Edited by
Hakeem Adeniyi Ajonbadi · Susan Sisay · Seun Oladele

Exploring Entrepreneurship

Unpacking the Mosaic of Entrepreneurship across Africa

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A tribute to the limitless potential of Africa, a place of illimitable opportunities and boundless resilience

Preface

Entrepreneurship stands as a linchpin in propelling economic growth for nations, a beacon guiding the trajectory of future civilisations. Over time, its evolution from a peripheral element to a critical force in the economic development agenda is undeniable. However, the discourse surrounding entrepreneurship, particularly within the African context, remains comparatively limited, often confined to specific niches like social or digital entrepreneurship.

This book embarks on a journey to unravel the tapestry of entrepreneurship across Africa, embracing a broad approach that spans diverse themes and challenges. As this book unfolds, it unfolds a mosaic of experiences, perspectives, and themes that mirror the geographical diversity of Africa. Contributors, hailing from North, West, East, and Southern Africa, bring a wealth of academic backgrounds and professional experiences, enriching the narrative with a comprehensive exploration that transcends traditional boundaries. In terms of scope, the book covers several themes, from social entrepreneurship, faith-based entrepreneurship, entrepreneurial financing, gender, and youth entrepreneurship to entrepreneurial ecosystems in Africa. This broad coverage of themes is mediated by a focus on the emerging trends and challenges to entrepreneurship within the continent.

This book—"Exploring Entrepreneurship: Unpacking the Mosaic of Entrepreneurship across Africa"—aspires to be more than a collection of chapters. It aims to be a cohesive narrative, weaving historical perspectives, contemporary challenges, and future research agendas into the intricate story of entrepreneurship in Africa. Each section contributes an essential thread to this interconnected tale, showcasing entrepreneurship as a multifaceted, evolving, and resilient tapestry.

Our hope is that this book provides readers—whether scholars, policymakers, practitioners, or students—with a profound understanding of the complexities surrounding entrepreneurship in Africa. May it celebrate the vibrancy and potential of African entrepreneurial ecosystems, offering insights that inspire and inform future endeavours.

Doha, Qatar — Hakeem Adeniyi Ajonbadi
Staffordshire, UK — Susan Sisay
Iwo, Nigeria — Seun Oladele

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To all those who have played a role, big or small, in the creation of this work, we extend our deepest thanks. Your contributions have been essential in making this chapter a meaningful addition to the broader discourse on the subject.

Contents

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Introduction

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Entrepreneurship: Africa in the Global Landscape

The global economic landscape has been characterized by resilience and vulnerability, reflecting a delicate equilibrium shaped by various interconnected factors (UNCTAD, 2023). The aftermath of the 2008 global financial crisis marked a turning point (Dullien et al., 2010), influencing economic policies, trade dynamics, and the overall entrepreneurial

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environment across the globe (Wernli et al., 2023). Subsequent events, including the Eurozone crisis and geopolitical tensions, have added layers of complexity to this landscape (Costantini, 2020).

Against this backdrop, African entrepreneurship has navigated a terrain marked by contrasts. Africa, with its vast natural resources (Kshetri, 2011) and burgeoning population (Friederici et al., 2020), has been positioned as a continent of immense potential (Herrington & Coduras, 2019). However, this potential coexists with high levels of unemployment (Houngbonon et al., 2022; Sumaworo, 2023), economic inequality (Jones et al., 2018), and structural challenges (Oladele et al., 2022). These dynamics have exacerbated these issues and provided opportunities for innovative solutions (UNCTAD, 2023).

One significant factor impacting African entrepreneurship is the demographic landscape. Africa boasts of the youngest population globally, with approximately 60% of its 1.4 billion people under 25 years old (Signé, 2018; Sumaworo, 2023). While this demographic dividend presents an opportunity for a robust and dynamic workforce, it also poses challenges related to unemployment and the need for job creation (Atiase et al., 2018; Sumaworo, 2023). The global economic context, marked by uncertainties and disruptions, has intensified these challenges (AfDB, 2021).

The ongoing global economic crisis, triggered by events such as the COVID-19 pandemic, has further underscored the interconnectedness of economies (Tröster & Küblböck, 2020; African Development Bank, 2021; Wernli et al., 2023). The pandemic's far-reaching impacts have rippled through supply chains, disrupted trade, and prompted significant shifts in consumer behaviour (Moosavi et al., 2020; Tröster & Küblböck, 2020). Lockdowns, travel restrictions, and supply chain disruptions have posed immediate challenges for businesses, particularly small and medium enterprises (SMEs), forming the backbone of many African economies (Harvard University, 2020). African entrepreneurs have had to grapple with the dual challenge of adapting to the new normal imposed by the pandemic (UNCTAD, 2023) and addressing longstanding structural issues (Oladele et al., 2022).

The crisis has accelerated the adoption of digital technologies, transforming how businesses operate (AfDB, 2021). While this shift has opened avenues for digital entrepreneurship and e-commerce, it has also highlighted the digital divide, with disparities in access to technology across different regions (Ibn-Mohammed et al., 2020; Muhammad & Yusoff, 2023). Global economic trends, including changes in commodity prices and fluctuations in foreign exchange rates, have also reverberated across African economies (African Development Bank, 2021; Tröster & Küblböck, 2020). Countries heavily dependent on commodity exports have faced challenges due to price volatility (Oladosu & Oladele, 2020), impacting both government revenues and the economic stability of these nations (Tröster & Küblböck, 2020).

In response to these challenges, African entrepreneurs have demonstrated resilience and adaptability. Initiatives focused on social entrepreneurship, sustainable business practices, and leveraging digital technologies (Friederici et al., 2020; Ghodbane, 2016) have gained prominence. Governments and international organizations have recognized the importance of supporting entrepreneurship as a catalyst for economic recovery and inclusive growth (Audretsch et al., 2019; Isenberg, 2011).

Entrepreneurship in Africa: Historical Perspective

The history of entrepreneurship in Africa is a rich tapestry woven with diverse threads, reflecting the continent's resilience, creativity, and adaptability over centuries (Bassino et al., 2017; Kshetri, 2011). Historically, entrepreneurship in Africa predates colonialism and encompasses a wide array of economic activities shaped by the continent's cultural, social, and geographical diversity. Traditional African societies were characterized by vibrant trading networks, craft specialization, and agricultural practices (Elkan, 1988). The trans-Saharan trade routes, connecting North and West Africa, facilitated exchanges of goods, ideas, and cultures, fostering entrepreneurial endeavours (Onyekwena, 2012).

The impact of colonialism, which reached its zenith in the late nineteenth and early twentieth centuries, significantly shaped the trajectory of entrepreneurship in Africa (Akyeampong et al., 2005; Austin, 2010; Elkan, 1988; Kshetri, 2011). Colonizers exploited the continent's resources, extracting minerals, cash crops, and human labour. While colonial economies were designed to serve the interests of the colonizers (Austin, 2010), indigenous entrepreneurship persisted in various forms (Austin, 2008; Elkan, 1988). Post-independence, African nations faced the challenge of rebuilding their economies and institutions (Kshetri, 2011). The emergence of indigenous entrepreneurs played a pivotal role in this process. Visionary leaders across the continent recognized the importance of fostering local businesses to drive economic development through favourable policies promoting self-reliance and indigenous entrepreneurship (AfDB, 2021; Austin, 2010).

However, the economic landscape remained complex. Structural Adjustment Programs (SAP) imposed by international financial institutions in the late twentieth century mostly led to austerity measures and economic liberalization (Oladosu & Oladele, 2020). While these reforms aimed to stimulate economic growth, they also posed challenges for local entrepreneurs, particularly SMEs, due to increased competition and exposure to global market forces (Aryeetey et al., 2000; International Monetary Fund, 1999).

The turn of the twenty-first century witnessed a renewed focus on entrepreneurship as a catalyst for economic development (Ghodbane, 2016; Isenberg, 2011; Stam, 2015). African nations recognized the need to diversify their economies, harness innovation, and empower local businesses. Initiatives such as the New Partnership for Africa's Development (NEPAD) and the African Union's Agenda 2063 emphasized the role of entrepreneurship in achieving sustainable development goals. In recent decades, the digital revolution has reshaped entrepreneurship in Africa (Friederici et al., 2020). The widespread adoption of mobile technology has created opportunities for digital entrepreneurship, particularly in sectors like fintech, e-commerce, and mobile banking. Innovations such as mobile money have transformed financial inclusion, empowering entrepreneurs in previously underserved regions (Ghodbane, 2016; Houngbonon et al., 2022).

Despite these positive developments, entrepreneurs in Africa continue to grapple with challenges rooted in historical and contemporary factors. Access to finance remains a significant hurdle for many (Fal, 2013; Oladele and Oladele, 2016; Oladele et al., 2017), particularly women (Ojong et al., 2021) and those in rural areas (Boohene & Agyapong, 2017). Regulatory environments, infrastructure deficits, and political instability have continued to hinder entrepreneurial activities (Adisa et al., 2014; Atiase et al., 2018; Fal, 2013). In contrasts, social entrepreneurship has gained prominence as a response to societal challenges (Chukwuemeka, 2019; Fridhi, 2021). Entrepreneurs are increasingly seeking innovative solutions to address issues such as healthcare, education, and environmental sustainability (Arejiogbe et al., 2023). The emphasis on social impact reflects a broader shift towards holistic and sustainable approaches to entrepreneurship (Mair & Marti, 2006).

Policy Landscape Shaping Entrepreneurship in Africa

The policy landscape is a critical factor influencing entrepreneurship in Africa, shaping the environment in which businesses operate and determining the level of support or hindrance they encounter (Atiase et al., 2018). Government initiatives and regional agreements play a pivotal role in fostering entrepreneurship and economic development across the continent (ElGanainy et al., 2023). One of the landmark developments in recent years is the establishment of the African Continental Free Trade Area (AfCFTA) (Harvard University, 2020). Envisioned as a catalyst for economic integration, AfCFTA aims to create a single market for goods and services, facilitate the movement of people and capital, and foster intra-African trade. The agreement, which came into force in 2021, holds significant implications for entrepreneurship. AfCFTA presents a vast market opportunity for African entrepreneurs, enabling them to access a larger consumer base and expand their businesses across borders (AfDB, 2021). Eliminating tariffs and reducing non-tariff barriers under AfCFTA promote a more conducive environment for trade and entrepreneurship. Entrepreneurs can benefit from the harmonization of trade rules and the streamlining of customs procedures, enhancing the ease of doing business (AfDB, 2021).

However, challenges persist. Implementation gaps, infrastructure deficits, and varying regulatory frameworks among member states pose hurdles for entrepreneurs looking to capitalize on the potential of AfCFTA (AfDB, 2021). Governments play a crucial role in addressing these challenges through effective policy implementation, infrastructure development, and regulatory harmonization (Harvard University, 2020; ElGanainy et al., 2023).

Challenges and Opportunities

The policy landscape in Africa presents both challenges and opportunities for entrepreneurs. While supportive policies and regional agreements offer a conducive environment, effective implementation, infrastructure development, and regulatory harmonization are crucial for entrepreneurs to leverage these opportunities fully. The establishment of regional agreements, notably the African Continental Free Trade Area (AfCFTA), represents a monumental opportunity for entrepreneurs. AfCFTA, as the largest free trade area in the world, offers the potential to unlock immense entrepreneurial opportunities by providing access to a broader market, fostering economic integration, and stimulating cross-border trade (ElGanainy et al., 2023). The elimination of tariffs on 90% of goods and the reduction of non-tariff barriers create a more open and interconnected environment, promoting the movement of goods and services across African countries. This facilitates business expansion and encourages the growth of a more diversified and competitive entrepreneurial landscape (AfDB, 2021).

However, despite the promising opportunities, entrepreneurs face significant challenges in fully capitalizing on the potential benefits of supportive policies and regional agreements. Effective implementation of these policies becomes a critical factor. Entrepreneurs often encounter hurdles related to bureaucratic processes, delays in policy execution, and inconsistencies in regulatory frameworks across different countries. The success of AfCFTA and other supportive policies, thus, hinges on the ability of governments to streamline and harmonize regulations, creating a seamless and transparent business environment (ElGanainy et al., 2023). Regulatory harmonization is essential for entrepreneurs to navigate diverse markets without being impeded by complex and divergent legal frameworks (African Development Report, 2011).

Infrastructure development is another key aspect influencing the entrepreneurial landscape (Fal, 2013). While regional agreements aim to enhance connectivity, entrepreneurs still grapple with inadequate infrastructure, including transportation, energy, and digital infrastructure. Insufficient connectivity and logistical challenges can impede the smooth flow of goods and services, limiting the ability of entrepreneurs to operate efficiently and access markets beyond their immediate vicinity (Houngbonon et al., 2022).

Furthermore, the policy landscape must address the unique needs of different sectors and types of entrepreneurs. For instance, SMEs may require tailored policies that consider their specific challenges, such as limited access to financing and the need for capacity-building initiatives (Endeavor, 2020).

Government Initiatives and Entrepreneurial Support

Consequently, various initiatives and policies have been implemented to support and promote entrepreneurial activities (Kuada, 2015). Many African governments have established funds and financial institutions to provide capital and financial support to entrepreneurs, especially those in the SME sector. These initiatives aim to address the persistent challenge of limited access to finance, particularly for women (Ojong et al., 2021) and youth entrepreneurs (Sumaworo, 2023). Governments have set up incubators, accelerators, and innovation hubs to nurture startups and promote innovation (AfDB, 2021; Mukiza & Kansheba, 2020). These hubs provide entrepreneurs with access to mentorship, networking opportunities, and resources to scale their businesses.

Furthermore, governments are increasingly focused on creating an enabling regulatory environment for businesses. Simplifying business registration processes, reducing bureaucratic red tape, and streamlining regulatory requirements contribute to a more favourable climate for entrepreneurship (Donaldson, 2020). Finally, recognizing the importance of gender equality and youth empowerment, governments have initiated programmes specifically targeting women and youth entrepreneurs. These programmes include training, mentorship, and financial support to enhance their participation in economic activities.

Diversity of Contributors: Painting a Comprehensive Portrait

The book, "Exploring Entrepreneurship: Unpacking the Mosaic of Entrepreneurship across Africa," is a collaborative effort with diverse contributors, both in terms of authors and themes covered. Geographically spanning from North to South and East to West Africa, the chapters provide a comprehensive panorama of entrepreneurship on the continent. Authors with backgrounds in economics, finance, gender studies, social entrepreneurship, theology, and business management contribute varied perspectives. Including chapters dedicated to gender-based, faith-based, and youth entrepreneurship highlights a commitment to addressing diversity, and exploring themes such as social capital and sustainable entrepreneurship offers a holistic perspective.

Connecting Themes: Weaving a Cohesive Narrative

The interconnected mosaic of entrepreneurship emerges through a cohesive narrative that seamlessly weaves historical perspectives, contemporary challenges, and future research agendas. Cross-cutting themes, including regulatory environments and social capital, create a roadmap for readers, guiding them through the diverse yet interconnected exploration of entrepreneurship in Africa. From institutional challenges to gender-based and youth entrepreneurship, faith-based entrepreneurship, and broader trends and challenges, the book presents a nuanced understanding of the complexities surrounding entrepreneurship in Africa.

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Part I

Institutional Challenges

2

A Model to Measure the Impacts of Productive, Unproductive and Destructive Entrepreneurship on Economic Growth and Development in Africa

Muritala Awodun

Introduction

Searching through entrepreneurship literature, there is no consensus on what determines productive, unproductive and destructive entrepreneurship from a conceptual point of view. This is so because the art and science of entrepreneurship have both described the concept of entrepreneurship differently, and the perspective from which the concept is seen therefore depends on the perspective from which it is being considered (Hoselitz, 1960; Thierer & Mitchell, 2018). While some entrepreneurship activities make obvious contributions to economic output, many other entrepreneurship activities, such as rent-seeking, make absolutely no contributions or negative contributions to economic output (Davidsson, 2015; Davidsson & Wiklund, 2001; Murphy et al., 1993).

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In the context of the above, it is not surprising, therefore, to discover that very little work has been done to empirically assess productive, unproductive and destructive entrepreneurship, an attempt that this chapter will make by trying to create a model for measuring the impact of these categories of entrepreneurship on economic growth and development. Sauka (2008), drawing on Baumol's concepts of productive, unproductive and destructive entrepreneurship and contributions by other researchers, added to the entrepreneurship literature by developing a conceptual framework which allows operationalizing the concepts for empirical assessment through the use of data from longitudinal survey, which became one of the first attempts to address the concepts empirically.

Based on the contributions of several authors such as, Baumol (1990, 2003, 2006), Dallago (1997, 2000), Davidson and Ekelund (1994), Foss et al. (2007), and Davidsson (2016) to the development of these concepts, rent-seeking in the form of litigation, lobbying, takeovers, tax evasion and avoidance efforts as well as 'use of the legal system'; illegal and shadow activities, including drug dealing, prostitution, racketeering, blackmailing, black marketing, kidnapping; and various forms of corruption are often mentioned among unproductive or destructive entrepreneurship activities (Coyne et al., 2010).

On the other hand, job creation and innovativeness, when not arising from rent-seeking or any of the above negatives, are mainly associated with a 'productive value' on societal and economy levels (e.g., Baumol, 1990; Foss & Klein, 2012). Davidsson and Wiklund (2001) had emphasized that productive entrepreneurship is an "… essential factor of the economic performance of a country." The challenges in the conceptual framework, however, make empirical assessment of value creation rather ambitious.

To overcome some of these challenges, it is important that we attempt to define the concept of entrepreneurship and the entrepreneur. While doing that, we will also make an effort to define what we mean by productive, unproductive and destructive entrepreneurship, to enable us to agree on what those different categories stand for. Finally, what model to use in measuring entrepreneurship impacts, and how we intend to assess the impact of these different categories or descriptions of entrepreneurship or entrepreneurs on economic growth and development (in form of a model) would be the major contribution of this chapter to entrepreneurship literature.

Redefining the Entrepreneurship Concepts

Entrepreneurship, the broad concept of this work, on the one hand, has been described as the art or science of identifying opportunities, innovating and risk-taking, through resource organization, to add value and make profit (Awodun, 2018). So, the basic issues to check out for are; abilities to identify opportunities, innovate, take risk, organize resources, add value and make profit. On the other hand, further description of the concept has also seen entrepreneurship described as the quality or character of being an entrepreneur. Being entrepreneurial is, therefore, an expression or practice of these entrepreneurship characters or qualities (Thierer & Mitchell, 2018).

Put in a form that is based on the 'total man concept' of the body, spirit and soul, Awodun (2021) refers to the entrepreneur as, the person that entrepreneurially (as the soul is to the body) expresses or demonstrates or practices entrepreneurship (through the body) with entrepreneurialism (in agreement with the spirit). In other words, that person who entrepreneurially (the soul) expresses entrepreneurship (the body) with entrepreneurialism (the spirit) is an entrepreneur (the person) that sets up the enterprise (the business). Understanding who or what an entrepreneur is, could thus, be regarded as the beginning of our understanding of the other concepts emanating from it.

While it may appear that understanding who an entrepreneur is seems straightforward, the question is somehow, deceptively complex, because the term can be used in many different ways to describe a variety of individuals who engage in economic, political or even social activities (Awodun, 2021). Entrepreneurs affect almost every aspect of modern society. While most people probably have a general sense of what is meant when they hear the term entrepreneur, it can be difficult to, however, provide a single definition.

On the basis of the above, our holistic description using the "total man concept" permits us to look at the acts/nature of the entrepreneur (in the form of character and qualities), the purpose of the entrepreneur (in the form of vision and expected gain) and the contributions of the entrepreneur (in the form of value to the society). The above answers the basic questions of; Who is an entrepreneur? What does an entrepreneur do? Why does the entrepreneur do what he does?

The economists, the political scientists, the sociologists, the lawyers, the regulators, etc. have all seen entrepreneurship from diverse points of view, and these diverse perspectives will form the basis for the distinction of the productive, unproductive and destructive entrepreneurship as we will discover from our review of literature below.

Review of Literature for Conceptual Clarifications

The Economists' Perspective of Entrepreneurship

Starting with the Austrian economist, Joseph Schumpeter, who is commonly referred to as the father of entrepreneurship, he was of the opinion that the purpose of an entrepreneur is "to reform or revolutionize the pattern of production by exploiting an invention." Therefore, those we have come to refer to as the Schumpeterian Entrepreneurs are expected to be highly creative, disruptive innovators who challenge the status quo in order to bring about new economic opportunities. These are creative or innovative entrepreneurs, and their perspective would be termed creativity or innovation-driven entrepreneurship (Schumpeter, 1934, 1986).

On the part of the American economist, Israel Kirzner, on the other hand, viewed the defining characteristic of entrepreneurs as "alertness," and opportunity seeking. The Kirznerian Entrepreneurs are therefore those individuals that are able to identify the ways in which a market could be moved closer to its equilibrium, such as recognizing a gap in knowledge between different economic actors, or gaps in supply and demand for different products and markets. These are market or opportunity seeking entrepreneurs, which Kirzner referred to as Alert and Creative Entrepreneurs, and this perspective would be termed market or opportunity-driven entrepreneurship (Kirzner, 2009).

Since the time of these two great scholars (Schumpeter and Kirzner), who together have helped to lay the groundwork, of the perspectives of the economists, a number of George Mason University-affiliated scholars have made major contributions to our understanding of the concept of entrepreneurship. To mention a few in this category are Don Boudreaux, Jerry Ellig and Daniel Lin, and Virgil Storr, Stefanie Haeffele and Laura Grube, all of who have offered a merger of the entrepreneurship perspectives of the Schumpeterian and Kirznerian proponents, by showing the significant overlap between the two approaches (Boudreaux, 1994). Being creative or innovative as professed by Schumpeter and seeking for gaps or opportunities in markets as proclaimed by Kirzner are seen as positive and contributory, hence the submission that both could be referred to as value-driven entrepreneurship (Kirzner, 2009).

