face when dealing with public officials?

## **PART 3 Entrepreneurs**

### **A3: Entrepreneurship Focus**

- A3.1. How important is the creation of new businesses to the economy of the country as an entrepreneur?
- A3.2. Are you aware of how much government policy and program focus is on strengthening existing SMEs as opposed to encouraging people to become entrepreneurs and to start new businesses? If yes, which policies and programs? If no, why?
- A3.3. What are (what should be) the major elements of a policy orientation towards the development of an entrepreneurial society that you will suggest?
- A3.4. Are there any targeted programs to encourage entrepreneurship among particular sub-parts of the population (i.e. women, youth, the informal sector, the unemployed, etc.) that you know of? Please explain.
- A3.5. Where do you feel your country needs to place more emphasis in the future to stimulate more entrepreneurial activity?

### **B3. Institutions, Infrastructure and Support for Entrepreneurship**

- B3.1. How effective is the overall infrastructure in the country in supporting entrepreneurship?
- B3.2. Which institutions do you think are critical for promoting entrepreneurship?
- B3.3. Are Non Governmental Organizations involved in supporting entrepreneurship? If so which?
- B3.4. Are there enough professional bodies to provide the services required by entrepreneurs? Which are these bodies?
- B3.5. How would you describe the entrepreneurship networks in the country?

**PART 4      General comments**

**Any final comments?**

**APPENDIX E**  
**PUBLICATIONS**

The table below illustrates the papers submitted in conferences and journals during the course of the doctorate program.

<b>TITLE</b>	<b>CONFERENCE</b>	<b>JOURNAL</b>	<b>STATUS</b>
Evaluating and comparing national policies for enabling entrepreneurship in selected African countries	International Symposium on Entrepreneurship and Innovation 23 - 25 May 2012. Venice, Italy	In: Entrepreneurial Strategies and Policies for Economic Growth, Muffatto, M and Giacon, P (Eds) Edizioni Libreria universitaria, Padova, ISBN: 978-88-6292-266-1. (Conference Proceedings)	Published
Reviewing Existing Policies for unleashing and fostering entrepreneurship in selected African Countries.		Journal of Developmental Entrepreneurship, Vol 19, No. 3 (2014)	Published
The Present state of Entrepreneurship Ecosystems in selected countries in Africa		Africa Journal of Economic and Management Studies, Vol 6, Issue 1 (2014)	Accepted
Measuring Entrepreneurship Environments in Africa: Challenges in Using International Reports		International Journal of Entrepreneurship and Innovation Management	Accepted
Entrepreneurship and Lean Transformation in Nigeria.	Global Entrepreneurship Week Conference, Pan – African University November 2010 Lagos, Nigeria.	Enterprise Development Center Digest – Pan African University, Nigeria	Published



**ABSTRACTS OF PAPERS SUBMITTED TO INTERNATIONAL JOURNALS AND  
ACCEPTANCE LETTERS**

Journal of Developmental Entrepreneurship  
Vol. 19, No. 3 (2014) 1450016 (36 pages)  
© World Scientific Publishing Company  
DOI: [10.1142/S1084946714500162](https://doi.org/10.1142/S1084946714500162)



**REVIEWING EXISTING POLICIES FOR UNLEASHING  
AND FOSTERING ENTREPRENEURSHIP IN SELECTED  
AFRICAN COUNTRIES**

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Public Policies are vital for unleashing and fostering entrepreneurship in every society. This paper reviewed the national policies for the promotion and support of productive entrepreneurial activities aimed at enhancing the achievement of entrepreneurial economic growth in three countries in Africa. This is an explorative multiple case study that has used national and international documents and reports to examine the state and nature of the entrepreneurship policies in Kenya, Rwanda and Tanzania. The selected countries are all members of the East African Community. The findings revealed what has been accomplished and what challenges policymakers face in improving entrepreneurial performance. The comparison showed the major similarities and dissimilarities between countries and which countries are performing fairly well in specific policy areas. From the findings, an entrepreneurship policy framework was developed that takes into account the type and level of entrepreneurship being practiced. This could be useful to policymakers taking into consideration that entrepreneurship exists in the formal and informal sectors at the national level. At the regional level, the similarities of policies could be a starting point for a regional entrepreneurship policy because entrepreneurial economic growth of countries and regions is a strong indicator of successful entrepreneurship policies.