Under this new approach, the entrepreneurs are regarded as crucial to innovation, economic growth and societal change (Clark & Lee, 2006). They are considered as dynamic actors who respond to incentives and market signals. To this category of entrepreneurs, greater discovery and innovation are the benchmarks of dynamic competition, and not the driving down of price to marginal cost. Therefore, they could be seen as value-driven entrepreneurs, and their actions are recognized as value-driven entrepreneurship (Awodun, 2021).

Productive and Unproductive Entrepreneurship

The vital question that comes to mind at this point is whether all of these dynamic entrepreneurs are good for the society? Among modern economists and political scientists, there is a general consensus that Schumpeterian-Kirznerian entrepreneurs are individuals who either find or create value within society. Of recent, scholars have focused on applying those insights more broadly and developing a more robust way to categorize different types of entrepreneurial activities (Boudreaux, 1994).

This has led another American economist, William Baumol, to draw an important distinction between productive and unproductive entrepreneurs. He described productive entrepreneurs as people engaged in enterprising activities that generate value within society, such as the creation of new and innovative technologies. However, he also found that entrepreneurs could be unproductive if they did not create value, or could be actively harmful, if they destroyed value (Baumol, 1996, 2003).

"Indeed, at times the entrepreneur may even lead a parasitical existence that is actually damaging to the economy." Such are described as parasitic entrepreneurs. For Baumol, these entrepreneurs are not defined as individuals who develop new methods that create value, but rather are "persons who are ingenious and creative in finding ways that add to their own wealth, power, and prestige." So, we can deduce that there are, productive entrepreneurship, unproductive entrepreneurship that could be further distinguished as parasitic entrepreneurship and destructive entrepreneurship (McCaffrey, 2009, 2015; Minniti, 2008).

The basic hypothesis raised by Baumol (1996) is that, while the total supply of entrepreneurs varies among societies, the productive contribution of the society's entrepreneurial activities varies much more because of their allocation between productive activities such as innovation and largely unproductive activities such as rent-seeking or organized crime. This allocation is heavily influenced by the relative payoffs society offers to such activities. This implies that policy can influence the allocation of entrepreneurship more effectively than it can influence its supply.

Political Entrepreneurship: Parasitic or Destructive

An individual who is highly skilled at lobbying a particular governmental agency might be considered an entrepreneur, when measured by the criteria or characteristics of entrepreneurship, but that does not mean they are necessarily contributing value to the society, overall. Some scholars refer to this form of entrepreneurship as 'political entrepreneurship'. Some economists, namely; Peter Boettke and Christopher Coyne, define political entrepreneurs as, "individuals who operate in political institutions and who are alert to profit opportunities created by those institutions" (Boettke & Coyne, 2009; McCaffrey & Salerno, 2011).

Utah State University professors; Randy Simmons, Ryan Yonk and Diana Thomas observe how such entrepreneurs seek specific rewards or privileges from political institutions and interactions through "alertness to previously unnoticed rent-seeking opportunities." "Rent-seeking" is an economic concept where one person or group is able to derive certain benefits from a particular institutional arrangement without actually creating value for others (Simmons et al., 2011). The issue to note here is that these entrepreneurs are able to create benefits from their rent-seeking advantage, but they create no value to the society in the process. They make gains at the expense of the society.

Matthew Mitchell has documented the "long list of privileges that governments occasionally bestow upon particular firms or particular industries." He offers a taxonomy of the sort of privileges that political entrepreneurs seek, to include: "monopoly status, favorable regulations, subsidies, bailouts, loan guarantees, targeted tax breaks, protection from foreign competition, and noncompetitive contracts" Mitchell (2012).

All of these privileges could qualify as a form of Baumol's "unproductive entrepreneurship" or, in the extreme, what has been described as "destructive entrepreneurship" (Baumol, 1968). Desai et al. (2013) define destructive entrepreneurship as "wealth-destroying (such as the destruction of inputs for production activities)." Whereas unproductive entrepreneurship "seeks to redistribute from one individual to another individual," Boettke and Coyne (2009) note that "destructive entrepreneurship reduces the total surplus in an attempt by the entrepreneur to increase his own wealth" (Boettke & Piano, 2016). Outright theft and violent conflict over resources are examples of destructive entrepreneurship. When policymakers resort to reward political (destructive) entrepreneurs or political (unproductive) entrepreneurs, it has profound effects on the well-being of ordinary people and the entire nation (Desai & Acs, 2007).

Evasive and Regulatory Entrepreneurship

It is important to state that not all political entrepreneurs are necessarily using their gained privileges from government unproductively or destructively. Arguments have been raised for some entrepreneurs who are more interested in simply gaining greater freedom to innovate and benefit the society with their government privileges. Scholars have used the terms evasive entrepreneurs or regulatory entrepreneurs to describe such actors. Researchers like Niklas Elert and Magnus Henrekson have defined evasive entrepreneurship as "profit-driven business activity in the market aimed at circumventing the existing institutional framework by using innovations to exploit contradictions in that framework" (Elert & Henrekson, 2016).

Coyne and Leeson (2004) argue further that "evasive activities include the expenditure of resources and efforts in evading the legal system or in avoiding the unproductive activities of other agents." Regulatory entrepreneurs, according to legal scholars Elizabeth Pollman and Jordan Barry, are innovators who "are in the business of trying to change or shape the law" and are "strategically operating in a zone of questionable legality or breaking the law until they can (hopefully) change it" (Pollman & Barry, 2017). Evasive or regulatory entrepreneurs generally adopt a "permission-less innovation" approach to both business and political activities (Thierer, 2017).

Generally speaking, evasive and regulatory entrepreneurs are synonymous, although regulatory entrepreneurship implies a more active intent to change policy through entrepreneurial acts. Where evasive entrepreneurs claim to be ignorant of what the law says, regulatory entrepreneurs, on the other hand, understand how the law negatively affects their efforts and seek to change policy through their actions. However, both evasive and regulatory entrepreneurs are distinct from what economists Alexandre Padilla and Nicolas Cachanosky call indirectly productive entrepreneurs. They argue that regulation often creates unintended consequences which lead to new entrepreneurial opportunities. Indirectly productive entrepreneurs seize upon these opportunities by finding ways to mitigate the costs associated with specific regulations (Padilla & Cachanosky, 2016).

Unlike regulatory entrepreneurs, who desire to change policy, or evasive entrepreneurs, who seek to avoid it, indirectly productive entrepreneurs create value by reducing the harm caused by policies. An example is the policy by the Transportation Safety Administration (TSA) prohibiting passengers from bringing liquids on an airplane unless they are kept in a container that is smaller than 3.4 ounces. As a response, several indirectly productive entrepreneurs have created "TSA Approved" containers for shampoo, mouthwash and other toiletries that make it easier for passengers to comply with the regulation.

Social and Community Entrepreneurship

There is also a growing acknowledgment that entrepreneurial behavior can transcend economic or political activities. Social entrepreneurs have been defined as individuals who engage in "innovative, social value-creating activity that can occur within or across the nonprofit, business, or government sectors." Social entrepreneurial activities are not typically in pursuit of compensation or profit. This is because profit need not always be the driver of entrepreneurship. According to Dees (2001), "the distinction between social and commercial entrepreneurship is not dichotomous, but… a continuum ranging from purely social to purely economic."

Some sort of social mission drives social entrepreneurship, such that it will often incorporate what MIT economist Eric von Hippel refers to as "free innovation." He defines a free innovation as "a functionally novel product, service, or process that is developed by consumers at private cost during their unpaid discretionary time (that is, no one paid them to do it) and is not protected by its developers, and so is potentially acquirable by anyone without payment (that is, for free)." This is what we capture as social or community entrepreneurship (Austin et al., 2006; Wennekers & Thurik, 1999; Westlund & Bolton, 2003).

A Simple Model to Measure Impact of Entrepreneurship on Growth and Development

Based on Baumol's (2003) treaties that drew an important distinction between productive and unproductive entrepreneurs, we attempt to come up with a simple model to measure the impact of entrepreneurship on growth and development. Baumol (1996) had described productive entrepreneurs as people engaged in enterprising activities that generate value within society, such as the creation of new and innovative technologies. However, Baumol (2003) also found that entrepreneurs could be unproductive if they did not create value by their enterprising activities, and that they could be actively harmful and destructive, if they destroyed value by their enterprise, this he said is even worse than being unproductive.

In our analysis, we have established that entrepreneurship requires that the entrepreneur identifies gaps in form of opportunity to create value, organize resources to create the value, in return for an expectation which is principally in the form of a profit or gain. From the above, the gap or opportunity identification is one major characteristics to look for in an entrepreneur. Another characteristic is the ability to gather resources enough to create the required value to fill the identified gap. Value creation or value contribution is a third characteristic of entrepreneurship, and the fourth is the returns obtained in form of the expected profit or gain from the entrepreneurial venture.

Economic growth and development, from the perspective of the entrepreneurship efforts of the entrepreneurs, could be equated to the impact of each category of entrepreneurship on the society. This can be measured by the supply of products brought about by the entrepreneur's exploitation of the opportunity (gaps), the resource gathering efforts, which gives returns to the factors of production put together by the entrepreneur. Value addition, in the form of value creation, is also measured as value contribution, and the profit generation is measured in form of the residual value available to the entrepreneur at the end of the entrepreneurial venture by the enterprise.

Simple Entrepreneurship Equation

So, based on the above description, we put forward this simple equation that can be used to measure the impact of entrepreneurship. This is expressed as,

$$E = O + R + V + P,$$

where

E = Entrepreneurship;
O = Opportunities or Gaps identified (innovation or market related);
R = Resources Gathered or Organized (inputs required and used);
V = Values or Contributions (tangible goods or service); and
P = Profits or Gains (either Personal or Societal).

The assumptions emanating from the theoretical conceptualizations above are that,

1. The entrepreneurship process and the entrepreneur could be described as productive if all the independent variables (O, R, V, P) are positive (i.e., O, R, V, P are greater than zero).
2. The entrepreneurship process is unproductive when all the independent variables are positive, and the V (value or contribution) is zero (i.e., $V = 0$).
3. The entrepreneurship process is destructive when all the independent variables are positive, and the V (value or contribution) is negative (i.e., V is less than zero).

Nature/Character of Entrepreneurship Scaling Measure

From the perspective of the acts/nature or character of entrepreneurship, defined earlier in this chapter, we create a scaling measure of entrepreneurship ranging from zero (0) to five (5) as follows:

- Scale 5: Productive Innovation-driven Entrepreneurship (Creative and Innovative);
- Scale 4: Productive Market-driven Entrepreneurship (Market Gaps Exploiting);
- Scale 3: Productive Opportunity-driven Entrepreneurship (Productive Gaps Exploiting);
- Scale 2: Indirectly Productive Entrepreneurship (Policy/Regulatory Evasive Exploiting);
- Scale 1: Unproductive-parasitic Entrepreneurship (Rent-seeking Exploiting);
- Scale 0: Unproductive-destructive Entrepreneurship (negatively impacting on the society destroying outputs and values).

Purpose of Entrepreneurship Scaling Measure

Also, thinking from the perspective of the purpose of entrepreneurship based on the vision and expected gains behind the enterprise of the entrepreneur, we derive a measuring model using the following scale:

- Scale 5: Clearly creative/innovative vision with positive societal gains emanating from the entrepreneurial acts;
- Scale 4: Clearly market gap exploiting vision with positive societal gains emanating from the entrepreneurial acts;
- Scale 3: Clearly production-opportunity gap exploiting vision with positive societal gains emanating from the entrepreneurial acts;
- Scale 2: Clearly policy/regulatory opportunistic exploiting vision with positive societal gains emanating from the entrepreneurial acts;
- Scale 1: Clearly selfish/self-centered exploiting vision with negative societal gains (loss) from the entrepreneurial acts;
- Scale 0: Clearly criminal/law breaking exploiting vision with destructive societal impacts emanating from the entrepreneurial acts.

Value Contribution of Entrepreneurship Scaling Measure

Finally, we present a measuring scale based on entrepreneurial contributions of values to the society, which is another perspective earlier presented in the conceptual discussion in this chapter. The following scaling parameters are proposed:

– Scale 5: Directly Positive Societal Values contributed by the entrepreneurship drive leading to new (innovative) economic values contributing maximally to economic growth and development;
– Scale 4: Directly Positive Societal Values contributed by the entrepreneurship drive by exploiting market opportunities leading to additional economic values that are not completely new but maximally contributing to economic growth and development;
– Scale 3: Directly Positive Societal Values contributed by the entrepreneurship drive by exploiting production opportunities leading to additional economic values that are not completely new but contributing to economic growth and development;
– Scale 2: Indirectly Positive Societal Values contributed by the entrepreneurship drive leading to additional economic values that contributes to economic growth and development but not maximally;
– Scale 1: Directly Negative Societal Values contributed by the entrepreneurship drive through selfish and self-centered opportunities that adds economic gains to the entrepreneur and contributes economic losses to the society at large;
– Scale 0: Directly Negative and Destructive Values contributed by the entrepreneurship drive reducing economic growth and development through economic and value losses largely.

Classification of Entrepreneurship Scaling Measure

Based on the above final analysis, it is not out of place to summarily rank the various entrepreneurship classifications using the following scaling measure:

Productive (Creativity/Innovation-driven) Entrepreneurship (Scale 5);
Productive (Market Opportunity-driven) Entrepreneurship (Scale 4);
Productive (Production Opportunity-driven) Entrepreneurship (Scale 3);
Indirectly Productive (Evasive/Regulatory Opportunity-driven) Entrepreneurship (Scale 2);
Unproductive (Parasitic/Rent-seeking driven) Entrepreneurship (Scale 1);
Unproductive (Destructive Criminality-driven) Entrepreneurship (Scale 0).

Conclusion and Recommendations

Baumol (1990) had argued that the level of entrepreneurial ambition or behavior in a country is essentially fixed over time, and that what determines a nation's entrepreneurial output is the incentive structure that governs and directs entrepreneurial efforts between "productive" and "unproductive" endeavors. This position of Baumol drags in the significance of the environmental factors, that captures the governance structure and policies, on the entrepreneurial behavior dominant in a particular country.

Most people think of entrepreneurship as being the "productive" kind, as Baumol referred to it, where the companies that founders launch commercialize something new or better, benefiting society and themselves in the process. A sizable body of research establishes that these "Schumpeterian" entrepreneurs, those that are "creatively destroying" the old in favor of the new, are critical for breakthrough innovations and rapid advances in productivity and standards of living.

Baumol was worried, however, by a very different sort of entrepreneur, the "unproductive" ones, who exploit special relationships with the government to construct regulatory moats, secure public spending for their own benefit, or bend specific rules to their will. In the process, these entrepreneurs stifle competition to create advantage for their firms. This is what the economists call rent-seeking behavior. In Baumol's words:

> …entrepreneurs are always with us and always play some substantial role. But there are a variety of roles among which the entrepreneur's efforts can be reallocated, and some of those roles do not follow the constructive and innovative script that is conventionally attributed to that person. Indeed, at times the entrepreneur may even lead a parasitical existence that is actually damaging to the economy. How the entrepreneur acts at a given time and place depends heavily on the rules of the game—the reward structure in the economy—that happen to prevail.

In Baumol's theoretical framework, depressed rates of entrepreneurship cannot be held responsible for periods of slow economic growth; rather, a change in the mix of entrepreneurial effort between the two kinds of entrepreneurship is to blame. Specifically, this gives room for a decline in productive entrepreneurship and a coincident rise in unproductive entrepreneurship. Unfortunately, this is the predominant situation in most African countries now, particularly underdeveloped nations. In most African countries, there is a significant slowdown in the growth of productive entrepreneurship while unproductive entrepreneurship is having a field day.

With the consistently rising profits in some particular sectors of the economy, and suggestive evidence of an increase in efforts to shape the rules of the game by influential business owners, the pattern consistent with the rise of economic rents and rent-seeking behavior remains unabated. However, the presence of economic rents by itself does not establish that there is an increase in unproductive entrepreneurship, unless empirically proven. For that to be true, there must be evidence of an increase in *rent-seeking,* that is, concerted efforts to stifle competition by influencing the reward structure or rules of the game in a market. Based on the above, there is the need to further subject the entrepreneurial efforts in African economies to the measuring and scaling parameters presented in this chapter through further studies.

James Bessen of Boston University has provided suggestive evidence that rent-seeking behavior has been increasing. In a 2016 paper Bessen demonstrates that, since 2000, "political factors" account for a substantial part of the increase in corporate profits. This occurs through expanded regulation that favors incumbent firms. Similarly, economists Jeffrey Brown and Jiekun Huang of the University of Illinois have found that companies that have executives with close ties to key policymakers have abnormally high stock returns. This pattern is also seen as rampant within African countries. However, further studies that could reveal the impact of such economic behaviors are recommended.

In short, Baumol may have been ahead of his time in warning that economies can suffer not only from a cost disease but also from its entrepreneurial counterpart, a change in the rules that shifts the distribution of entrepreneurial effort from activity that helps the economy toward activity that hurts it. Unfortunately, there is strong suggestive evidence that Baumol's warnings have come to pass. To further establish this, it is necessary for studies to be conducted to establish this position in African countries, especially.

If we are going to tackle these many problems, we are going to have to find ways to encourage would-be entrepreneurs to think more in the direction of innovative, productive businesses, rather than dedicating their efforts to co-opting government in order to secure economic advantage which is the order of the day, and killing innovation and productivity. Failure to do this will lead to continuous slower or low economic growth as unproductive and destructive entrepreneurship as strong dis-incentives to productive entrepreneurship pursuit, and indirectly to economic growth and development.

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3

Addressing the Challenges of Entrepreneurial Finance in the Face of Changing Regulations in the Republic of Benin

Ayebo Bolale Francine Laourou

Introduction

When it comes to entrepreneurship, it gives the knowledge of providing newly oriented businesses by individuals who are well stable to coordinate their respective contributions in the production of fresh value-added economic activity (Omoruyi et al., 2017). The role of entrepreneurship in promoting economic growth and development, especially in emerging economies such as Benin, is of great significance. The small West African nation has the potential to develop a vibrant start-up ecosystem due to its burgeoning young population, which is filled with innovative ideas and entrepreneurial spirit (Ogbo & Nwachukwu, 2015).

The increasing importance of entrepreneurship stems from their frequent disadvantage in the labour market, which has implications for both national and local economic and social development.

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Entrepreneurship and self-employment can serve as viable pathways for economic progress and upward mobility for SMEs. The development of entrepreneurship plays a crucial role in driving successful economic growth overall. Israel is known for its diverse range of cultures, as well as the presence of various ethnic and national groups (Heilbrunn et al., 2014).

The entrepreneurial finance journey, from the initial idea to successful implementation, is fraught with challenges. These obstacles can discourage young entrepreneurs in the city of Benin (Ofili, 2014). The complex and difficult regulatory framework that controls the financial sector presented these challenges (Carletti et al., 2016).

Entrepreneurial finance is a field of study that focuses on the analysis of value and the allocation of resources in the context of new ventures (Cumming et al. 2018; Kerr et al., 2014). Loans, equity investments, venture capital, and angel investments are just some of the other ways of securing the necessary funds to make this happen (IOWA State University, 2022). Having said that, entrepreneurs in Benin face several obstacles and regulatory constraints that make it more difficult for them to secure the necessary financial backing.

Therefore, the research delves into the myriad difficulties that Benin-based business owners encounter while trying to secure start-up capital and negotiate the country's intricate regulatory framework. The study examines the link between government restrictions and the availability of capital, illuminating the impact that these hurdles have on the business environment in the country. The study hopes to identify and provide practical ideas and solutions that can aid in effectively meeting these problems.

The primary objective of this study is to obtain qualitative insights into the underlying factors contributing to the limited accessibility of Entrepreneurial Finance in the Face of Changing Regulations in the Republic of Benin. This study aims to explore the relationship between the regulatory environment and its impact on entrepreneurial finance. It seeks to identify and analyse the obstacles that hinder the growth of start-ups in the country.

The significance of fostering an optimal setting for entrepreneurial finance cannot be overstated (International Labour Organization, 2020).

The significance and impact of the setting or operational framework in entrepreneurial finance should not be underestimated or overemphasised. A meticulously designed setting not only facilitates the transformation of entrepreneurial ideas into tangible outcomes, but also generates employment opportunities, fosters innovation, and contributes to the overall economic advancement of the nation. A robust entrepreneurial ecosystem not only garners both domestic and international investment but also cultivates a milieu of ingenuity and tenacity among the younger generation of the country (Mason & Brown, 2014).

A critical literature review of entrepreneurial finance is performed in this paper. Furthermore, an empirical analysis will be undertaken on the regulatory framework within the nation, with a focus on the barriers it presents for start-ups.

Research Gap, Aims, Objectives and Questions

Previous research has often focused only on developed economies and emerging markets, ignoring the economic conditions that shaped the entrepreneurs' access to finance Cumming et al. (2018). Likewise, there has been a lack of in-depth empirical research that examines the real-time regulatory changes in entrepreneurial finance in Benin.

Furthermore, the existing literature talks about the challenges attached to entrepreneurial finance wich provides a substantial solution or strategy that could mitigate these challenges effectively but there is a gap between entrepreneurial finance and changing regulations. Therefore, the study aims to bridge the gaps between entrepreneurial finance and changing regulations in Benin ensuring nuanced insights into the challenges faced by entrepreneurs, evaluating the efficacy of regulatory changes, and proposing actionable recommendations that will help address these challenges and foster a more conducive environment for entrepreneurial development.

This study aims to examine and comprehensively investigate and address the different challenges faced by entrepreneurs in accessing finance within the occurring regulatory changes in the Republic of Benin.

The objective of this study, therefore, is:

1. To help promote a healthy, feasible entrepreneurial finance system among entrepreneurs in the Republic of Benin.
2. To provide sustainable solutions to the challenges faced by entrepreneurs by changing regulations in the Republic of Benin.

The research questions of this study are:

1. Why does the entrepreneur find it hard to access funds in the development of a business?
2. How does an entrepreneur aim to address the regulation challenges faced in operation?

Literature Review

Concept of Entrepreneur in the Republic of Benin

Entrepreneurship serves as the fundamental cornerstone and a crucial catalyst for the advancement, progress, and enlargement of contemporary global economies. They serve as the fundamental support and foundation for both advanced and emerging countries around the globe. Industries of this nature comprise around 80% of the global industrial sector. Therefore, it possesses the capacity to generate income and create job opportunities for governments. The contribution of entrepreneurship plays a significant role in determining the economic development of a nation. They have had a substantial influence on enhancing the quality of life and reducing poverty levels throughout nations.

Mori et al. (2014) likewise show that entrepreneurship has a positive impact on productivity. Therefore, entrepreneurship plays a crucial role in driving the socio-economic development, growth, and expansion of nations. Khanka and Gupta (2022) emphasise that the significance of entrepreneurship to the economy lies in its pursuit of increased productivity, innovation, and income distribution. The role entrepreneurship plays in facilitating the growth of larger enterprises and making a direct and substantial contribution to overall savings and investments is very critical (Adelaja, 2012). Furthermore, it is also involved in the development of vital technologies to produce products and services. It also contributes to the creation of employment opportunities, particularly due to its labour-intensive operations. Additionally, entrepreneurship stimulates economic activities that heavily rely on local raw materials, resulting in higher value-added operations.

Giacomin et al. (2011) have highlighted the existence of a significant correlation between motivation, entrepreneurship, and development. The researchers further noted that the challenge faced by developing nations does not stem from a lack of entrepreneurs, but rather from an insufficient legislative and institutional framework. The paper further expressed the viewpoint that for innovation and entrepreneurship to flourish, governments in developing nations must acknowledge the significance of innovation in the advancement of their economies. Governments must action that foster an environment conducive to innovation. This may involve the implementation of laws aimed at fostering the growth of micro-finances and other financial institutions specifically tailored to facilitate the advancement of small and medium-sized firms (SMEs).

Source of Finance of an Entrepreneur

The existing body of scholarship on financial sources predominantly focuses on Western economies. This is seen in the works of Bonini and Capizzi (2019), Cao and Zhou (2018), and Lee et al. (2022). A significant portion of the scholarly literature about entrepreneurial finance focuses on the equity-based environments prevalent in the United States and the United Kingdom. In this context, venture capital (VC) assumes a prominent role but accounts from other economies indicate the unavailability of such financial resources (Gjelsvik & Trippl, 2018).

Due to the lack of accessibility, the discipline of entrepreneurial finance, while receiving heightened focus in recent decades, has not yet completely embraced a comprehensive theoretical framework that encompasses credit- and subsidy-based mechanisms, as well as developing economies. Therefore, the significance of context is somewhat less emphasised in financial research, since the positivistic approach in entrepreneurial research tends to prioritise the identification of universal patterns in financial phenomena (Ucbasaran et al., 2010). On the other hand, scholarly investigations about entrepreneurial finance, which extend their scope to encompass economic geography and regional development, often operate on the assumption of contextual variations. The utilisation of contextual methods necessitates the adoption of distinct methodological techniques, which may explain the prevalence of case studies in regional development as opposed to finance.

This research primarily examines the phenomenon of corporate entrepreneurship as it manifests at the organisational level. Numerous experts have recognised entrepreneurship as the most trustworthy and consistent catalyst for socio-economic advancement and progress, as it exerts a substantial influence on the economic development and growth of any given economy. Liao et al. (2017) assert that this phenomenon is highly remarkable, as no nation can achieve significant progress without acknowledging the importance of entrepreneurship.

Challenges Faced by Fintech Organisations Post-COVID-19

Both established players and finance start-ups faced hitherto unheard-of difficulties because of the pandemic. Traditional funding sources were affected by unsteady economic conditions, decreased consumer spending, and increasing risk aversion. Rather than looking for fresh chances, investors become cautious and concentrated on protecting their current holdings. The financing possibilities for the fintech industry, which is mostly dependent on venture capital and private equity funds, temporarily shrank (Heilbrunn et al., 2014).

In addition, the pandemic brought attention to the susceptibility of specific fintech markets, like point-of-sale loans and financial services tied to travel, which caused the industry to reassess risk. The difficulties were exacerbated by changing consumer habits and regulatory uncertainties, which forced fintech entrepreneurs to quickly change course and adapt to thrive in the changing business environment.

Innovative Financing Solutions

Fintech companies showed tenacity and flexibility in the face of difficulties. Investors and business owners started looking at alternate forms of funding that could withstand the post-COVID-19 uncertainties. The growth of peer-to-peer lending platforms and crowdfunding was one noteworthy trend. By using these platforms, fintech companies were able to bypass the conventional limitations of institutional finance and establish direct connections with many individual investors.

Additionally, strategic alliances and partnerships have proven crucial in helping fintech businesses raise capital. Well-established financial institutions looked for cooperative relationships after realising the potential of fintech developments. These partnerships gave fintech companies access to established regulatory frameworks and a larger consumer base, in addition to providing much-needed financing.

Initiatives from the government were also very important in fostering entrepreneurial finance in the fintech industry. Numerous nations unveiled stimulus plans and assistance initiatives designed to assist start-ups in navigating the financial aftermath of the pandemic. These programmes promoted an atmosphere of cooperation by offering grants, low-interest loans, and tax breaks.

Inductive to Innovation and Growth.

Technological Advancements and Resilience

Fintech organisations responded to the challenges posed by the pandemic by harnessing technological advancements. The accelerated adoption of digital payments, blockchain technology, and artificial intelligence not only improved operational efficiency but also enhanced the overall value proposition of fintech solutions. Investors, recognising the long-term potential of these technologies, began re-evaluating their investment strategies, leading to a renewed interest in fintech ventures.

The increased reliance on remote work also spurred innovation in financial services tailored to the new normal. Fintech start-ups seized the opportunity to develop solutions that addressed the changing needs of consumers and businesses, ranging from digital banking platforms to contactless payment systems. This innovation not only attracted investor attention but also positioned fintech organisations as key players in shaping the future of finance.

Determinants of Financial Access

The determinants of financial access may be classified into three primary categories: micro-level, macro-level, and geographical variables. Within the realm of micro-level factors, it is possible to discern two other avenues of investigation: the influence of business features and innovativeness, as well as the age and maturity of the start-up. The predominant focus in macro-level determinants research lies in the examination of the influence of market entry laws, financial crises, and the roles and impacts of governmental venture capital (GVC) programmes on entrepreneurship. The discussion primarily centres on the contrasting financial market systems between urban and rural areas, as well as the differences within this distinction. Another area of focus is the role of universities in fostering entrepreneurship. It is important to acknowledge that innovation may function as both a determinant and a performance metric. Consequently, the subsequent content should be interpreted within the framework of the broader subject matter.

- **Micro-level Factors**

Micro-level factors refer to the individual or small-scale elements that influence a certain phenomenon or situation. These components are characterised by their localised.

This set of factors within the realm of business-level determinants focuses on the features of firms and their level of innovativeness (Brown et al., 2012). The justification for considering innovativeness as a determining factor lies in the observation that innovation is frequently associated with a growth-oriented mindset among start-up enterprises. Theoretical frameworks such as the pecking order framework (POF) and agency theory claim that the availability of financial resources is diminished in situations characterised by little historical data and significant imbalances in knowledge.

These features are commonly seen in creative start-ups and research and development (R&D) endeavours and are extensively discussed in academic literature, spanning both micro and macro levels. Demirel and Parris (2015) conducted a study to examine the impact of creative activities and research and development (R&D) on bank loans, venture capital (VC), and global value chains (GVC). The findings indicate that R&D initiatives with minimal risk were associated with a reduced probability of securing bank funding. However, venture capital has only partially addressed the financial shortfall. One fundamental premise within the realm of entrepreneurial finance is the expectation that there exists a negative correlation between innovativeness and the ease of obtaining financial resources.

Another pertinent set of micro-level variables pertains to the firm's historical performance, encompassing factors such as its age and level of maturity. Rosenbusch et al. (2013) conducted a comprehensive study that examined the impact of venture capital (VC) investments on business performance in a sample of 36,567 enterprises across 76 studies. The findings of this research revealed that the age and maturity of a start-up play a crucial role in determining its ability to secure VC funding.

- **Macro-level Factor**

The topic of market entry restrictions has garnered significant scholarly and policy interest, mostly because of its purported impact on the establishment of new businesses and entrepreneurial activities (GEM, 2016). Market entrance laws are commonly perceived as factors that contribute to the facilitation and promotion of business creation and subsequent expansion. Nevertheless, it is important to consider the context. For example, several research findings indicate that there is no discernible disparity in the rates of new business establishment because of varying obstacles to entrance, including minimum financial capital prerequisites, labour market rules, and the administrative expenses associated with commencing a firm (Stel et al., 2005). According to Branstetter et al. (2014), the presence of fewer barriers to entry is shown to primarily advantage marginal enterprises that have lower rates of survival.

An additional noteworthy aspect of the scholarly literature pertains to the examination of the impact of crises on the accessibility of financial resources. There exists a considerable body of research indicating that both the dotcom crisis in 2002 and the mortgage crisis in 2008 had an immediate adverse impact on the availability of private finance for starting enterprises. According to Berger and Udell (1998, 2018) and Lee et al. (2015), there exists a disparity in financial resources across creative companies, which is further intensified during periods of financial crisis.

One perspective is that a financial crisis might impact the evaluation of risk by investors and the availability of financial resources for creative companies, since these companies may seek refuge in industries that are considered more stable and established. The influence of cyclical impacts extends beyond innovative enterprises, as shown by Ferrando et al. (2017). In contrast, it has been observed that state capital tends to expand during financial crises as a means of addressing the market failures that have arisen (Mason & Pierrakis, 2013).

The ultimate set of macro-level considerations refers to research on the role of global value chains (GVC) in entrepreneurship. This part focuses on the examination of (GVC) since it possesses the capacity to effectively support and boost private investments. As an illustration, Toole and Turvey (2009) showed that participation in the Small Business Innovation Research (SBIR) programme, a government initiative, augmented the probability of subsequent investments in the United States. According to Burchardt and Hick (2016), their research indicates that the existence of Global Venture Capital (GVC) programmes has a positive impact on both the overall quantity of venture capital available in the market and the overall size of the venture capital business.

- **Equality Finance**

Equity finance refers to the practice of raising funds using issuing shares. Organisations pursue financial resources for a multitude of purposes, encompassing both immediate obligations such as bill payments, as well as enduring aspirations that demand capital infusion to foster expansion and development. A corporation that engages in the sale of shares essentially offers ownership stakes in its organisation in return for monetary capital, so participates in the practice of equity financing. Equity financing includes the issuance of various equity or quasi-equity instruments, including ordinary stock, preferred stock, convertible preferred stock, and equity units consisting of common shares and warrants. As a business progresses towards achieving a higher level of organisational development and success, it will often undergo many iterations of equity financing (Banton, 2020). According to Banton (2020), start-ups often attract diverse investors at various stages of their development, leading them to employ a range of equity instruments for financing their operations.

- **Debt Financing**

Debt financing is the term used to describe the practice of a corporation raising cash for working capital or capital expenditures by issuing debt instruments to individual and/or institutional investors. When individuals or corporations provide loans, they assume the role of creditors, with the understanding that the borrower would repay the principal amount along with the accrued interest. Subsequently, borrowers will proceed to provide monthly payments encompassing both the accrued interest and the principal amount, while concurrently pledging certain assets as collateral to instil confidence in the lender. Various types of assets might serve as collateral in the event of loan default, including inventory, real estate, accounts receivable, insurance policies, and equipment (Chen, 2021).

The Major Challenges of Entrepreneurship Development in the Republic of Benin Have to Do with the Following

(a) Lack of Knowledge in the Basic Science and Technology

The significance of entrepreneurship in the context of economic growth extends beyond the mere augmentation of per capita output and income. It encompasses the initiation and facilitation of transformative processes within the realms of business and society. This transformation is accompanied by an expansion and heightened productivity enabling a greater distribution of income among the many stakeholders. One theoretical perspective on economic growth posits that innovation plays a crucial role, not only in the creation of new products or services for the market but also in generating financial interest in emerging businesses (Bellavitis et al., 2017). The pivotal stage in the process of product evolution occurs when knowledge and a recognised societal demand converge, hence initiating the period of product development. The concept of interactive synthesis frequently encounters challenges in its transformation into commercially viable innovation, necessitating the entrepreneur's focused attention in this area. The primary obstacle to entrepreneurship growth in the Republic of Benin is the insufficient skill in aligning technology with the proper market and implementing necessary adjustments. Unfortunately, education in the Republic of Benin has not been given the necessary level of importance it warrants (Bellavitis et al., 2017).

(b) High Cost of Doing Business in Benin

Entrepreneurs engage in business endeavours and undertake calculated risks with the primary objective of generating financial gains. When the anticipated return on a business endeavour is less than the associated opportunity costs, it will serve as a deterrent for the entrepreneur. The high cost of conducting business in the country is mostly attributed to the deterioration of infrastructural facilities and pervasive corruption. Entrepreneurs are compelled to allocate substantial financial resources towards the provision of fundamental infrastructure and engage in bribery of government officials. Consequently, these factors have a detrimental impact on profitability (Bellavitis et al., 2017).

New Ways of Entrepreneurial Finance

The environment for entrepreneurial finance has substantially changed. New financial options for fostering entrepreneurship have been developed because of the fintech revolution, which was made possible by new digital technology (Block et al., 2018; Bellavitis et al., 2017). Crowdfunding and initial coin offers (Bruton et al., 2015; Block et al., 2021) are two of these cutting-edge types of entrepreneurial financing that are the most well-known instances.

Both crowdsourcing and initial coin offerings (ICOs) have their roots in the broader idea of crowdsourcing, which refers to the process through which people or organisations solicit ideas, opinions, and solutions from the "crowd" (Belleflamme et al., 2012). In the case of crowdfunding and initial coin offerings (ICOs), the goal is to raise money by utilising the geographic and social reach of the Internet to connect fundraisers to millions of potential backers (Adhami et al., 2018; Lambert & Schwienbacher, 2010; Belleflamme et al., 2012). Instead of raising large sums of money from a select group of knowledgeable investors (Hornuf et al., 2018; Martino et al., 2020a), this enables entrepreneurs to obtain funding from a large audience with each contributor contributing a very small amount. This has the effect of democratising entrepreneurial finance (Martino et al., 2020b; Bellavitis et al., 2017). Both crowdfunding and ICOs may have various effects on the ownership and governance of new companies depending on how they are set up (Ahlstrom et al., 2018; Momtaz, 2020).

Theoretical Framework

Numerous researchers have formulated a considerable array of ideas aimed at assessing the effectiveness and actualities of the notion of competitive intelligence and entrepreneurship. In this study, three distinct theories have been employed.

i. The Financial Regulations Theory
ii. The Theory of Competitive Advantage
iii. The Porter Generic Theory

The Theory of Financial Regulations

Financial regulation theory is a type of theory that places limitations, regulations, and rules on financial institutions to preserve the integrity of the financial system Fraser et al. (2015). Governmental or non-governmental organisations may manage this because there are now more financial products available because of financial regulation, this has also had an impact on how SMEs are structured (Estrin et al., 2018). A regulatory compliance mechanism, which may include on-site inspections, regular reporting requirements, and financial record audits, is used by regulatory bodies, such as the Federal Reserve, Securities and Exchange Commission, and Consumer Financial Protection Bureau, to develop and implement these rules.

Rahman et al. (2017) investigate the factors that affect how easily SMEs in Central European nations may receive financing. Their findings suggest that small businesses and businesses run and owned by women are having trouble getting bank loans. On the other hand, they discovered a beneficial connection between the collateral promise and financial access.

According to Cowling et al. (2017), the goals of financial regulators typically include maintaining market confidence in the financial system, financial stability, helping to protect and improve the capability of the financial system, and lastly, securing the level of consumer protection.

This theory is our main theory of focus in this study as it helps us address the challenges of entrepreneurial finance in the face of changes in the financial regulations in the Republic of Benin. This model tells us how the different changes in financial regulations affect entrepreneurial finance in the Republic of Benin.

The Theory of Competitive Intelligence

According to the competitive theoretical perspective, the success and longevity of a company are contingent upon its ability to effectively acquire and disseminate competitive intelligence. In the field of entrepreneurship, it is essential to acquire and analyse relevant information to gain knowledge, comprehend complex dynamics, and establish connections that can facilitate the assessment of current data inside a business. The significance of this theory is for streamlining the processes of information gathering, analysis, and sharing within an organisation. This simplification enables decision-makers at various hierarchical levels to efficiently evaluate, access, comprehend, analyse, collaborate, innovate, and engage in social networking activities. The goal of these advancements is to enhance the overall performance of enterprises (Garcia-Alsina, 2016).

The study therefore revealed that the implementation of competitive intelligence does not exhibit considerable variation across sectors and workforce sizes, even though these activities are carried out with strategic and tactical considerations. In addition, the study conducted by Gaspareniene et al. (2013) demonstrated the utility of the theory in assessing the implementation of competitive intelligence within a company. Therefore, the research revealed that the primary factors influencing the application of competitive intelligence are the availability of financial resources and access to classified information about competitors. To substantiate the claim, Marko (2009, 2015) identified various aspects of competitive intelligence within enterprise management, such as the assessment and appraisal of performance, the imperative of comprehending and analysing strategic reporting, fostering collaboration, managing innovation, overseeing learning processes, and ensuring adherence to regulatory requirements (Oladimeji et al., 2017).

Porters Generic Strategy Theory

This idea delineates the way a company strategically employs competitive intelligence to get a competitive edge within its designated market. In this passage, Porter endeavours to provide a clear explanation that a company must exert considerable effort in determining whether to achieve a competitive advantage through cost leadership, product and service differentiation, or premium pricing. Strategic decisions centre around the desired direction of the business and how to attain it. This statement highlights the significance of competitive advantage, as discussed by Porter (2018).

Porter (1980, 2018) proposed a theoretical framework known as the five competitive forces model, which encompasses several factors that drive competition within a certain market. These factors include the threat of new entrants, the threat of alternative goods, the bargaining power of buyers, the bargaining power of suppliers, and the effect of current rivals operating within the same target market. These factors facilitate the identification of a strategic position for a business within the industry, allowing it to effectively protect itself against competing forces or exert substantial influence over them for its benefit.

Empirical Review

According to Muritala and Ajetunmobi (2019), an examination was carried out on the relationship between competitive intelligence and sustainable competitive advantage among a chosen group of insurance firms in Nigeria. The study utilised a survey research design to examine the challenges faced by entrepreneurs and the competitive advantage of selected firms in the Republic of Benin. The findings revealed a positive correlation between established firms and start-ups. The study has determined that there is a significant correlation between start-ups and established entrepreneurs, such as competitor intelligence, strategic alliance intelligence, and social intelligence, and the competitive advantage of selected firms in the Republic of Benin. The study suggests that managers and directors of newly started entrepreneurial companies should consider implementing new marketing and information systems within their organisations. This will allow them to effectively leverage market opportunities and gain a competitive advantage over their rivals.

In research conducted by Igbaekemen (2014), the focus was on examining marketing intelligence as a strategic tool for gaining a competitive advantage. The research study employed a descriptive research survey methodology and identified a correlation between the marketing information system and an organisation's decision-making process. The study concluded that several factors have contributed to an increased demand for enhanced information. As companies expand their operations to a national and international level, there is a greater need for information about larger and more distant markets. Additionally, as income levels rise and consumers become more discerning, organisations require improved information regarding how buyers respond to various products and marketing strategies. The study suggests that organisations should actively pursue timely and relevant information to support decision-making processes.

The study conducted by Oladimeji et al. (2017) investigated the impact of competitive intelligence on the competitive advantage of start-up Entrepreneurship in the Republic of Benin. The researchers employed a survey research strategy to gather data for their study. The results of the study indicate a strong and positive correlation between competitive intelligence and the reduction of costs and growth of the market for entrepreneurial ventures the in Republic of Benin. The research findings indicate that the use of competitive intelligence strategies has a positive impact on the development and success of entrepreneurial activities in the Republic of Benin. It has been suggested that entrepreneurs should consider using competitive intelligence techniques to enhance their competitive edge by reducing costs and expanding their market frontiers.

In their research, Moneme et al. (2017) conducted a study focusing on the relationship between competitive intelligence and product creation among certain entrepreneurs located in Ouidah, Republic of Benin.

The study employed a descriptive research methodology, whereby data was collected from a primary source and subsequently analysed using principal component analysis and multiple regression analysis. The study determined that the utilisation of competitive intelligence has become essential in the pursuit of acquiring knowledge on client demands and preferences, intending to design goods that effectively cater to these requirements. The study suggests that companies should prioritise competitive intelligence to remain relevant and withstand the evolving market demands over time. The study conducted by Jummai and Abuga (2020) aimed to examine the impact of competitor orientation on innovation within the context of entrepreneurship in Yobe State, Nigeria. The researchers employed a cross-sectional survey research design to gather data. The findings of the study revealed that competitor orientation accounted for a significant proportion (11.7%) of the overall variance in innovation. Based on these results, it was concluded that competitor orientation has a notable influence on entrepreneurship innovation. Considering the study's findings, several recommendations were put forth.