*Keywords:* Government; entrepreneurship policy; entrepreneurship; entrepreneurial economic growth; Africa.

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## Your article in Journal of Development Entrepreneurship Published

2 messaggi

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Qi Xiao <xqi@wspc.com>

01 ottobre 2014 05:21

A: Michael Sheriff <michael.sheriff@studenti.unipd.it>

Dear Michael,

Congratulations!

Your article is published in the September issue of Journal of Developmental Entrepreneurship (JDE) both in print and online!

As stated in the "submission guidelines", "the first-named author of each published article will receive the PDF version of the paper free-of-charge." Our sales colleagues will send you the article later. Please do remain patient, as they have to send out many articles each month, it may take longer than you expect.

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Best regards,

Qi Xiao (Mr.)

Editor

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The Present State of Entrepreneurship Ecosystems in selected countries in Africa

**ABSTRACT:**

Entrepreneurship ecosystems could be useful road maps for the formulation of entrepreneurship policies for countries in Africa. The 21<sup>st</sup>. century economic development agenda lay a lot of emphasis on the pivotal role that entrepreneurship plays in the growth of economies, job creation and poverty alleviation especially in Africa. But without the right entrepreneurial ecosystems to enhance the formulation of pertinent entrepreneurship policies, achieving entrepreneurial economic growth will be difficult. The existing frameworks for the development of entrepreneurship ecosystems are based on research that has been conducted elsewhere. Entrepreneurship research in Africa has rarely focused in understanding and evaluating the entrepreneurship ecosystems. In this paper, we have attempted to examine the present state of the entrepreneurship ecosystems in four countries (Botswana, Egypt, Ghana and Uganda) in Africa. Despite the fact that extant literature on the concept is limited, it has been reviewed to provide a picture of entrepreneurship ecosystems. Relevant national and international documents were also examined to evaluate the present state of entrepreneurship ecosystems in these countries. The findings from each of the countries though they depict a static situation, justify the proposition that entrepreneurs are omnipresent, it is only the entrepreneurship environment that accounts for the differences in entrepreneurial economic growth and the cross-countries comparisons shows the dissimilarities in national entrepreneurship environments. In conclusion, a broad process to develop entrepreneurship ecosystems initiatives is suggested alongside the crucial roles that governments and other stakeholders should play which implies that a National Entrepreneurship Mission might be necessary.

**Keywords:** entrepreneurship ecosystems; governments; entrepreneurship; Africa

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2 messaggi

edohof@lincolnu.edu <edohof@lincolnu.edu>

14 ottobre 2014 03:58

A: michael.sheriff@studenti.unipd.it, moreno.muffatto@unipd.it

14-Oct-2014

Dear Mr. Sheriff:

It is a pleasure to accept your manuscript entitled "The Present state of Entrepreneurship Ecosystems in selected countries in Africa." in its current form for publication in African Journal of Economic and Management Studies. The comments of the reviewer(s) who reviewed your manuscript are included at the foot of this letter.

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Yours Sincerely,

Prof. Felix M. Edoho  
Guest Editor, African Journal of Economic and Management Studies  
[edohof@lincolnu.edu](mailto:edohof@lincolnu.edu)

# **International Journal of Entrepreneurship and Innovation Management**

## **Measuring Entrepreneurship Environments in Africa: Challenges in Using**

### **International Reports**

#### **ABSTRACT:**

Entrepreneurial environments are significant for entrepreneurial activities. Investigating such environments is necessary because of their complexity and dynamism. This work attempted to analyze international datasets that measure entrepreneurship environments in Africa to identify the challenges faced when using these databases.

The datasets selected explored the different dimensions of the entrepreneurial environment. Combining these datasets provides a thorough coverage of entrepreneurship environments because of the wide spectrum of indicators. Instead, comparing these datasets will reveal their convergence and divergence. The major challenges are that not all countries are included in most of the datasets and the survey periods differ making it difficult to conduct longitudinal studies. The findings suggested ways and means by which such challenges could be mitigated so that scholars, practitioners and institutions could have improved and better entrepreneurship environments data in Africa.

**Keywords: Entrepreneurship environments, International reports and indices, Africa**