Firstly, it is advised that entrepreneurship managers and owners adopt more effective competitive strategies that provide them with a competitive advantage over their rivals. Additionally, it is suggested that entrepreneurs maintain continuous and meaningful interactions with their customers through various means such as business discussion forums, phone calls, and email alerts regarding new products or services. Furthermore, providing after-service technical support and offering timely discounts to key customers who make bulk purchases are recommended.

Lastly, it is emphasised that entrepreneurs should maintain an active presence on social media platforms to enhance their visibility and engagement with customers. Nte and Omede (2021) performed research that examined the relationship between competitive intelligence and competitive advantage in pharmaceutical enterprises operating in emerging economies, specifically focusing on a review of Cotonou, Republic of Benin. This study investigates the impact of competitive intelligence on the competitive advantage of pharmaceutical companies operating in Cotonou, Republic of Benin. The research study utilised a survey research strategy, where data was collected using a standardised questionnaire and afterwards analysed using the one-sample t-test statistic. The research findings indicate a positive correlation between competitive intelligence and development, enhanced quality, and performance.

The study conducted by Uchegbulam et al. (2015) aimed to examine the influence of competitive strategy on the operational effectiveness of small and medium firms (SMEs) in the Republic of Benin. The researchers employed a survey research design for data collection and analysis.

The results of the study indicated a significant correlation between product attributes and customer retention. Additionally, product modification was shown to have a beneficial impact on sales expansion, while the introduction of value-added items was associated with an increase in revenue. Moreover, the findings suggest that an improvement in product quality has a significant impact on the return on investment. In summary, it has been asserted that in a highly competitive business landscape like the Republic of Benin, the primary concern for firms is their survival. However, achieving this objective has proven to be challenging for many entrepreneurs in the Republic of Benin due to intense competition from larger firms, limited government support, and financial constraints, among other factors. The study suggests that to enhance competitiveness, managers inside organisations should possess strategic awareness of consumer needs and provide distinctive goods and services to effectively meet their demands, desires, and anticipations.

Methodology

The study employed a descriptive survey research approach. This approach is deemed suitable as it allows the researcher to effectively obtain information and collect perspectives from owners and managers in the field of entrepreneurship on financial regulations and its impact on the sustainability of entrepreneurship in the Republic of Benin. The selection of Cotonou, Republic of Benin as the research location was based on its notable concentration of entrepreneurial activities. The research encompasses a population of 2,000 individuals who are owners and administrators of entrepreneurial ventures in Cotonou, Republic of Benin. The researchers utilised a straightforward proportional approach to accurately ascertain the number of business owners and managers in Cotonou, Republic of Benin. The study's sample size of 353 was determined using Taro Yamane's method. The researchers developed a structured questionnaire as the primary tool for data collection. The questionnaire was built using a five-point rating system, allowing respondents to choose from answer options such as "Strongly Agree", "Agree", "Disagree", "Strongly Disagree" and "Undecided". The values attributed to each of the selections are 5, 4, 3, 2, and 1.

The instrument's validity was assessed by content analysis conducted by five experts on the subject. The recommendations, views, and viewpoints of these scholars were duly recorded and considered during the final revision of the instrument. To assess the instrument's reliability, a reliability estimate was examined through the distribution of the device to a sample of 30 owners and 50 managers of entrepreneurship in Cotonou, Republic of Benin. The data and replies were subsequently analysed using Cronbach's Alpha. The test findings demonstrated that the variables exhibited a reliability rate of 89%, suggesting that the instrument is dedicated to a higher degree.

The study uses a total of 353 questionnaires that were issued, and 340 of them were subsequently returned. The data was analysed using descriptive statistics and Pearson's Product Moment coefficient of correlation. The choice was made based on the acceptance or rejection of null hypotheses. If the computed value is greater than the critical value, the null hypotheses are rejected. Alternatively, the opposing perspectives will be maintained. If the calculated t-value is smaller than the predetermined alpha level of 0.05, the null hypothesis should be rejected. Conversely, if the t-value is greater than or equal to the alpha level, the alternative hypothesis should be accepted. The statistical significance level utilised in this analysis was set at 95%.

Data Presentation

A survey was conducted, wherein a total of 353 questionnaires were sent. Of these, 340 questionnaires were received back, yielding a response rate of 97%. The observed high response rate suggests a notable degree of interest among the participants in engaging with the study. The analysis of personal data involved the utilisation of a fundamental percentage, while the examination of research problems and hypotheses was conducted using Pearson's product-moment coefficient of correlation (r).

Table 3.1 shows that business owners have a response rate of 150 (44%), while managers have a response rate of 190 (56%).

Table 3.2 indicates male respondents are 190 (56%) while female respondents are 150 (44%). It also indicated that male respondents are more in number.

Table 3.3 shows that 75 (22%) of the respondents have an SSCE, 85 (25%) have an OND/NCE, 100 (29%) have an HND/BSc, and 80 (24%) have an MSc, MBA, or PhD. So, it shows that more people answered with an HND or BSc.

According to the Table 3.4 split, those with less than five years of work experience make up 80 (24%), those with five to nine years are 85 (25%),

Table 3.1 Descriptive analysis of obtained data

Response	Frequency	Percentage
Owners of entrepreneurship	150	44
Managers	190	56
Total	340	100

Source Researchers' field survey 2023

Table 3.2 Respondents' gender

Sex	Frequency	Percentage
Male	190	56
Female	150	44
Total	340	100

Source Researchers' field survey 2023

Table 3.3 Educational qualification of respondents

Qualification	Frequency	Percentage
SSCE	75	22
OND/NCE	85	25
HND/BSc	100	29
MSc/MBA/PhD	80	24
Total	340	100

Source Researchers' field survey 2023

those with ten to fourteen years are 95 (28%), and those with more than fourteen years are 80 (24%). Therefore, it appears that there are more responses with 10 to 14 years of experience.

Accoring to Table 3.5, Eighty (24%), ninety-five (28%), sixty-five (19%), seventy (20%), and thirty (9%) respondents all agreed, somewhat agreed, or strongly disagreed that competitive intelligence has a significant effect on the competitive advantage of entrepreneurship the in the Republic of Benin (Table 3.5).

Table 3.6 shows that 90 (26%) of the people think that the view of respondents on the challenges faced by entrepreneurs in Cotonou,

Table 3.4 Work experience of respondents

Work experience	Frequency	Percentage less
Less than 5 yrs.	80	24
5–9 yrs.	85	25
10–14 yrs.	95	28
Above 14 yrs.	80	24
Total	340	100

Source Researchers' field survey 2023

Table 3.5 Descriptive analysis of respondents on challenges faced by entrepreneurs in Republic of Benin

S/N	Option	Frequency	Percentage
1	Strongly agreed	80	24
2	Agreed	95	28
3	Disagreed	65	19
4	Strongly disagree	70	20
5	Undecided	30	9
	Total	340	100

Source Researchers' field survey 2023

Table 3.6 Views Cotonou, Republic of Benin respondents on the impact of rival businesses on early-stage venture creation

S/N	Option	Frequency	Percentage
1	Strongly agreed	90	26
2	Agreed	80	24
3	Disagreed	70	20
4	Strongly disagree	60	18
5	Undecided	40	12
	Total	340	100

Source Researchers' field survey 2023

Republic of Benin. 80 (24%) strongly agreed, 70 (20%) strongly disagreed, 65 (19%) disagreed, and 30 (9%) undecided.

Test of Hypotheses

Using Pearson's product-moment coefficient of correlation, the hypotheses are examined to determine the validity and reliability of the study conclusion.

Test of Hypothesis One (Ho1): Competitive intelligence has been a significant challenge for start-up entrepreneurship in the Republic of Benin.

[a] Data Analysis Table (Tables 3.7 and 3.8)

$$n\sum xy-\left(\sum x\right)\left(\sum y\right)^{2}$$

$$\left[n\sum x^{2}-\left(\sum x\right)^{2}\right]\left[n\sum y^{2}-\left(\sum y\right)^{2}\right]$$

$$5(1165) - 15(340)$$

$$[5(55) - 15 \times 15][5 \times 25450 - 340 \times 340]$$

$$5825 - 5100$$

$$[275 - 225][127250 - 115600]/725$$

$$50(11650)/725$$

$$582500/725$$

$$= 763$$

$$r = 0.95$$

$$t = r \times n - 2$$

$$1 - r^2 t = 0.95 * 5 - 2$$

$$1 - (0.95)^2 t = 0.95 \times 3/1 - 0.90$$

$$t = 0.95 \times 5.77$$

$$t = 5.48$$

$$\text{Table value} = 3.193$$

[b] Decision

From the above-calculated value of 5.48, when compared with table value $t = 3.183$, the null hypothesis is rejected at a 5% level of significance. In contrast, the alternative hypothesis is accepted and concludes that competitive intelligence has a significant effect on entrepreneurship's competitive advantage in the Republic of Benin $r = 9.2$.

Table 3.7 The View of respondents on challenges faced by entrepreneurs in the Republic of Benin

S/N	Option	Frequency	Percentage
1	Strongly agreed	80	24
2	Agreed	90	28
3	Disagreed	65	19
4	Strongly disagree	70	20
5	Undecided	30	9
	Total	340	100

Source Researchers' field survey 2023

Table 3.8 Contigency table on challenges faced by entrepreneurs in Republic of Benin

x	y	x^2	y^2	xy
5	80	25	6400	320
4	90	16	9025	475
3	65	9	4225	130
2	70	4	4900	210
1	30	1	900	30
15	**340**	**55**	**25,450**	**1165**

Source Researchers' computation, 2023

Test of Hypothesis Two (Ho2): There is no significant relationship between start-ups and established entrepreneurs in the Republic of Benin.

[a] Data Analysis Table (Tables 3.9 and 3.10)

$$\sqrt{}n\sum xy-\left(\sum x\right)\left(\sum y\right)/\left[n\sum x^2-\left(\sum x\right)^2\right]\left[n\sum y^2-\left(\sum y\right)^2\right]$$

$$\sqrt{}5(1140)-15(340)/(5\times 55)-(15\times 15)(5\times 24600)-(340\times 340)$$

$$\sqrt{}5700-5100/[275-225]\,[123000-115600]$$

$$\sqrt{}600/(50\times 7400)=600/370000$$

$$600/608$$

$$r=0.98$$

$$r=t=r\times n-2$$

$$1-r^2t=0.98\times 5-2$$

$$1-1.096\,t=0.98\times 3$$

$$0.04t=0.98$$

$$1.73/0.2=0.98\times 8.65=8.5$$

$$\text{Table value}=3.182$$

Table 3.9 Response on the influence of market competitors on start-up entrepreneurship in the Republic of Benin

S/N	Response	Frequency	Percentage
1	Strongly agreed	90	26
2	Agreed	80	24
3	Disagreed	70	20
4	Strongly disagreed	60	18
5	Undecided	40	12
	Total	340	100

Source Researchers' field survey 2023

Table 3.10 Contigency Table based on responses from respondents

x	y	x^2	y^2	xy
5	90	25	8100	450
4	80	16	6400	320
3	70	9	4900	210
2	60	4	3600	120
1	40	1	1600	40
15	**340**	**55**	**24,600**	**1140**

Source Researchers' computation, 2022

[b] Decision

From the above calculations made, the value 8.5, when compared with the table value $t = 3.182$, the null hypothesis is disapproved at a 5% level of significance. In contrast to this, the alt hypothesis is approved which helps to conclude the relationships between market competitors on start-up entrepreneurs in the Republic of Benin.

Discussions of the Findings

This research investigated the challenges encountered by businesses in the Republic of Benin. To achieve these aims and objectives, two hypotheses were created for the investigation. The findings of a study indicate that the presence of rivals has a substantial impact on entrepreneurs who are initiating business ventures in Cotonou, Republic of Benin. This aligns with the findings of Oladimeji et al. (2017), who argued that the use of competitive intelligence through data analysis may contribute to the improvement of enterprises' competitive advantage by enabling effective information sharing and collection, hence facilitating tactical and strategic decision-making.

Likewise, the research carried out by Uchegbulam et al. (2015), the study argues that competitive advantage confers a distinct advantage upon a firm, enabling it to generate greater value for both the firm itself and its stakeholders. They further contend that the challenges in a highly competitive and volatile business environment, such as the Republic of Benin, must consistently strive to enhance its comprehension and knowledge of the environment and the competitive forces that shape its behavioural dynamics, thereby attaining a competitive advantage.

Also, the study carried out by Nteand Omede (2021) that in today's increasingly interconnected digital world, only businesses with a firm grasp of their surroundings, their rivals, and the market at large could hope to succeed. In addition, the authors emphasised, that this is a survival technique that businesses use to give themselves an edge in the marketplace. Jummai and Abuga (2020) argue that the survival and growth of businesses in Cotonou, Republic of Benin depends on their ability to share and gather information about their customers' wants, needs, and expectations. This is necessary so that new products and services can be developed and more satisfying to customers.

Conclusion, Implications and Recommendations

The government's annual budget should be designated for low-interest loans and subsidies for current and aspiring business owners. In that light, there must be government policy in place to support and direct the work of Beninese's budding entrepreneurs Nguyen et al. (2021). The study provides entrepreneurs with a ground to be incentivised to enhance their expertise within their respective operational domains, as this will significantly enhance their company prospects and broaden their awareness of the myriad of business possibilities that exist both locally and globally. Entrepreneurs must recognise that sentimentality has no place in the realm of business, necessitating a clear demarcation between familial matters and commercial operations.

A study by Jummai and Abuga (2020) has shown how entrepreneurs have been challenged and this research study therefore helps open entrepreneurs the possible ways in which they could make up for their losses. From this research, entrepreneurs could understand the possible assessment made available in meeting financial needs that may arise. Also, it helps entrepreneurs the government laws and factors that could help them utilise their present resources and win through in the competitive market.

The study recommended that the supply of sufficient infrastructural amenities, such as power and well-maintained roads, is essential for the viability and prosperity of an entrepreneur. Governmental bodies at all levels must ensure the supply of sufficient infrastructure to enhance entrepreneurial endeavours inside the nation Li et al. (2020). Furthermore, the enactment and enforcement of legislation by the government are necessary to safeguard the interests of indigenous entrepreneurs operating within the nation. The implementation of these regulations will enable entrepreneurs to engage in fair competition with their international rivals. Also, the implementation of steps by the government to decrease the expenses associated with conducting business in the Republic of Benin, such as reducing registration fees, streamlining administrative procedures, and providing incentives, will likely foster an environment conducive to entrepreneurial activity. If the recommendations are effectively executed, the myriad of problems encountered by entrepreneurs will become obsolete, hence facilitating a seamless business operation for entrepreneurs and ultimately contributing to the economic advancement of the nation.

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4

External Versus Internal Funding: Entrepreneurial Competencies as a Mediator of Financing Strategies for Informal Economy SMEs

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Introduction

Small and medium enterprises (SMEs) are increasingly arising across nations principally because of their strategic roles in serving as the backbone of many economies in the world today, both in developed and developing nations (Obi et al., 2018). For example, within the last few decades, SMEs have been good sources of economic growth and development, innovation, and new and diverse jobs across global economies (Ibidunni & Falola, 2013). Meanwhile, the theorization on SME financing, especially from the developing economy, remains an emerging area of research and policy focus, mainly because a large number of developing economy SMEs are in the informal economy,

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with very limited, if not a complete absence of, access to formal sources of financing. Consequently, securing funding for SMEs, especially in developing economies like Nigeria, has proven problematic and daunting (Quartey et al., 2017).

Previous research (Ajagbe & Ismail, 2014; Brierley, 2001) asserts the financing difficulties that informal sector SMEs face. Studies like Peter et al. (2018) have argued for formal financial institutions' role in supporting the financial needs of informal sector SMEs. However, Adekoya (2021) reveals that only a meagre four per cent of the 40 million SMEs in Nigeria have access to financing aid from formal financial institutions. Besides, rising from their limited access to finance, these SME operators suffer from redundant business growth; their inability to satisfy huge collateral requirements imposed upon them by financial institutions contributes to their collapse from business (Mueller & Sensini, 2021).

In the present research, we argue that existing studies on SME financing have only paid attention to spotlighting different financing strategies that are available to these SMEs (Gbandi & Amissah, 2014; Kumar & Rao, 2015; Taiwo & Falohun, 2016) and discussing mechanisms and documentation for accessing funding (Baker et al., 2020; Prijadi et al., 2020). However, there has been paucity in the research that covers (i) the prioritization of financial strategies in a way that should guide SMEs and keep them focused on leveraging the most suited financing option to sustaining business performance and (ii) the

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competencies that SMEs must possess to enhance their accessibility and sustainability of various financing strategies. However, there is the question of whether or not these SMEs have the required competencies to help them organize their firm operations and possess the required knowledge and skills to attract such grant funding (Mayer, 2008). Moreover, there are indications that the lack of appropriate entrepreneurial competencies contributes significantly to the failure and slow business growth of most technology-based entrepreneurial firms in Nigeria (Ajagbe et al., 2012; Ibidunni et al., 2018a).

Therefore, this research is focused on closing the earlier-mentioned research gaps by investigating the moderating role of entrepreneurial competencies on the relationship between SME financing strategies and business performance. We drew data from 363 SMEs operating in Nigeria's informal sector to establish the relationships between the research variables and achieve the research focus.

Theoretical Background and Hypotheses

Institutional Theory

The appropriateness of the institutional theory to the present research rests on the fact that institutional logic explains the relationship between factors and actors within the organization and its environment (Hessels & Terjesen, 2010). The institutional landscape for SME financing in Africa's entrepreneurship is characterized by a creeping effect of formal institutional support for the growth of SMEs in the region (Ibidunni et al., 2022). This may be mainly because Africa's entrepreneurship landscape comprises mostly informal SMEs. Thus, many informal entrepreneurs lacking structured accounting records attract little financial support from the government and other formal financial institutions. Institutionalism is rooted in the role of the environment in shaping the behavioural responses of the firm (Shibin et al., 2020), therefore, placing pressure on firms to either adjust to the demands of formal financial sources by reorganizing their internal operations or to seek alternative sources of financing (Bellavitis et al., 2017).

Under these conditions, SMEs in the informal context are exposed to making strategic choices between external or internal sources of financing. Existing studies reflect a blend of these two levels of financing strategies as options, depending on factors surrounding firm size, business networks and personal relationships across institutional levels, and the ability of the SMEs to maintain prior accounting records (Nguyen & Canh, 2021; St-Pierre et al., 2018). Upon this premise, the present study discusses the institutional theory of SME financing strategies across internal and external financing strategies.

Direct Relationships of Financing Sources and SMEs Performance

Bank Loans

Banks continue to be the largest source of finance for SMEs in different parts of the world (Chowdhury & Alam, 2017). In Nigeria, amid a complex and unstable economy, the absence of management skills and no access to new technology by small and medium firms have all contributed to the refusal of banks to finance this sector (Uzonwanne, 2011). Typically, accessing bank loans requires that SMEs maintain financial liquidity, have a comprehensive business plan, and have a good working relationship with the bank (Abdesamed & Abd Wahab, 2014; Wójcik & Ioannou, 2020). However, while it is generally more accessible for large firms to access bank financing, SMEs face stiffer procedures for this financing option (Jiang et al., 2014).

H_1: Bank loans have a direct effect on SMEs' Performance.

Government Grants

Government intervention funds and subsidies effectively stimulate SME performance (Zhang et al., 2023). Lee and Cin (2010) suggest that government funding support can assist SMEs in mitigating risks associated with innovations and the costs of undertaking new technologies. However, while a better structure exists for developing economy SMEs to benefit from government financing support, SMEs in developing economies are majorly self-reliant (Peter et al., 2018).

H_2: Government grants have a direct effect on SMEs' Performance

Indirect Relationships of Financing Sources and SMEs Performance

Personal Finance

Most entrepreneurs have little options than to invest personal finances into their desired startup. This is usually the cheapest and most readily available form of finance. Usually, such a choice to start a business is provoked by a change in the individual conditions of the entrepreneur. Personal saving investment maximizes the entrepreneur's control over their business. It also indicates a solid commitment to banks and other private investors. Borrowing from family and friends is also very common among entrepreneurs. Naturally, family and friends usually support their entrepreneurs and provide funds directly or indirectly to the business (Abereijo & Fayomi, 2005; Okorie & Miller, 1976). It is also straightforward and quicker to arrange than bank loans and, in case of any interest, which can be more flexible than a bank's.

H_{3a}: Personal finance has a direct effect on Entrepreneurial Competencies.

Inyang and Enuoh (2009) defined competence as performing a given task. Woodruffe (1990) described competence as the area of work that a person is competent to a related work. Therefore, competent individuals can be known as those who continually meet the expectations required in their work performance. In management, it is used to describe the different skills that are required of a manager to accomplish organizational goals and objectives. They combine an entrepreneur's attitude, skills, and knowledge that can be discovered and learned through training (Wagener et al., 2010).

Therefore, entrepreneurial competency involves the skills, attitudes, and knowledge that entrepreneurs must acquire through self-development and training to attain a high success rate in their own organizations (Ibidunni et al., 2022). SMEs can achieve increased productivity through good organizational communication, decentralized decision-making styles, and proper employee training and motivation, among many other options. In that case, there should be a shift to developing entrepreneurs' competencies to enable them to maximally contribute to Nigeria's economic development (Benjamin, 2002). According to Inyang and Enuoh (2009), entrepreneurial competencies include communication, leadership, decision-making, strategic skills, financial management, and taking initiative.

H_{3b}: Entrepreneurial competencies have a direct effect on SMEs' Performance.

H_{3c}: Entrepreneurial competencies mediate the relationship between Personal finance and SME performance.

Methodology

Research Setting and Data Collection

We adopted the survey research based on the literature reviewed, which was a questionnaire to gather people's opinions and ascertain the company's financial strategies and how they help develop technology-based small and medium firms in Nigeria. Therefore, the population would comprise different entrepreneurs and financial managers in technology-based small and medium firms in Computer Village (CV), Lagos State.

Lagos State is selected for the following reasons: first, its crucial role in Nigeria's economy, owing to its strategic significance. As the economic hub of Nigeria, it boasts the highest concentration of small, medium, and extensive business enterprises (Ogunyomi & Bruning, 2016). Second, numerous major companies have their headquarters in Lagos State, which serves as Nigeria's hub of commerce and industry. Additionally, there were 17% more SMEs in Lagos State than in the entire country (Eniola & Ektebang, 2014). Therefore, it presents an ideal position for data collection. Computer Village is West Africa's largest gadgets business hub with over three thousand SME operators (Salaudeen, 2022); it is the sales and distribution centre for owner-managers and managers of small and medium enterprises in Nigeria's informal electronic and ICT market. The market is in Otigba, at Ikeja, the capital of Lagos State, Nigeria. Onuorji (2021) suggests that more than twenty million imported mobile phones are sold in Computer Village daily. The market generates about 2 billion dollars annually, representing 2% of the national Gross Domestic Product.

Sampling

The population of this study consists of 100,000 entrepreneurs and financial managers of technology-based SMEs in Lagos State, Nigeria (Ayeni et al., 2018). The SMEs operate within the informal market. The informal market of Nigeria is an economic sector that consists of businesses that governments and other institutions do not fully regulate; they are businesses that are only partially registered and do not maintain complete books of account (Bank of Industry, 2018). This present research considers the informal market as a strategic aspect of the Nigerian economy worthy of research focus because it supplies about sixty-five per cent of Nigeria's business economy and employs seventy-two per cent of Nigeria's economic population (*Business Day*, 2020; Obi et al., 2018).

This study's sample size of 370 SMEs is based on Bartlett et al. (2001) formula. We adopted the simple random sampling method to administer the copies of the questionnaire to respondents. Simple random sampling facilitated the process that ensured that the selection of respondents was made without human bias, giving every population member an equal chance of participating in the survey. However, when administering the research instrument, respondents who declined to participate in the study were respectably excused and replaced based on the convenience of other respondents.

The structured questionnaire was used to obtain the data needed for the research. 233 (62.97%) of the respondents filled out the administered questionnaires, 65 (17.57%) copies of the questionnaire were scantily completed, and 72 (19.46%) of the respondents did not return the questionnaires that were administered. 52.6% (121) of the respondents are male and 47.4% (109) are female. 21.4% (47) of the respondents are single, 56.8% (125) of the respondents are married, and 20.6% (48) of the respondents are in other categories, such as divorced, widowed, or separated. 29.8% (67) of the respondents are between the age of 21–30 years, 57.8% (130) of the respondents are between the age of 30–40 years, 8.9% (20) of the respondents are between the age of 41–50 years and 3.6% (8) of the respondents are 51 years and above. 33.0% (72) of the respondents have WAEC/O'Level results as their highest educational qualification, 27.5% (60) of the respondents have OND/NCE as their highest educational qualification, and 25.7% (56) of the respondents have B.SC/HND is their highest educational qualification, and 12.8% (30) of the respondents have obtained a postgraduate degree (see Table 4.1).

Table 4.1 Demographic characteristics of respondents

Parameter	Characteristics	Frequency (Percentage)
Gender	Male	121 (52.6)
	Female	109 (47.4)
Marital status	Single	47 (21.4)
	Married	125 (56.8)
	Others	48 (20.6)
Age bracket	21–30	67 (29.8)
	30–40	130 (57.8)
	41–50	20 (8.9)
	51 years and above	8 (3.6)
Educational qualification	WAEC/O'Level	72 (33.0)
	NCE/HND	60 (27.5)
	HND/BSC	56 (25.7)
	Postgraduate	30 (12.8)

Variables

While the measurement of SME financing strategies is broadly varied across internal and external measures of financing (Bellavitis et al., 2017), the most commonly discussed measures include government support funds, venture capitalist interventions, angel financing, bank loans, and personal financing (Chowdhury & Alam, 2017; Peter et al., 2018; Zhang et al., 2023). Across sectors and economies, the level of involvement of these various financing strategies varies (Rao et al., 2023); for example, while highly industrialized economies benefit from the prominence of government interventions and standardized financial institutional frameworks, developing economies still struggle with clearly defining the interventionist roles and measures of government financial support of informal economies (Ibidunni et al., 2021).

Based on this, the present study adopts the accessibility of informal SMEs to bank loans, government grants, and personal financing as the primary financing strategies that can influence SMEs' performance. The items that measured SME financing strategies were derived from Robb and Coleman (2010), Casey and O'Toole (2014), Lin et al, (2020), Liu et al. (2022). Entrepreneurial competencies were measured based on Ibidunni et al. (2021). The items that measure SME performance are derived from Venkatraman (1989).

Our study controlled gender, experience, educational background, CEO/Manager's age, firm age, and firm size. Prior studies suggested that the entrepreneur's gender, educational experience, and CEO/Manager's age may affect venture performance (Adomako & Ahsan, 2022). Gender was coded as a dichotomous variable where female respondents were coded with 1 and male respondents with 0. The entrepreneur's educational attainment was captured as 1 = O'Level, 2 = NCE/OND, 3 = HND/B.Sc, and 4 = Post-Graduate. CEO/Manager's age was coded as a continuous variable. We also controlled firm age (Hughes et al., 2021), measured as the years of the firm's operations.

Analysis and Results

Measurement Model

We evaluated the constructs for inter-rater reliability, convergent validity, and discriminant validity in line with Neneh (2016). Inter-rater reliability was assessed using Cronbach's Alpha (C.A.) and composite reliability (C.R.) (see Table 4.2). The CA values were between 0.875 and 0.912, while the C.R. values were between 0.907 and 0.938. All the values are above the threshold limits recommended by Fornell and Larcker (1981) and Hair et al. (1998). We evaluated convergent validity using the average variance extracted (AVE) criteria, assuming that the AVE values for each item should be 0.5 and above (Hair et al., 1998). All the AVE values fall within 0.787–0.890 and thus were considered valid (see Table 4.2). The present study assessed the discriminant validity of the research items according to Fornell and Larcker's (1981) recommendation that the correlation between measures must not exceed the square root of AVE. Table 4.3 depicts the correlation matrix of all the scales for this study per Fornell and Larcker's recommendations. The mean values of items were between 1.270 and 4.150, indicating that respondents generally shared agreement on items raised in the research instrument. Using correlation analysis to precede a regression analysis is essential to determine that the items included in the research have a linear relationship and the direction of such a relationship. However, the association must not exceed 0.7 (Donkor et al., 2018). Hence, discriminant validity for the scale is assured.

Structural Model

The present study adopted the multiple regression analysis using the Smart-PLS to test the mediating effects of entrepreneurial competencies on the relationship between financial strategies and SMEs performance (Table 4.4).

Table 4.2 Confirmatory factor analysis of the research items

Measurement items	Loadings
Bank loan (C.R. = 0.75, AVE = 0.65, α = 0.61)	
I have enough personal savings to fund my business	0.5220
I started my business with loans from banks	0.5920
I repaid my last loan on time to the bank as agreed	0.7340
My business was started with the help of a venture capitalist	0.7380
Government grants (C.R. = 0.71, AVE = 0.68, α = 0.63)	
My savings is different from my business savings	0.7610
The interest rates of banks are usually very high	0.7320
I am aware of Small and Medium Industries Equity Investment Scheme (SMIEIS) fund program	0.5060
Personal savings (C.R. = 0.85, AVE = 0.70, α = 0.77)	
I want experienced individuals to help me make decisions towards my business	0.581
Funds provided by venture capital are usually enough	0.77
I believe angel investors are in Nigeria	0.839
My firm has a business plan	0.748
Entrepreneurial competencies (C.R. = 0.94, AVE = 0.78, α = 0.70)	
In my firm, we deliver high-quality products/services to my customers who want	0.8070
My firm is able to identify goods or services that customers want	0.8040
In my firm, there is high communication between employers and employees	0.8640
In my firm, we train our employees on a regular basis	0.7840
My firm encourages individuals to generate ideas/visions and carry them through the completion	0.6730
Employees are part of decision-making in my firm	0.7020
In my firm, we motivate our employees in order to improve their performance	0.8370
In my firm, we keep books of financial and cost accounting	0.5350
We take actions without seeking much information	0.8050
In my firm, we try to get feedback from my customers concerning my products/services	0.9040

Measurement items	Loadings
We effectively improve on the quality of our products/services	0.8140
SMEs performance (C.R. = 0.81, AVE = 0.72, α = 0.72)	
Funds sourced in my firm are used to increase our net profit position in relation to our competitors	0.76
We use funds in my firm to respond to new market	0.686
Funds are used in my firm to increase the production of new products	0.695
My firm uses fund to train employees	0.752

Table 4.3 Discriminant validity of the variables

	Mean	S.D	1	2	3	4	5
Gender	1.47	0.50	1	0.087	–0.053	–0.025	0.005
Education	2.24	1.08	0.087	1	–0.013	0.019	0.192**
Experience	1.73	0.81	–0.053	–0.013	1	0.091	0.235**
Age	1.88	0.74	–0.025	0.019	0.091	1	0.125
Firm Age	2.10	0.92	0.005	0.192**	0.235**	0.125	1
Firm Size	1.79	0.75	–0.134*	–0.101	0.332**	0.165*	0.382**
Bank Loan	2.29	0.49	–0.020	–0.060	–0.018	–0.044	0.018
Government Grant	2.12	0.63	0.002	0.077	0.177**	0.196**	0.249**
Personal Savings	2.34	0.65	0.053	0.027	0.095	0.012	0.081
Entrepreneurial Competencies	2.30	0.42	0.161*	0.027	0.013	–0.043	–0.115
Performance	2.46	0.56	–0.007	–0.048	0.021	–0.172**	–0.193**

	6	7	8	9	10	11
Gender	–0.134*	–0.020	0.002	0.053	0.161*	–0.007
Education	–0.101	–0.060	0.077	0.027	0.027	–0.048
Experience	0.332**	–0.018	0.177**	0.095	0.013	0.021
Age	0.165*	–0.044	0.196**	0.012	–0.043	–0.172**
Firm Age	0.382**	0.018	0.249**	0.081	–0.115	–0.193**
Firm Size	1	0.125	0.206**	0.148*	–0.061	–0.023
Bank Loan	0.125	1	–0.080	0.218**	0.152*	0.127
Government Grant	0.206**	–0.080	1	0.363**	0.130*	–0.160*
Personal Savings	0.148*	0.218**	0.363**	1	0.364**	0.102
Entrepreneurial Competencies	–0.061	0.152*	0.130*	0.364**	1	0.376**
Performance	–0.023	0.127	–0.160*	0.102	0.376**	1

Notes
*Correlation is significant at the 0.05 level (2-tailed)
**Correlation is significant at the 0.01 level (2-tailed)
$N = 233$

Table 4.4 Path coefficients of the regression relationships

	Path	β	T-Stat	Std. Dev	P-Value	VIF
Control	Gender → Perf	0.212	1.389	0.092	0.058	1.000
	Experience → Perf	0.083	1.052	0.079	0.294	1.000
	Education → Perf	–0.021	0.222	0.094	0.824	1.000
	Entrp's age → Perf	0.127	1.389	0.092	0.165	1.000
	Firm age → Perf	–0.039	0.326	0.120	0.744	1.000
	Firm size → Perf	–0.062	0.504	0.123	0.615	1.000
Direct Effects	Bank loan → Perf	0.202	2.229	0.091	0.026*	1.000
	Gov-Grant → Perf	–0.183	1.929	0.095	0.054*	1.000
	Pers_Saving → Perf	0.362	4.111	0.088	0.000***	1.000
	Entpr_Compt. → Perf	0.408	3.714	0.110	0.000***	1.000
Mediating Effects	Pers_Saving → Entpr_Compt. → Perf	0.148	2.371	0.062	0.018**	–
Model Evaluation	R^2 Entpr_Compt	0.131				
	R^2 Adj. Entpr_Compt	0.122				
	R^2 Perf	0.361				
	R^2 Adj. Perf	0.297				

Note $^{***}p < 0.001$, $^{**}p < 0.01$, $^{*}p < 0.05$

Figure 4.1 shows the direct relationships between financial strategies and SME performance. The results show that H_1 is confirmed through a direct relationship between bank loans (β = 0.202, sig. = 0.026) and SME performance. Similarly, the statistical results confirm H_2 through a direct relationship between government grants (β = −0.183, sig. = 0.054) and performance.

H_{3a} suggested a direct relationship between personal saving (β = 0.362, sig. = 0.000) and entrepreneurial competencies, and this relationship was statistically confirmed in the analysis. Equally, a direct relationship exists between entrepreneurial competencies (β = 0.408, sig. = 0.000) and SME performance, thus confirming H_{3b}. The analysis also statically confirmed the final hypothesis suggested in H_{3c} on the mediating role of entrepreneurial competencies (β = 0.362, sig. = 0.000) on the relationship between personal savings and SME performance.

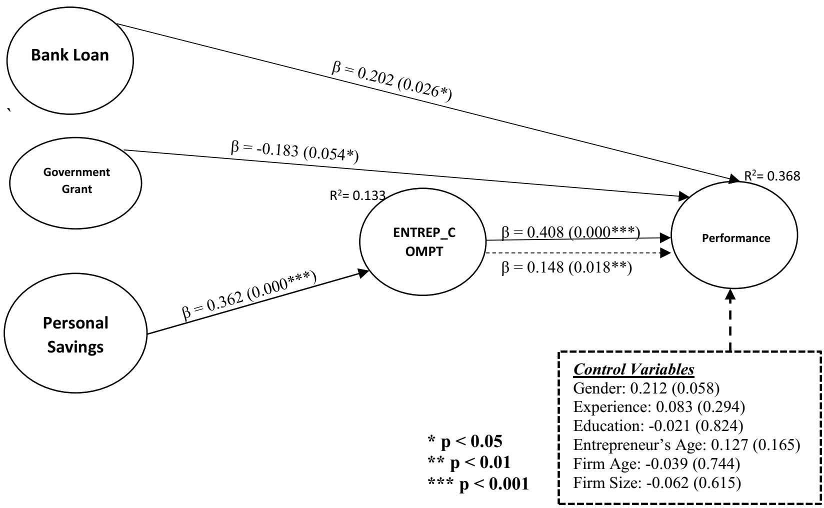

Fig. 4.1 Path model of the research variables (dotted lines represent mediating effects)

Robustness Tests

We carried out additional analyses to test the robustness of the regression results (see Fig. 4.2). In particular, we examined full-scale direct and indirect relationships between the financing strategy variables, entrepreneurial competencies, and SME performance. The coefficients for the additional paths are insignificant, and the model's overall fit is not significantly improved. The direct path from bank loan to performance is significant at $p < 0.05$, and the link between government grants and performance remains significant at $p < 0.05$. Also, the direct path from personal savings and entrepreneurial competencies is confirmed at the $p < 0.001$ level. In contrast, the direct relationship between entrepreneurial competencies and performance is confirmed at $p < 0.01$.

However, the following newly included direct relationships were found to be insignificant, namely, the relationship between bank loans and entrepreneurial competencies ($p > 0.05$), the relationship between

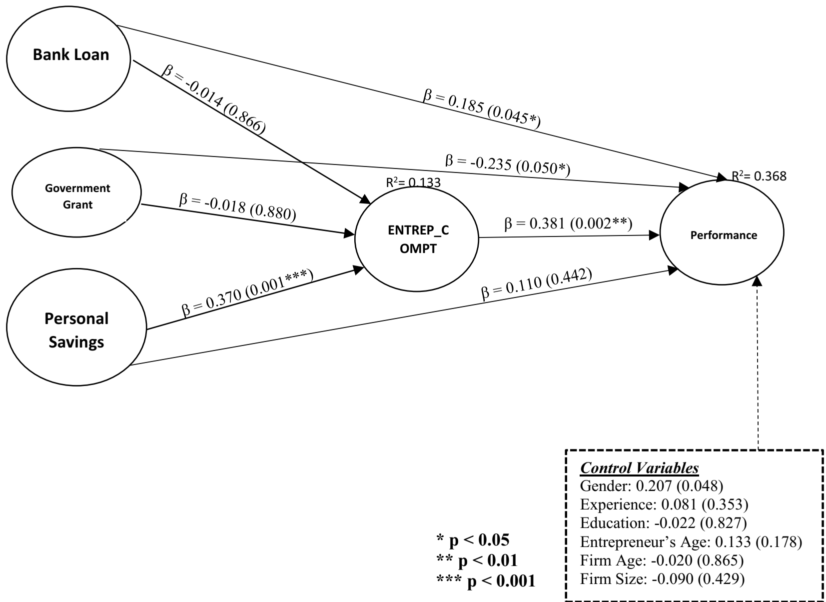

Fig. 4.2 Path model of the robustness tests for the research variables

government grants and entrepreneurial competencies ($p > 0.05$), and the relationship between personal savings and performance ($p > 0.05$). Thus, our analysis offers consistent evidence for the theoretical model.

Discussion

This study focused on investigating the mediating role of entrepreneurial competencies on the relationship between financing strategies and the performance of SMEs. This study offers an interventionist perspective to policymakers, investors, and informal economy entrepreneurs on the strategic importance of financing the SME sector and the need to build competencies for accessing varied funding options.

Our study examined the direct relationships of financing strategies, especially bank loans and government grants, on SMEs' performance. The statistical analysis revealed that informal sector SMEs have significant investment opportunities from banks in giving loans and government grants to SMEs. In other words, investments and funding that come into the informal SME sector directly from bank loans and government grants are significant to the performance of the businesses in the SMEs. Indeed, the SME sector of Nigeria's economy can experience significant transformations and development through funding from these two types of investors because of their cash liquidity status. Existing studies, especially from developing economies, show evidence of the roles of government grants and bank loans as essential financial aids to SMEs (Dagogo & Ollor, 2009). Studies in developed economies further confirm the results from this study; for example, Brown and Lee (2019) affirmed that external funding for SMEs propels higher levels of innovation for the firm. Similarly, Mohamad et al. (2021) reported that a high volume of grant investment gives financial support that boosts the firm's public image.

The second phase of analysis was concerned with statistically identifying the mediating effects of entrepreneurial competencies on the SMEs' financing strategies—performance relationship. Entrepreneurial competencies in this relationship are critical to the accessibility and management of available funding to entrepreneurs (Ibidunni et al., 2021). The statistical results show that entrepreneurial competencies are strategic to enhancing the connectedness between financing strategies and SME performance. The various dimensions of financial strategies included in this study highlight that financiers require SMEs to possess the requisite skills and attitudes that can drive highly successful businesses. For example, accessing bank loans demands that these entrepreneurs show some reasonable degree of skill in their business's operational and strategic aspects. Similar studies have pointed out that pivotal among these required skills would be financial management skills and the ability to demonstrate attractiveness in their product/service market domain (Ibidunni et al., 2018b; Wagener et al., 2010). This statistical evidence demonstrates that the SMEs in Nigeria have growth potential, primarily through financial investments that can be attracted into the industry. However, entrepreneurs must prove their readiness to turn such investments into profitable yields as soon as possible through entrepreneurial competencies (Ibidunni, 2022; Wale-Oshinowo et al., 2018).

Implications

The findings of this study have important implications for practice and theory.

Implications for Practice

Practitioners and policymakers, such as informal economy SMEs, investors, and governments, can be guided by the outcomes of this study towards understanding the critical roles of various fi nancial organizations and individuals in enhancing the performance of SMEs in developing economies. Consequently, policies must be designed to support and facilitate the activities of banking firms and government institutions to achieve increased support for technology-based SMEs.

Implications for Theory

This study has advanced the theorization of entrepreneurial competencies and SMEs' financing strategies by providing insights into interventionist perspectives critical to developing economies. The findings from this study have provided direction about how SMEs can strategize for improved performance through financing strategies.

Conclusion

This study investigated the mediating influence of entrepreneurial competencies on financing strategies and SME performance in Nigeria. From the research findings, it is concluded that financing strategies significantly affect SMEs' performance. In addition, financing is not only strategic to the performance of SMEs, but the entrepreneur's competencies are a critical factor for the success of a small and medium firm. Entrepreneurs must possess requisite competencies combining skills, knowledge, and attitudes to achieve high-performing firms.

Limitations and Future Studies

The study has contributed to the theorization of SME financing by establishing the interventionist role of entrepreneurial competencies in determining how SMEs can leverage various financial strategies to enhance their firms' performance. Similar to other studies, our study is not without limitations. Our study limited the conceptualization of entrepreneurial financing strategies to bank loans, government grants, and personal savings. Besides, a single-country analysis may not sufficiently supply information on economies that have varied characteristics from ours. Further study is, however, required to investigate other areas of competencies that could facilitate access to funding from a different economy. Investigating a combined analysis of entrepreneurial funding sources such as venture capital, angel investors, and crowdfunding will be beneficial. Also, adopting a qualitative methodology may provide further details to understand SME financing.

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Part II

Gender-Based and Youth Entrepreneurship

5

Social Capital and Women Entrepreneur Success in Egypt: Exploring Network, Trust, and Empowerment

Doaa Abdelnaeim and Hakeem Adeniyi Ajonbadi

Introduction

Unveiling Egyptian Women's Entrepreneurial Terrain

The significance of social capital in defining the direction of entrepreneurial success has received substantial study in recent years across a variety of situations. This chapter dives into the detailed interplay between social capital and the economic objectives of Egyptian women entrepreneurs. This chapter focuses on the transforming impact of social networks, trust, and reciprocal connections, illuminating how

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these aspects work together to produce a suitable atmosphere for the growth and success of women-led businesses. Egypt, like many other countries, has experienced a rise in the number of female entrepreneurs who are not only fuelling economic success but also challenging traditional norms and transforming social dynamics (Ozgen, 2012). These women labour in a context that is rich in both ability and difficulty. These entrepreneurs come across several challenges when they begin their enterprises, including a lack of resources and information about social expectations and gender stereotypes. In such a situation, the value of social capital looks to be a significant factor in their success.

This chapter analyses the techniques and procedures used by Egyptian women entrepreneurs to establish and utilise networks, drawing based on social network theories and frameworks. In turn, these networks act as conduits for important ideas, collaborative relationships, and possibilities that move their businesses ahead. The concept of reciprocity, as well as the support systems contained within these networks, prove to be vital for not just improving commercial prospects but also influencing these entrepreneurs' personal growth. The essential value of trust is central to the subject of this inquiry. Trust acts as the glue that holds these networks together, allowing for the flow of information, resources, and psychological support. It is the basis that supports collaborative linkages between female entrepreneurs and diverse stakeholders, establishing an atmosphere in which their endeavours may thrive. Trust functions as a catalyst for self-efficacy, resilience, and the confidence required to overcome hurdles as these entrepreneurs traverse the entrepreneurial world. The significance of specialised initiatives fostering social capital among Egyptian women entrepreneurs is emphasised in this chapter. Acknowledging the importance of social networks, these initiatives have the potential to build an inclusive environment that empowers women while also boosting the nation's economic growth (Afsar et al., 2017). Women entrepreneurs may realise their full potential through utilising social networks, encouraging sustainable growth, and contributing to the Egyptian entrepreneurial scene.

The following parts of this chapter evaluate the purpose of social capital in determining the entrepreneurial path of Egyptian women. It emphasises the significance of trust and reciprocity in the development of women-led businesses. The chapter suggests methods for establishing an environment that maximises the potential of social capital, allowing women entrepreneurs to thrive and contribute to Egypt's economic development. The purpose of this chapter is to analyse the connections between social capital, trust, empowerment, and women's entrepreneurial success in Egypt. The study will begin with a complete discussion of the context and reason for researching macro-level causes of Egyptian women's entrepreneurship, developing the basis for the upcoming analysis (Brush et al., 2019; El-Enbaby, 2018). The chapter will next critically investigate the impact of national policies and institutional frameworks on Egyptian women's entrepreneurship (Aidis et al., 2007; Estrin et al., 2013). By identifying policy gaps and proposing evidence-based solutions for promoting an enabling environment for women entrepreneurs by combining current research and empirical evidence (Kelley et al., 2011; World Bank Group, 2020).

Finally, the chapter will dive into the primary subject, investigating the impact of social capital, trust, and empowerment in determining the entrepreneurial results of Egyptian women (Aldrich & Zimmer, 1986; Terjesen et al., 2016). The chapter tries to explore the ways in which social networks and support systems contribute to women's entrepreneurial success through analysing data from studies and in-depth research (El-Bassiouny et al., 2020). Subsequently, this chapter seeks to provide useful insights into academic research, clarify policymakers, and motivate Egyptian women to navigate challenges and capitalise on opportunities to grow as successful entrepreneurs in their country (Minniti & Nardone, 2007; Wahba & Soliman, 2018). This research may establish a more gender-inclusive and solid business ecosystem in Egypt by addressing the complex interaction of macro-level elements (Abouzeid, 2016; Elbanna & Abdelzaher, 2016).

Background: Drivers of Egyptian Women's Entrepreneurship

Women's entrepreneurship has been identified as a critical acceleration for the world's economic growth and development. There has been an increasing emphasis in recent years on encouraging women to establish and build their own businesses since they have been shown to contribute extensively to job creation and innovation. Furthermore, offering possibilities for financial independence and leadership roles for women in formerly traditionally male-dominated sectors, women's entrepreneurship has the ability to reduce disparities between genders and promote social inclusion (Brush et al., 2019). Women's involvement with entrepreneurship remains quite low in Egypt, as in many other countries, due to a variety of socio-cultural and structural factors (Elbanna & Abdelzaher, 2016). Knowing the complex connection of elements that impact women's entrepreneurial activity requires investigating the macro-level factors that impact women's entrepreneurship.

Egypt's unique cultural legacy and long history of entrepreneurship provide an exceptional setting for researching women's entrepreneurial efforts (El-Enbaby, 2018). Women entrepreneurs in Egypt, on the other hand, face significant challenges, such as restricted access to capital, a lack of supporting regulations, and cultural norms that perpetuate gender inequality (Abouzeid, 2016; Wahba & Soliman, 2018). Understanding these macro-level factors is crucial for developing effective policies and initiatives that encourage women's entrepreneurship and close gender gaps in economic participation. Social capital, including social networks, has been found as a key indicator of business success (Aldrich & Zimmer, 1986; Davidsson & Honig, 2003). Examining the purpose of social capital in the context of Egyptian women entrepreneurs could deliver insights into how their access to resources, knowledge, and support networks affects their business success (El-Bassiouny et al., 2020). Furthermore, studying the influence of trust and collaboration within these networks might offer light on the dynamics of Egyptian women's business enterprises (Terjesen et al., 2016).

Policy Impact: National Policies and Institutional Frameworks

The environment in which entrepreneurs operate is heavily influenced by national policies and institutional frameworks (Aidis et al., 2007; Estrin et al., 2013). The governmental and legal framework in Egypt, like in many developing countries, may either encourage or inhibit women's entrepreneurial engagement (World Bank Group, 2020). The impact of these measures must be studied in order to address disparities in gender in entrepreneurship and support gender-inclusive economic growth (Kelley et al., 2011). Women's entrepreneurship has been positively impacted by policies that improve access to capital, business training, and networks (Díaz-Garca & Jiménez-Moreno, 2010; Verheul et al., 2005). Regulatory challenges, such as limits on property rights and discriminatory behaviours, on the other hand, might prevent women from fully participating in entrepreneurial activity (Aterido et al., 2011; Kabeer, 2008). This chapter intends to give empirically supported recommendations for policymakers to establish gender-responsive entrepreneurship policies that strengthen women's economic empowerment by studying the influence of national policies and institutional support (Welter, 2011).

Theoretical Foundations: Institutional Theory and Gender Dynamics

Institutional Theory: Applied to Women's Entrepreneurship

In the study of entrepreneurship and the effect it has on women's entrepreneurial activity, institutional theory has gained significance. It emphasises how formal and informal regulations, conventions, and values impact entrepreneurial behaviour in the setting of cultural surroundings (Scott, 1995). This approach may help women entrepreneurs understand how institutional constraints impact their access to resources, opportunities, and networks (Aldrich & Fiol, 1994). In Egypt, where gender standards and cultural expectations have historically restricted women to home responsibilities, institutional theory gives perspective on how these norms may dissuade or encourage women to enter the entrepreneurial world. Laws and legislation, for instance, can either help or interfere with women's entrepreneurial activity (Brush et al., 2018). Meanwhile, informal institutions such as societal conventions and gender roles impact women's perceptions of their entrepreneurial ability and inclination to engage in entrepreneurial activities (De Bruin et al., 2007). Additionally, the institutional theory emphasises the importance of social networks and social capital in female entrepreneurship (Aldrich & Zimmer, 1986). Due to the prominence of gender-segregated settings in Egypt, women may have challenges with developing and leveraging networks (Kabeer, 1994). Understanding how these institutional components impact women's business ventures is essential for developing effective interventions and policies that increase women's entrepreneurship in Egypt.

Gender-Specific Influences: Macro-Level Factors

Macro-level factors change the entrepreneurial environment greatly, while gender-specific factors play an important role in forming women's entrepreneurial experiences in Egypt. Economic policies, cultural attitudes, and cultural norms all combine to facilitate or prevent women's entrepreneurial engagement (Verheul et al., 2002). Being able to get to capital is a major component impacting women entrepreneurs in Egypt at the macro level (Coleman, 2012). Due to existing gender biases in the financial industry, women might experience higher difficulty with getting finance (World Bank, 2019). Women's access to finance and company growth can be accelerated by encouraging financial institutions to adopt more inclusive lending practices and establishing gender-sensitive standards (Brush et al., 2017). Another key factor is government assistance and policies for women's businesses (Elborgh-Woytek et al., 2013). It is critical to create an entrepreneurial environment that acknowledges and tackles the particular problems encountered by female entrepreneurs (Brush et al., 2014). To improve women's entrepreneurial abilities and allow them to overcome institutional obstacles, policymakers should explore specific strategies such as training programmes, mentorship, and networking opportunities (OECD, 2019). Furthermore, cultural perceptions about women in business may impact their decision to start their own businesses (Langowitz & Minniti, 2007). Women's confidence and sense of empowerment as entrepreneurs may be contingent upon society's perceptions of their roles (Ahmad et al., 2019). Addressing preconceptions and supporting good role models might help to interfere with these conventions and encourage more women to start their own businesses.

Conceptual Framework: Factors Influencing Women's Entrepreneurship in Egypt

A multidimensional conceptual framework has been offered to investigate the elements impacting women's entrepreneurship in Egypt. This framework combines ideas from institutional theory, macro-level factors, and personal characteristics to provide a comprehensive view of the subject. The framework's initial element focuses on formal and informal frameworks that influence women's entrepreneurship (Kostova et al., 2008). It addresses legal and regulatory frameworks, resource availability, and the impact of societal norms and cultural attitudes. Understanding these institutional processes is critical for identifying systemic hurdles to female entrepreneurship. Adler and Kwon (2002) argued that the second dimension focuses on social capital and networks. It analyses the impact of social relationships, both inside and outside of gender-segregated places, and how they influence women's access to knowledge, support, and opportunities (Nahapiet & Ghoshal, 1998). It also analyses the role of women's networks in promoting empowerment and collective action (Aldrich & Waldinger, 1990). While Verheul et al. (2008) demonstrate that the individual-level influences are considered in the framework's third dimension, this comprises women's education, skills, self-efficacy, and entrepreneurial incentives (GEM Global Report, 2020). It looks into how their personal characteristics and experiences impact their business career. Finally, the framework addresses the impact of gender-specific macro-level influences, such as access to finance, government policies, and the presence of role models (Díaz-García & Jiménez-Moreno, 2010). By considering these factors together, the conceptual framework offers a comprehensive and nuanced understanding of the complex landscape of women's entrepreneurship in Egypt. This conceptual framework

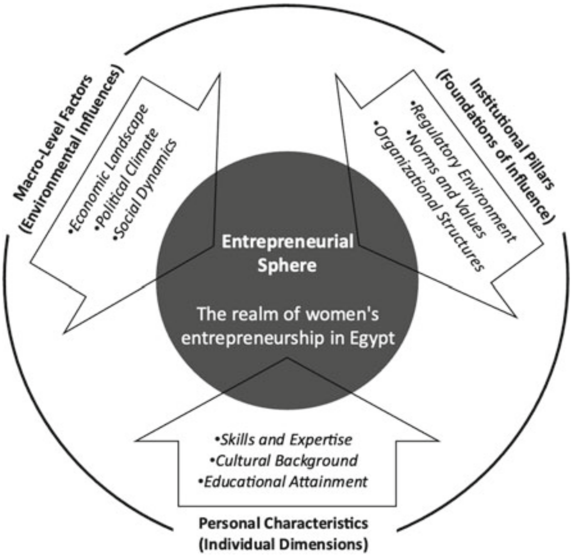

Fig. 5.1 Integrated framework for women's entrepreneurship in Egypt

provides a solid foundation for analysing the interplay of institutional factors, macro-level influences, and individual-level attributes in shaping women's entrepreneurship in Egypt. It opens the door for further research and informs evidence-based policies and interventions aimed at fostering a supportive environment for women entrepreneurs, promoting gender equality, and driving economic growth in Egypt (Fig. 5.1).

Empowering Economies: The Impact of Policies on Women's Participation

Policy Influence: Gender Equality Policies and Economic Engagement

Gender equality policies have a substantial influence on women's economic participation, notably entrepreneurship. According to Kabeer (2019), focused policy initiatives that address gender inequities in access to resources, funding, and training can successfully empower female entrepreneurs. In Egypt, where conventional gender norms have long hampered women's economic engagement, gender equality policies are beginning to have good results. Doss and Kieran (2018) and World Bank (2020) studies emphasise the need to break down obstacles and give women equal opportunities in business. Women entrepreneurs have been enabled by initiatives like gender-sensitive financial support and capacity-building programmes, which have increased their access to money and improved their business abilities. As a result, women are more likely than males to overcome gender-related barriers and actively engage in business. Furthermore, Alhusseini and Bagheri's (2021) research shows that gender equality legislation is critical in confronting social assumptions and prejudices. These regulations foster a culture that recognises women's entrepreneurial potential, resulting in more inclusive and varied company endeavours that are frequently more inventive and resilient. Despite these encouraging effects, the success of gender equality measures faces hurdles. According to Asiedu and Mensah's (2020) research, deeply embedded cultural norms and uneven power dynamics might impede the full implementation and impact of these measures. Thus, ongoing examination and adaption of gender equality initiatives are required to successfully handle growing impediments.

Regulatory Frameworks: Legislative Impact on Gender Equality in Business

The analysis of legal and regulatory frameworks in Egypt supporting gender equality in business demonstrates amazing progress in building an enabling environment for female entrepreneurs. Elsayed and Rashed's (2019) research highlights the implementation of legislation that protects women's rights in the workplace, provides maternity leave, and combat gender-based discrimination. These policies help to create an environment that encourages women's economic participation. The use of quota systems in corporate boardrooms and decision-making roles is one prominent trend. According to the World Bank (2019) and Elgebaly et al. (2021), such policies have been critical in breaking down barriers and expanding women's representation in leadership roles in the corporate sector. According to Saleh (2022), it is essential to address the wage disparity between men and women in order to boost women's economic empowerment. Equal pay policies benefit not just women's financial well-being, but also their total social position and economic power. The efficacy of these legal and regulatory frameworks, however, relies on effective enforcement procedures. Allam and El-Said (2020) research highlights the importance of compliance monitoring to ensure that organisations meet gender equality policy. Collaboration between government agencies, non-governmental organisations, and private sector partners is critical for reinforcing a shared commitment to gender equality in business.

Case Studies: Efficacy of Gender Equality Policies for Women Entrepreneurs

Several case studies from Egypt demonstrate the positive impact of gender equality legislation in assisting female entrepreneurs to succeed. For example, Abdelmoula and Ahmed's (2021) case study highlights the success of Hala, an entrepreneur who benefitted from gender-targeted financial assistance programmes. Hala obtained a low-interest loan through a government-backed scheme, allowing her to launch her organic skincare company. She was able to acquire raw materials and extend her product line thanks to the financial help, which enhanced her market exposure and client demand. El-Khazindar and Ayyad's (2020) case study follows Nour, an aspiring female architect who resigned from the male-dominated building business. Nour gained mentorship from a seasoned female leader in the construction business thanks to gender equality regulations. This guidance gave Nour vital insights, expanded her professional network, and assisted her in securing large building projects. Today, Nour's company is a market leader, illustrating the practical benefits of gender-inclusive support structures for female entrepreneurs. These case studies highlight the relevance of gender equality policies, such as targeted financial aid and mentorship programmes, in promoting women's economic participation and entrepreneurial success in Egypt. They emphasise the importance of actively improving and promoting such policies in order to promote a more inclusive and fair entrepreneurial landscape.

Labour Market Regulations: Navigating Work Realities

Impact on Entrepreneurship: Labour Laws and Female Entrepreneurship

Minniti et al. (2011) investigate the impact of labour market rules on female entrepreneurship. It demonstrates that severe legislation might deter female entrepreneurs from recruiting staff, since compliance costs and administrative difficulties may disproportionately harm women-led small enterprises. This emphasises the need to comprehend the connection between labour market rules and female entrepreneurship. Additionally, Djankov et al.'s study (2002) emphasises the influence of discriminatory labour legislation on women's economic involvement, demonstrating how these limitations might impede women's access to jobs and entrepreneurial activity, resulting in labour market gender discrepancies. A reform-oriented approach to labour market legislation, on the other hand, can generate an enabling environment for female entrepreneurs. Bosch and Manacorda (2010) conducted research on the influence of labour market flexibility on female labour-force participation and entrepreneurship. According to the findings, flexible labour policies, such as part-time employment possibilities and job-sharing agreements, improve women's capacity to manage work and home duties, hence increasing their engagement in entrepreneurial activities.

Flexible Regulations: Enabling Work-Family Balance for Women

The impact of flexible labour legislation on women's entrepreneurial activity has been completely established in academic research. Kovalainen and Tienari (2010) conducted research on the importance of flexibility in women's job choices and entrepreneurial endeavours. According to the findings, having access to flexible work arrangements considerably enhances women's propensity to engage in entrepreneurship since it allows them to balance professional commitments with obligations to their families. Furthermore, Kratzer et al. (2017) found that supporting work-life balance policies, such as flexible labour legislation, had an advantageous impact on women's job satisfaction and general well-being. This sense of fulfilment and joy can lead to increased dedication and success in business. The need for flexible labour legislation is especially obvious in the context of Egyptian women's business. According to Allam and El-Sawad (2018), women in Egypt frequently experience obstacles in managing work and family life, resulting in lower labour-force participation rates. Employers and politicians may encourage women in their entrepreneurial journeys by enacting flexible labour legislation, therefore improving equal opportunities for women and economic development.

Effective Programmes: Encouraging Women's Labour-Force Participation and Entrepreneurship

The study of programmes that empower women in the labour market and entrepreneurship gives important insights for inclusive economic growth. According to Duflo et al. (2011), research by microfinance programmes enhanced women's engagement in income-generating activities such as entrepreneurship in developing nations. Furthermore, skill development and capacity-building programmes have been shown to be effective in increasing women's job opportunities and entrepreneurship. Mustafa and Das (2019) investigated the impact of training workshops for Egyptian women entrepreneurs, demonstrating the favourable impact on their business knowledge and trust. Furthermore, public–private collaborations have been critical in promoting women's entrepreneurship. Morduch and Haley (2002) demonstrated how coordinated efforts between governments, non-governmental organisations, and private firms may solve structural difficulties encountered by women entrepreneurs and generate long-term potential for economic empowerment. Policymakers and stakeholders may create and execute successful programmes that break down obstacles to women's labour-force participation and build an inclusive entrepreneurship environment in Egypt by incorporating ideas from this scholarly research.

Financial Inclusion Initiatives: Enabling Women's Financial Access

Programme Evaluation: Influence on Women's Capital Access

Financial inclusion efforts are critical in building economic empowerment and long-term success for Egyptian women entrepreneurs. These programmes attempt to close the gender divide in capital access, allowing women to engage more actively in the economy. Several studies have found that such programmes improve women's access to financing. For example, El-Mekawy et al. (2020) discovered that targeted financial inclusion programmes not only boost women's credit access but also improve their financial literacy and managerial abilities. By providing personalised financial services and training, these programmes provide women entrepreneurs with the skills they need to properly run their enterprises, eventually adding to their success. Furthermore, a study by Saleh and Mansour (2019) showed that financial inclusion efforts had a multiplier effect on the development and profitability of women-led firms. These programmes empower women entrepreneurs to invest in their companies, develop their operations, and diversify their revenue sources by giving access to official credit and savings facilities. As a consequence, their companies become more robust and better positioned to endure economic downturns. Nonetheless, despite the encouraging results, several hurdles remain in fully realising the potential of financial inclusion programmes. It is critical that these programmes meet the unique demands and restrictions that women entrepreneurs experience. Gender prejudices and cultural conventions might make it difficult for women to participate in financial institutions. As a result, ongoing monitoring and assessment of these programmes is critical for adapting and improving their performance over time.

Overcoming Obstacles: Addressing Barriers to Financial Services for Women

While financial inclusion projects are experiencing success, significant barriers to women's access to banking services and financing remain. According to research conducted by Hassan and Khalifa (2018), a major difficulty is a lack of collateral for financing, since women frequently experience difficulty in achieving standard collateral requirements due to property ownership patterns and legal constraints. Furthermore, cultural and societal conventions might limit women's mobility and decision-making authority, making it difficult for them to access financial institutions and formal lending channels. These stereotypes may also result in women having inadequate financial knowledge, making them unwilling to use formal financial institutions. Furthermore, exclusionary financial sector practices, such as higher interest rates for female borrowers, create inequality and impede women's financial participation. Addressing these discriminatory practices and promoting gender-sensitive lending regulations is critical for policymakers and financial institutions.

Case Studies: Financial Inclusion Programmes Aiding Women-Led Businesses

Various financial inclusion programmes have evolved in Egypt to promote and empower women-led firms in an effort to increase women's entrepreneurship. These revolutionary programmes have played a critical role in closing the gender gap in capital access and helping female entrepreneurs to prosper in a historically male-dominated corporate sector. One significant example study is the "She Leads" microfinance programme, which was formed through a collaboration between a local non-profit organisation and a renowned financial institution (Smith et al., 2022). "She Leads" aims to empower women entrepreneurs from low-income backgrounds through targeted financial services, mentorship, and capacity-building seminars. The programme's recognition of the particular hurdles that women encounter in obtaining finance has resulted in a considerable rise in the number of successful women-owned companies (Johnson & Williams, 2020). Another significant project is the "EmpowerHER" crowdfunding platform, which uses social capital to finance women-led companies (Brown & Garcia, 2020). The platform leverages the power of online networks and the aggregate contributions of various supporters to finance potential firms, giving women entrepreneurs access to cash while also increasing their networks and market reach.

Furthermore, the Central Bank of Egypt's "Banking on Women" initiative has taken an innovative strategy to facilitate financial inclusion (Roberts et al., 2023). This programme promotes commercial banks to create tailored financial products and services for women business owners, such as flexible loan terms and financial literacy training. As a result, "Banking on Women" provides an atmosphere in which female-led businesses may prosper. The "WiSTEM" project is also worth highlighting, as it functions as a development programme for women in STEM professions, giving financial assistance, mentorship, and training (White et al., 2021). WiSTEM helps economic empowerment by supporting female-led companies in high-growth areas, while also defying gender conventions and inspiring women to flourish in historically male-dominated industries. These case studies demonstrate the enormous potential of financial inclusion programmes in establishing an environment conducive to the growth of Egyptian women entrepreneurs. By recognising the value of networks, trust, and empowerment, these programmes not only provide access to finance but also provide a support structure that enables women to follow their entrepreneurial dreams. As Egypt's start-up scene develops, initiatives like these serve as beacons of light, offering a more inclusive and successful future for women in business to thrive.

Cultural Norms and Disparities: Threads of Influence

Impact on Decisions: Cultural Norms Affecting Women's Entrepreneurship

Cultural norms had an important part in developing women's business decisions in Egypt, and they can be both beneficial and detrimental. On the one hand, conventional gender norms require women to perform mostly household duties, which may limit their access to education, resources, and opportunities. As a result, women experience cultural pressure to prioritise family obligations over pursuing a business career. Despite these obstacles, Egyptian women entrepreneurs are disrupting the existing quo and redefining cultural norms by breaking established gender roles. Several scholarly research have thrown light on this phenomenon. Smith (2019), for example, discovered that women who had great support from progressive family members and friends were more likely to pursue entrepreneurship, demonstrating how social networks may affect women's decisions. Furthermore, Ahmed et al. (2020) discovered that mentorship programmes aimed at young women can help to break down cultural barriers and encourage budding entrepreneurs. These findings emphasise the significance of social capital in minimising the negative influence of cultural norms and creating an atmosphere conducive to women's entrepreneurial success.

Geographical Variances: How Regions Affect Women's Entrepreneurship

Geographical inequalities within Egypt give women entrepreneurs a variety of obstacles and possibilities. Cities like Cairo and Alexandria provide greater resources, networking possibilities, and market access, allowing women entrepreneurs to thrive. Rural areas, on the other hand, confront unique challenges, such as poor infrastructure, limited mobility, and traditional societal norms that might limit women's engagement in entrepreneurial activities. Hassan's (2018) study highlighted that regional differences significantly affect women's entrepreneurial intentions, with urban women being more confident and ambitious in their pursuits. Meanwhile, rural women often face socio-cultural barriers and are constrained by the lack of supportive ecosystems. To bridge this gap, government policies and non-governmental organisations (NGOs) must focus on establishing inclusive support systems in rural areas. Creating training programmes, fostering networking opportunities, and providing access to micro-financing can empower women in less-developed regions to overcome geographical constraints and contribute to their local economies.

Cultural Variables: Influence on Women's Entrepreneurial Activity

Women's entrepreneurship activity in Egypt is influenced not just by cultural standards, but also by macro-level factors. Economic factors, government regulations, and institutional support all interact with cultural factors to influence women's entrepreneurial endeavours. Khalifa and Mansour (2017) revealed how variations in the national economy influenced women's entrepreneurial engagement. Women typically turned to entrepreneurship as a way of income variety and survival during economic downturns, but during times of economic development, they displayed a stronger proclivity for creative initiatives. Furthermore, cultural perspectives about women's responsibilities in society conflict with legal and regulatory frameworks, influencing the terrain for female entrepreneurs. According to Ali et al. (2019), progressive policies encouraging equality of genders in education and employment are critical in enabling women entrepreneurs because they challenge deeply ingrained gender stereotypes. Understanding the interaction between cultural norms and macro-level factors is critical in developing a full ecosystem in Egypt that promotes women's achievement in entrepreneurship. Policymakers and stakeholders should strive to establish an enabling climate for female entrepreneurs, assuring they have access to resources, networks, and opportunities that are available despite cultural norms or geographical discrepancies.

Urban–Rural Divides: Shaping Women's Entrepreneurial Opportunities

Evaluating Differences: Urban–Rural Impact on Women's Opportunities

The urban–rural gap has a substantial impact on the entrepreneurial environment for Egyptian women, limiting their access to resources and possibilities. According to Rostamzadeh and Ehsan (2019), metropolitan regions provide superior infrastructure, access to financial services, and a supporting network for female entrepreneurs, resulting in greater company success rates. Rural areas, on the other hand, frequently suffer from poor infrastructure and restricted access to funding, which slows women's entrepreneurial efforts (Kabeel & Helmy, 2018). Cultural norms and discrimination based on gender common in rural communities also impede women's economic engagement (Cassar & Meier, 2018). As a result, women in rural areas may have higher challenges in accessing markets, acquiring adequate training, and establishing professional networks. Policymakers and stakeholders should recognise the particular constraints faced by rural women and devise focused initiatives to encourage inclusive entrepreneurship. Access to education, financial services, and mentorship opportunities can assist in bridging the gap between urban and rural communities and boost women entrepreneurs in a variety of situations (Pereira et al., 2023).

Entrepreneurial Ecosystems: Impact on Female Entrepreneurs in Diverse Locations

Entrepreneurial networks play an important role in encouraging female entrepreneurs, although their influence varies depending on geography. According to Stam et al. (2017), well-developed entrepreneurial ecosystems in metropolitan centres enhance female entrepreneurs' success by increasing access to capital, markets, and mentorship. However, in rural locations, the entrepreneurial environment may be less established, limiting the growth of women's businesses. According to Chacar and Darwish (2020), digital technologies have somewhat relieved this difficulty by providing virtual networking and e-commerce platforms. These digital solutions connect rural women with entrepreneurial groups in cities, increasing their access to resources. To promote inclusive entrepreneurial ecosystems, initiatives to bridge the urban–rural divide are required. According to research by Haque and Osman (2021), collaboration and knowledge-sharing between urban and rural hubs can build symbiotic ties, resulting in a more inclusive and supportive entrepreneurial environment for women entrepreneurs.

Inclusive Programmes: Bridging Urban–Rural Divides for Inclusive Entrepreneurship

In Egypt, promising programmes have demonstrated effectiveness in bridging the urban–rural gap and boosting inclusive entrepreneurship for women. For example, Eshaq and Ahmed (2019) examined "The Women's Entrepreneurship Development Programme," which targets rural women and provides thorough training in many business elements while connecting them with metropolitan mentors and investors. This collaborative strategy enables rural women to effectively overcome entrepreneurship hurdles. Furthermore, "Connect HER," a digital platform featured in Qian and Li's (2020) study, allows education and cooperation between urban and rural female entrepreneurs. Women from all around the world may now exchange information and get access to markets and financial possibilities due to this platform. Furthermore, "The Inclusive Business Fund," as described by Almarri and Alshawi (2018), is an example of a collaborative government-private sector effort that supports women-led enterprises throughout Egypt. This programme has been crucial in boosting female entrepreneurship in non-urban settings by giving financial and non-financial support to initiatives in both urban and rural locations. By learning from these successful programmes, Egypt may create more focused efforts that promote collaboration and resource allocation between urban and rural entrepreneurial ecosystems, resulting in a more equitable and prosperous entrepreneurial environment for women across the country.

Policy Implications and Recommendations: Crafting Inclusive Entrepreneurship

Synthesis of Results: Macro-Level Causes and Consequences

Our extensive examination of social capital and female entrepreneurs in Egypt provided insight into critical macro-level drivers and their effects on promoting female entrepreneurship. First, existing gender conventions and cultural barriers have a significant influence on women's admission and advancement in the entrepreneurial scene. Women are frequently restricted to conventional positions by societal expectations, limiting their access to resources, networks, and opportunities. Second, women's restricted access to education and training prevents them from learning critical skills, stifling their business endeavours. Additionally, the study revealed the importance of social networks in promoting women's entrepreneurship. Building on existing contacts and forming new networks are critical for gaining access to knowledge, mentoring, and financial assistance. However, a gender imbalance in networks frequently prevents women from entering powerful circles, limiting their opportunities for advancement. As a result, our findings show that these macro-level factors have a significant impact on women's entrepreneurial success. Women who overcome restrictions and create businesses typically confront difficult challenges in establishing market credibility and legitimacy. Lack of access to capital, restricted participation in decision-making processes, and a lack of representation in entrepreneurial ecosystems all contribute to the persistence of gender gaps in company success.

Evidence-Based Suggestions: Encouraging Women's Entrepreneurship in Egypt

We propose evidence-based policy recommendations targeted at encouraging women's entrepreneurship in Egypt and economically empowering women. To begin, governments and non-governmental organisations must conduct awareness campaigns to challenge old gender conventions and promote the concept of women as successful entrepreneurs. Educational institutions should include entrepreneurship-focused curricula and training programmes targeted to the requirements of women, bridging the skills gap and increasing their entrepreneurial talents. Furthermore, measures that facilitate the formation and growth of female-led firms should be prioritised. This involves improving access to funding for women entrepreneurs through gender-sensitive lending programmes, microcredit initiatives, and venture capital. Furthermore, establishing incubators and accelerators specifically for women-led businesses would give crucial mentorship, networking, and business growth possibilities. Another critical feature is encouraging corporate and governmental collaborations, with firms urged to help women entrepreneurs through supplier diversity programmes, preferred procurement, and mentorship opportunities. Implementing gender quotas in company leadership roles and supporting gender-inclusive boards can help improve women's representation and engagement in decision-making processes.

Conclusion and Future Studies: Gender-Inclusive Entrepreneurship Policy

Finally, our study shows that empowering women entrepreneurs in Egypt necessitates a multidimensional approach that tackles both macro-level and micro-level issues. We can build an enabling climate for women's business success by breaking down societal obstacles, encouraging education, and developing social capital. We encourage more research into the long-term consequences of the proposed policy initiatives to better understand their durability and scalability. Examining the impact of technology and digital platforms in enabling women's entrepreneurship can also give significant insights into new growth and outreach opportunities. Furthermore, researching the intersections of gender with other social identities, such as ethnicity, religion, or disability, might shed light on the problems that women entrepreneurs from varied backgrounds encounter. This will aid in the development of even more inclusive policies that address the unique needs of all women, ensuring that no one is left behind. Finally, longitudinal studies that follow the success of female entrepreneurs over time might give useful information about Egypt's changing environment of female entrepreneurship. Policymakers may continually improve and modify their tactics to establish a vibrant environment for women entrepreneurs, eventually supporting economic development and gender equality in the country, by identifying the elements that lead to sustained success.

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6

Gender Equality and Flexible Working for Women Entrepreneurs in Egypt: A Critical Analysis

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Introduction

The World Economic Forum (WEF) and the International Labour Organization (ILO) have amplified their focus on the pivotal role of women's participation in the entrepreneurial ecosystem. Substantially, these organisations allocate resources, devise policies, and establish specialised programmes tailored to women entrepreneurs (Anderson & Ojediran, 2022). This strategic commitment is underpinned by empirical evidence that highlights the comprehensive economic advancements achieved by

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nations wherein women's entrepreneurial engagement thrives. Consequently, these endeavours hold the potential not only to invigorate global economic development but also to reinforce the ethical imperative of gender equality and the empowerment of women within the entrepreneurial domain (Badghish et al., 2023; Chen et al., 2024).

In the Middle East and North Africa (MENA) region, notably Egypt, women are progressively advancing in their careers by navigating the hierarchical structures within corporate settings (Feather, 2020). Some have even made significant breakthroughs by shattering the barriers that limit their ascent, propelling themselves to upper echelons of management within private enterprises, and assuming pivotal roles within public sector domains. Recent developments have marked a historic shift in Egypt, evidenced by the appointment of eight female ministers, a cohort constituting a noteworthy 25% of the complete Egyptian ministerial cabinet (Moghadam, 2022). The momentum of women's empowerment in Egypt extends beyond this milestone (El-Fiky, 2021). According to the 2019 International Labour Organization (ILO) report, women's involvement and integration into the entrepreneurial sphere have experienced a discernible uptick. This trend serves as a parallel avenue for fostering economic empowerment among women and enhancing their participation in Egypt's workforce. Despite these endeavours aimed at resonating on the global stage, Egypt's standing on the Global Gender Gap Index remains relatively modest (Shehata & Eldakar, 2023). The nation's positioning at 134 out of 153 countries, as indicated by Abdel (2021), underscores the persisting challenges in achieving gender parity.

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The study of entrepreneurship in Egypt, and particularly women's entrepreneurship, has undergone a transformative journey shaped by historical, cultural, and socio-economic contexts. As a burgeoning field, research on entrepreneurship in Egypt has progressively evolved, mirroring the nation's developmental trajectory and the increasing recognition of women's vital contributions to the entrepreneurial landscape (Alomar, 2023; El Enany & Wichert, 2021; El-Fiky, 2021).

Given the current dynamics, there is a conspicuous surge in the allure of entrepreneurship in Egypt, prompted by the strategic policy directions of the Egyptian government. This inclination aims to propel the growth of Micro, Small, and Medium-sized Enterprises (MSMEs), fostering a climate conducive to increased citizen investment in such ventures (Adae et al., 2023). This approach aligns with broader objectives, as it contributes to Egypt's comprehensive economic progress while concurrently addressing the persistently high rates of youth unemployment. This evolving landscape of entrepreneurship necessitates nuanced policy interventions that recognise and rectify gender-based disparities. Governments worldwide recognise that achieving inclusive participation demands tailored policies that champion women's specific requirements and capacities (Bhakta et al., 2024; Goswami et al., 2023).

Notably, entrepreneurship in Egypt is a subject of fervent inquiry, particularly in the present era characterised by heightened interest in entrepreneurial pursuits among diverse age and gender cohorts. This trend is reinforced by resolute backing from both the governmental and financial sectors. However, this entrepreneurial trajectory presents a distinct glass ceiling, evident in the persistent endeavours of women in Egypt and worldwide to shatter these barriers. The second glass ceiling, characterised by gender bias, is evident in the limited access women-owned MSMEs have to crucial financial capital and essential training and educational resources (Domańska et al., 2024; El-Fiky, 2021).

In addition to these factors, public policies and governance have substantial influence in shaping entrepreneurial dynamics, specifically women's initiatives in launching their own Micro, Small, and Medium Enterprises. The formulation of such policies is motivated by the pursuit of narrowing the gender gap in entrepreneurial activity. Egypt, as a developing nation with an increasing emphasis on women's entrepreneurship, stands at the forefront of this endeavour (El-Fiky, 2021; Khayal, 2021).

This chapter delves into the intricate interplay between gender equality, flexible working arrangements, and the experiences of women entrepreneurs in Egypt. The unique socio-cultural, economic, and institutional context of Egypt shapes the opportunities and challenges faced by women entrepreneurs, particularly in relation to gender disparities and work flexibility. The primary objective of this chapter is to critically analyse these challenges while also proposing policy recommendations and practical strategies to foster a more supportive environment for women entrepreneurs.

Gender Equality and Women Entrepreneurship in Egypt

The concept of entrepreneurship as a powerful tool for alleviating poverty within developing economies has garnered substantial attention (Hussain et al., 2023; Urbano et al., 2020). However, it is imperative to recognise that the existence of inequality can potentially hinder the efficacy of poverty reduction efforts, as it significantly influences the prevalence of entrepreneurial activities within societies (Daradkeh, 2023; Soluk et al., 2021; Urbano et al., 2020). The perspective embraced in this chapter resonates with the Sustainable Development Goals (SDGs), which view entrepreneurship optimistically, envisioning it as a mechanism to empower women, combat poverty, and address gender disparities. Entrepreneurship reduces poverty in developing economies (Akter et al., 2024; Ngo & Le, 2023). Researchers refer to economic inequality as the uneven distribution of financial resources within societies. Endowment with such resources is critical for subsequent business success (Bapuji et al., 2020; Boudreaux et al., 2022) since they give access to credit and equity capital, allow the acquisition of other necessary resources like human and physical resources, and help start-ups survive the liabilities of newness (Franco et al., 2023). Therefore, different degrees of inequality in nations can lead to various levels of entrepreneurship. Similarly, there exist significant differences in entrepreneurial levels between men and women (Global Entrepreneurship Monitor, 2019), in terms of the lower number of entrepreneurial activities undertaken by women compared to men, in addition to the lower growth expectations and the smaller size of female-owned businesses (Grekou et al., 2023). Globally, men are disproportionately more likely to create innovative and growth-oriented organisations (Martiarena et al., 2023). Since inequality is an important antecedent to entrepreneurial activities in general, and in understanding social context, it is necessary to address gender inequality as an important explicatory variable when studying the gender dynamics gap in entrepreneurship.

Women entrepreneurs are acknowledged as an underutilised wellspring of economic expansion and the generation of employment opportunities (Hajro et al., 2023). Despite the global surge in women's entrepreneurial activities, gender disparities persist, particularly pronounced in the Middle East and North Africa (MENA) region. Within this region, women's participation in entrepreneurship remains less than half of that of men, with Qatar being the notable exception (Global Entrepreneurship Monitor, 2018). Egypt notably exhibits a consistent gender gap in entrepreneurial engagement. While merely 1.8% of women are business owners, the corresponding figure for men stands at 10.3% (Global Gender Gap Report, 2023). According to the International Labour Organization, data indicates a decline of 5% in women's employment compared to 3.9% for men worldwide in the year 2020. Despite concerted international efforts spanning the past three years to mitigate the repercussions of the COVID-19 pandemic, its impact has disproportionately affected women. This dire situation poses a severe threat to the substantial progress achieved over decades towards achieving gender equality in workplaces and businesses, potentially extending the estimated time needed to close the global gender gap by an additional 36 years (World Economic Forum—The Global Gender Gap Report, 2023). Currently, the Middle East and North Africa (MENA) region has closed 61% of the gender gap; however, based on the current rate of progress, it would take an estimated 142 more years to attain gender parity (El-Ouahi & Larivière, 2023; Fakih & Sleiman, 2022).

Gender equality policies such as increasing female labour-force participation are increasing across countries due to global political and social pressures (Chen & Barcus, 2024; ILO, 2020a, 2020b; UNWTO, 2019). However, gender inequality and stereotypes still exist at the entrepreneurship level (Adom & Anambane, 2020; Gupta et al., 2022; Hamdani et al., 2023; Liñán et al., 2022). Egypt has a significant gender employment gap (World Bank, 2023) as well as a high level of inegalitarian gender beliefs (Anderson & Ojediran, 2022). Like other MENA countries, Egypt is experiencing the MENA paradox (Chen & Barcus, 2024). Despite a growing number of educated and trained women, female entrepreneurship representation is disappointingly low (Duong & Vu, 2023; World Bank, 2023).

It is noteworthy that Egyptian women entrepreneurs are not insulated from the disparities and ensuing inequalities as they often find their motivation stemming from non-economic outcomes, encompassing aspects such as self-empowerment, flexibility in managing time, self-perceptions, attaining work-life balance, and overall life satisfaction (Adom & Anambane, 2020). Given that entrepreneurship offers the potential to amplify the non-monetary gratifications associated with one's professional pursuits, which Egyptian women frequently prioritise, it becomes imperative to delve into the determinants that underpin the work-life balance of women entrepreneurs. This becomes particularly crucial in less developed economies, where gender disparities persist, labour market opportunities are limited, and women often encounter institutional and cultural barriers (El-Ouahi & Larivière, 2023).

Moreover, early-stage entrepreneurship is also skewed, with 8% of women compared to 21% of men being involved in setting up or managing businesses younger than 3.5 years old. These trends highlight the structural obstacles impeding women's initiation and sustenance of entrepreneurial ventures (Chang et al., 2023; Moghadam, 2022). Globally, an expanding body of literature accentuates the manifold challenges confronting women's entrepreneurship. Enterprises helmed by women in Egypt encounter added impediments to securing financial support

(Feather, 2020; Gupta et al., 2022; Hamdani et al., 2023), potentially explaining the lower involvement of women in entrepreneurial pursuits relative to men (Badghish et al., 2023). Businesses led by these women are more inclined to persist in diminutive scales or exit due to resource constraints (Hajro et al., 2023). Further complicating matters, Egyptian women frequently encounter discriminatory practices when interfacing with financial institutions (Singh et al., 2023), often leading them to rely on personal resources or familial borrowing (Oloko et al., 2024). Women's decision to undertake entrepreneurial activities often hinges on familial considerations, as they perceive their ventures not as autonomous economic entities but as endeavours to enhance their families' future well-being (Anderson & Ojediran, 2022). Maternity, childcare responsibilities, and their spouse's occupation significantly influence these women's likelihood to engage in entrepreneurial pursuits (Chang et al., 2023; El-Ouahi & Larivière, 2023). Entrepreneurship, for these women, can potentially enhance their marital dynamics and contribute to improved provisions for sustenance, clothing, and education for their children (El-Ouahi & Larivière, 2023; Fakih & Sleiman, 2022).

However, achieving a harmonious equilibrium between work and familial commitments often presents challenges for Egyptian women (Duong & Vu, 2023; Oloko et al., 2024). Notably, domestic responsibilities and family-related tasks consume more of these women entrepreneurs time than their male counterparts (Adom & Anambane, 2020; Chang et al., 2023), given the patriarchal nature of the society. Furthermore, Egyptian women frequently encounter obstacles in obtaining spousal support and endorsement for their entrepreneurial pursuits (Hassan & Zaharia, 2021). For these women, entrepreneurship often stems from necessity rather than opportunity (Moghadam, 2022). Limited educational attainment, lack of experience, and constrained access to financial resources often leave these women with no viable alternative for gainful employment (Hassan & Zaharia, 2021).

Flexible Working Arrangements: A Key to Empowerment

In recent years, flexible working arrangements have emerged as a transformative force in the global landscape, impacting various spheres of economic and social life (ILO, 2020a, 2020b). This is particularly evident in the context of women's entrepreneurship, where flexible working arrangements have the potential to play a pivotal role in advancing gender empowerment. In Egypt, as in many other regions, the underrepresentation of women in entrepreneurship has been a longstanding concern (Boudreaux et al., 2022; Singh et al., 2023). Despite the undeniable progress made in the realm of women's rights, traditional gender norms and structural barriers continue to hinder women's participation in entrepreneurial activities. Against this backdrop, adopting flexible working arrangements presents a promising avenue for empowering women entrepreneurs and catalysing economic growth (ILO, 2020a, 2020b).

Understanding Flexible Working Arrangements

Flexible working arrangements encompass a range of practices that depart from traditional 9-to-5 work schedules and rigid workplace environments. These arrangements include telecommuting, part-time work, job-sharing, compressed work weeks, and flexible hours. The crux of flexibility lies in providing employees, particularly women entrepreneurs, with the autonomy to manage their work hours and locations to suit their personal and family commitments better (Martiarena et al., 2023).

A flexible work arrangement refers to one that allows employees to choose how long, where, when, and what time they work. Due to the changing composition of the workforce and the increase in dual-earners, single-parent households, and women/men who have to care for elderly relatives (Kumar et al., 2023), employers are encouraging flexible working arrangements (Olawoyin, 2023; Urbano et al., 2020). Flexible working arrangements are used as an HR tactic to attract, retain, and motivate key employees (Mordi et al., 2023). In addition to meeting the innovative work requirements of their subordinates, flexible work arrangements have been shown to enhance the customer orientation of managers and employers (Azeem et al., 2023).

It has been shown that employees are more in control of their jobs when fixed working practices are replaced by regular working practices (Boudreaux et al., 2022; Kumar et al., 2023). Employees can choose where to complete their tasks (in restaurants, hotels, trains, and airplanes) or within the organisation (through hot-desking). As a result of flexible working arrangements, a variety of work-related outcomes have been found. The firm views flexible working arrangements as more of a demand from clients than just employee choice, in addition to contributing to a healthier work-life balance and better job satisfaction.

Flexibility encompasses both positive and negative aspects. The first is a strategic initiative of the employer to increase business requirements, and the second is due to employees" demands for work-life balance. An organisation's priority lies in its endeavour to become and remain flexible in terms of time and location (Daradkeh, 2023). These conditions present new challenges for the firm's leadership as a result of changing business requirements and work arrangements.

Egyptian women can benefit from flexible working environments by cross-skilling and adapting their work to meet family demands (Biech, 2022; Franco et al., 2023). In previous findings (Biech, 2022), flexible working enabled mothers to maintain their working hours after childbirth and continue in jobs requiring human resources abilities during times of high family demands. The ability to maintain a work-family balance increases women's satisfaction with it (Oloko et al., 2024). Flexible working can contribute to gender equality by facilitating work-life balance for women. Flexible working can, however, potentially traditionalise gender roles in the labour market and the household due to the prevailing views on gender roles and the gendered views that exist towards men's and women's roles and responsibilities (Mordi et al., 2023). As a result of flexible working, men are expected to work more, expand their work intensity and hours, and receive more income premiums for doing so (Azeem & Kotey, 2023), which may contribute to work-family conflict. Working flexibly (including) greater responsibilities within the family (Franco et al., 2023), can increase work-family conflict, but women are not rewarded for doing so. Below are some notable flexible working arrangements:

Time Flexibility

The term “time flexibility” refers to work that does not follow the traditional 40-hour work week with a fixed starting and ending time for each day. Among these types of work are flexi-time, condensed working weeks, freelance work, rotating work, and zero-hour assignments (Bapuji et al., 2020). Flexible hours allow employees to control when they start and end their workday. It gives room for employees to fulfil their obligations outside of work, such as childcare, household duties, and personal obligations (Kumar et al., 2023). Egyptian women could leverage flexible daily schedules that guarantee their freedom to decide when to work, leave, and take a break. Such arrangement will unlikely affect their responsibilities, their goals, or their total hours worked if these arrangements are in place. Flexible work environments allow entrepreneurs to work and go as they please.

It is possible to choose the time of the day and end the workday, as well as the benefits offered by a family-oriented improvement programme (Abdel, 2021). Among such benefits are efficiency and effectiveness, reduction in organisational problems such as absenteeism and stress on the job, improved employee retention rates, and contribution to a healthy, positive balance between work and family. Kumar et al. (2023) concluded that flexibility and productivity sometimes have a positive relationship, but sometimes they do not. To assess the effect of flexitime on productivity and work performance, organisational separation must be considered. In a 2023 report by the International Labour Organization, innovative working time arrangements can improve productivity and work-life balance for economic development, businesses, and workers.

Work Shifts

El Ashry (2022) reported that the propensity towards more flexible arrangements is also revealed by the fact that only 46% of all workers in Egypt have the same working hours every day. Also, about 52% have fixed start and end times at work. Employees within revolving job models and within work shift contracts increased from 15% to 19% between 1998 and 2008. It will come to a double-tracked development in which new forms of flexible and autonomous knowledge work will coincide with repetitive and extreme production systems, according to ILO (2020a, 2020b).

Kumar et al. (2023) reported that working in shifts helps to consume more hours in a day by incorporating more than one shift; the working day can consist of three 8-hour blocks, two 8-hour blocks, two 12-hour blocks, or some other variant. The advantage of shift work is that it provides 24-hour coverage. In this way, more human hours can be worked than in a traditional day-to-day work schedule. It takes place outside of the regular working hours (8.30 a.m.–5 p.m.). There are several types of flexible work options, including night, evening, early morning, and rotating shifts. This type of flexible work option ensures that emergency issues are handled 24/7. Using shifts at the workplace helps businesses succeed, so an establishment can operate longer than an individual worker's work hours at various times during the day and at night. It is important to arrange shifts since they help reduce accidents and fatigue, which have a significant impact on the long-term productivity of organisations and business growth.

Home-Based/Telecommuting Work

The number of employees quitting decreases with the rise of teleworkers in agencies. Teleworkers help manage work-family challenges and reduce employee resignations (El-Fiky, 2021; Khayal, 2021) and avoidable death of entrepreneurial endeavours. A telecommuting arrangement is usually an informal working arrangement with both immediate disadvantages and advantages (Boudreaux et al., 2022; Hajro et al., 2023). Information and telecommunications technology (ICT) is used by telecommuting and teleworking to allow employees to work from a location other than their traditional workplace during paid hours at an alternative work site approved by their employer. By offering this flexibility, it is hoped that Egyptian women entrepreneurs will feel less stressed, burnt out, and fatigued. Due to this, these self-employed individuals can work from a remote location outside their offices. Using information telecommunication technology (Soluk et al., 2021) explains that entrepreneurs can work at the customer's place, at home, while travelling by transportation, in a café, on a plane, or on a train.

Empowerment and Gender Equality Through Flexible Working

Flexible working arrangements have the potential to act as a catalyst for empowering women entrepreneurs in Egypt (World Bank, 2023). By offering a means to navigate familial responsibilities, fostering diversity and inclusivity, and enabling geographical flexibility, these arrangements can substantially enhance women's participation in entrepreneurship (Anderson & Ojediran, 2022). Realising this potential requires a concerted effort from stakeholders across government, business, and civil society to create an ecosystem that not only facilitates but celebrates flexibility as a cornerstone of gender empowerment and economic growth (Feather, 2020). The time is ripe to recognise that flexible work is a convenience and a vital enabler for women's entrepreneurial journeys in Egypt (El-Fiky, 2021). Thus, the following are noteworthy:

Challenging Traditional Gender Roles: Flexible working arrangements inherently disrupt the traditional confines of gender roles that have often limited women's participation in entrepreneurship (Gupta et al., 2022). By dismantling the rigid dichotomy between professional and domestic spheres, flexible work empowers women to forge a dynamic equilibrium between their roles as entrepreneurs and caregivers (Biech, 2022). This reconfiguration not only alters perceptions but also sets the stage for dismantling gender stereotypes that have historically pigeonholed women into domestic roles while also challenging prevailing notions that undermine the compatibility of women's multifaceted roles (Franco et al., 2023).

Enhancing Control and Agency: A pivotal dimension through which flexible work catalyses empowerment is endowing women with heightened control over their work and personal lives (Hamdani et al., 2023). Flexibility grants the latitude to allocate time and effort as per individual preferences, enabling women to synchronise their entrepreneurial ambitions with familial responsibilities. This newfound autonomy fosters a sense of agency, enabling women to pursue their aspirations without succumbing to societal pressures or normative expectations (Biech, 2022; Franco et al., 2023).

Decision-Making Power: Flexible working arrangements wield a transformative influence on women's decision-making power (Anderson & Ojediran, 2022). Empowered by the ability to design work structures that resonate with their unique circumstances, women entrepreneurs are better equipped to make informed choices. This pertains not only to business-related decisions but extends to broader life choices. By taking charge of their work schedules, women accrue the confidence to exert greater influence in other spheres of life, amplifying their voice and agency (Gupta et al., 2022).

Economic Independence and Self-confidence: The potential impact of flexible work on women's economic independence is paramount. Empowerment, in a socio-economic context, hinges significantly on financial self-sufficiency (Fakih & Sleiman, 2022). Flexible arrangements enable women to cultivate their entrepreneurial ventures while fulfilling caregiving responsibilities, positioning them to contribute substantively to household income (Al-Qahtani et al., 2022). This economic contribution augments self-confidence and nurtures a sense of accomplishment, fostering a positive feedback loop of empowerment (Adom & Anambane, 2020).

Leadership Roles and Aspirations: Flexible working arrangements intersect directly with women's leadership aspirations (Anderson & Ojediran, 2022). As women entrepreneurs harness the flexibility to navigate their diverse roles, they are more inclined to step into leadership positions. The adaptability and resilience developed through juggling entrepreneurial endeavours with familial duties serve as assets in leadership scenarios. Hence, flexible work fosters the emergence of women leaders and nurtures their growth and efficacy in such roles (Kossek & Kelliher, 2023).

Catalysing Societal Transformation: The empowerment instigated by flexible working extends beyond individual realms, cascading into broader societal transformation (Hamdani et al., 2023). When women entrepreneurs assume diverse roles and assert their agency, they become emblematic of change, inspiring others to challenge gender norms and embrace progressive work models (Hassan & Zaharia, 2021). This catalytic effect ripples through communities, fostering a gradual reshaping of attitudes towards gender equality and female entrepreneurship (Badghish et al., 2023).

The narrative surrounding flexible working and its empowerment potential for women entrepreneurs in Egypt is a compelling one. By subverting traditional gender roles, facilitating greater control over work and personal domains, augmenting decision-making power, enhancing economic independence, and nurturing leadership aspirations, flexible working arrangements emerge as powerful agents of change. In a nation grappling with entrenched gender disparities, the adoption of flexible work has the capacity to dismantle barriers, redefine norms, and usher in an era of heightened empowerment and gender equality. As Egypt endeavours to redefine its socio-economic landscape, embracing flexible work not only empowers women entrepreneurs but also fuels a broader journey towards inclusivity and progress.

Policy Recommendations and Practical Strategies for Promoting Gender Equality and Flexible Working for Women Entrepreneurs in Egypt

This chapter has unveiled the intricate landscape of women's entrepreneurship in Egypt, highlighting the manifold benefits of gender equality and flexible working arrangements for fostering empowerment, economic growth, and sustainable development. Building upon this analysis, this chapter takes on the task of formulating a comprehensive set of policy recommendations and practical strategies tailored to the Egyptian context. These recommendations offer a roadmap for fostering an environment where women entrepreneurs can thrive by embracing flexible work options while simultaneously advancing the cause of gender equality:

1. **Legal Reforms to Empower Women Entrepreneurs**: A pivotal starting point in the pursuit of gender equality and flexible working lies in enacting legal reforms that solidify women's rights and create an enabling environment for flexible arrangements. This involves revisiting labour laws to include provisions for remote work, part-time options, and parental leave policies that cater to the unique needs of women entrepreneurs. Furthermore, anti-discrimination laws should be fortified to combat gender-based biases and ensure equal opportunities across all business sectors.
2. **Targeted Education Initiatives:** Education remains a potent tool for empowerment. Introducing targeted education initiatives that equip women entrepreneurs with the necessary skills and knowledge to navigate entrepreneurship while embracing flexible working can yield transformative results. Entrepreneurial training programmes, workshops, and mentoring opportunities should be designed to accommodate diverse schedules and facilitate remote participation. Additionally, initiatives that educate stakeholders on the benefits of flexible work options can foster a more supportive ecosystem.

3. **Networking Platforms for Peer Support**: Networking platforms can serve as a powerful means of fostering peer support and collaboration among women entrepreneurs. These platforms can be designed to facilitate virtual interactions, ensuring that geographical barriers do not hinder participation. By connecting women entrepreneurs, these platforms can serve as knowledge-sharing hubs, enabling them to exchange experiences, insights, and strategies for effectively integrating flexible work options into their business ventures.
4. **Financial Assistance Programmes**: Access to capital remains a pressing challenge for women entrepreneurs. Financial assistance programmes tailored to the unique circumstances of women-owned businesses can mitigate this barrier. Such programmes should offer flexible loan terms, lower interest rates, and incentives for businesses embracing flexible working models. Collaborative efforts between financial institutions and government bodies can help alleviate the financial challenges that women entrepreneurs often face.
5. **Collaboration Across Sectors**: Effective implementation of the recommended strategies necessitates collaboration across various sectors. Governments, private enterprises, and civic organisations must work in synergy to create a conducive ecosystem for women entrepreneurs. Public–Private Partnerships can be forged to establish support networks, develop educational initiatives, and drive policy reforms. By pooling resources and expertise, these collaborations can yield comprehensive solutions that address the multifaceted challenges faced by women entrepreneurs.
6. **Advocacy for Gender Equality**: A concerted advocacy effort is essential to drive societal change. Public awareness campaigns should be launched to promote gender equality and challenge traditional norms. These campaigns can leverage both traditional and digital platforms to disseminate messages that endorse flexible working, dismantle gender stereotypes, and highlight the contributions of women entrepreneurs to the economy. Influential figures, including successful women entrepreneurs, can serve as advocates and role models, inspiring a new generation of businesswomen.

7. **Monitoring and Evaluation**: A robust monitoring and evaluation framework is imperative to ensure the effectiveness of the recommended policies and strategies. Regular assessments should gauge the progress made towards achieving gender equality and the successful integration of flexible working arrangements. Data collection and analysis can inform iterative improvements and refinements to the initiatives, fostering a dynamic environment that responds to the evolving needs of women entrepreneurs.

The formulation and implementation of effective policy recommendations and practical strategies hold the potential to catalyse a transformative shift in the landscape of women entrepreneurship in Egypt. By embracing gender equality and flexible working as twin pillars of empowerment, economic growth, and societal progress, Egypt can unlock the latent potential of its women entrepreneurs. The recommendations presented in this chapter can pave the way for a more inclusive, equitable, and prosperous entrepreneurial ecosystem through collaborative efforts between government, private sectors, and civic organisations.

Conclusion

This chapter concludes by summarising the critical analysis of the relationship between gender equality and flexible working for women entrepreneurs in Egypt. It emphasises the need to address the underlying gender disparities and challenges faced by women entrepreneurs while recognising the potential of flexible working arrangements to enhance their empowerment, work-life balance, and business performance. By implementing gender-responsive policies and practices, Egypt can foster a more inclusive and supportive environment for women entrepreneurs, contributing to economic growth, social progress, and gender equality in the country. The trajectory of entrepreneurship research in Egypt is poised for further expansion and refinement. The evolving landscape is likely to witness increased collaboration between academia, policymakers, and industry stakeholders to address the multifaceted challenges faced by women entrepreneurs. Moreover, continued efforts to integrate gender-sensitive perspectives into entrepreneurship research will contribute to a more holistic understanding of the barriers and opportunities that shape Egypt's entrepreneurial ecosystem. This evolving research landscape holds the promise of fostering an inclusive environment that recognises the contributions of women entrepreneurs and actively supports their growth and success.

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7

Multiplying and Mixing: Livelihood Strategies Among Out-of-School Youth in Tanzania

Emily Markovich Morris and Brooke Krause

Introduction

In Tanzania, young people must pass a series of high stakes exams at the end of primary school and secondary school in order to earn a school certificate, without which they no longer have access to formal schooling unless their families can afford a private school or vocational and technical training. Without a secondary school credential or beyond, these youth are excluded from formal employment opportunities and the economic security and social benefits that come along with salaried employment. They are instead largely limited to employment in the informal economy where they either work for others without official contracts or benefits, or they run their own micro-enterprises through

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self-employment[1] (National Bureau of Statistics [NBS], 2015). This work in the informal economy is often low-paid and falls under vulnerable employment, which is characterized by a lack of benefits, workers' rights, safety standards, satisfactory conditions, reliable and sufficient earnings, and secured hours and agreements (NBS, 2015).

This study examines how out-of-school youth working in the informal economy and vulnerable employment in Tanzania use multiple and mixed livelihoods strategies to navigate the precarious and uncertain contexts in which they live. This research informs practitioners and decision-makers implementing and funding livelihoods programming on how to support youth in navigating their economic futures in ways that build on their complex realities and lived experiences. The vast majority of working youth in Tanzania (ages 15–35) are vulnerably employed, with a higher proportion of females (86.4%) compared to males (78.3%), and a higher proportion of rural residents (93.6%) compared to those living in cities like Dar es Salaam (41.0%) (NBS, 2015). Youth who complete at least four years of secondary education are less likely to go into vulnerable employment, and the probability that they will enter persistently low-paying and vulnerable employment decreases by 90% over those with only primary schooling (Falco et al., 2014). As the youth demographic continues to rise in Africa, and the continent supports the largest youth population, it is important to understand the informal economy and how to safeguard youth from vulnerable employment (Cardona et al., 2020; Rusatira et al., 2023). To do so, it is critical to simultaneously understand the precarious and uncertain futures that out-of-school youth face while presenting hopeful solutions built on their proclivity to mix and multiply livelihood strategies.

In addition to navigating the uncertainty and precarity of their informal employment, the youth in this research were negotiating the vulnerability of their livelihoods. Uncertainty includes the lack of stable

[1] Micro-enterprises in the context of this study are businesses smaller than five employees that are neither registered nor incorporated under national legislation (NBS, 2015). Of the 17.1% of youth working in self-employment in Tanzania, the majority (15.0%) work in non-farm business, and 90% of these micro-enterprises are run by the owner with no employees (Sekei et al., 2015; NBS, 2015).

conditions and volatile markets under which youth operated their microenterprises and livelihoods activities (Honwana, 2012; Thieme, 2017, 2018). For example, the markets for their goods and services fluctuated depending on weather conditions and seasons (rainy, non-rainy), climate changes, tax and regulatory practices, and the economic capabilities of their communities and families. Youth also faced uncertainty in sustaining and investing in their enterprises; they encountered hurdles in qualifying for loans, acquiring assets, and engaging in saving as they contended with personal and economic crises on a daily basis (DeJaeghere et al., 2019). This uncertainty and precarity impact their earnings and profits, as well as their ability to save and plan for their futures.

Most young people in Tanzania and across Africa are entering into the informal economy as opposed to formal employment (NBS, 2015). Yet, education and training efforts are still centered on the premise and promise that young people go to school to obtain formal employment and to promote greater social mobility of themselves and their country (Aslam & Rawal, 2015; Berman, 2022). Instead of preparing young people to manage uncertainty, schools and training efforts focus on trying to prepare young people for certainty, which does not reflect the realities of their lives (Vavrus, 2021). This article shows that if livelihoods, entrepreneurship, and employability programs are going to prepare out-of-school youth in contexts like Tanzania for more prosperous futures, then it is critical to support youth in their efforts to navigate uncertainty and precarity through mixed and multiple livelihood strategies. Livelihood programs in the Global South may acknowledge that youth have limited access to formal jobs, but they are rarely designed to be responsive to youth's tendency to use multiple and mixed strategies to get by (DeJaeghere, 2017; URT-NEEC, 2013).

In the context of Africa, and other parts of the world, the term hustling is commonly used to describe this tendency to mix and multiply livelihoods strategies. Hustling is a "condition of individual insecurity disproportionately distributed amongst young people navigating uncertainty in irregular employment through prolonged states of 'waithood'" (Thieme, 2018, p. 530). "Waithood" is the long periods of time between when young people finish school or training and obtain employment

(Honwana, 2012). Instead of building livelihoods programming that responds to youth's tendency to hustle and mix and multiply livelihood strategies, programs like the one in this study often train youth to focus on a single vocational, technical, or entrepreneurial area. The idea of teaching and training to a single livelihoods design responds to the theory of comparative advantage where under the condition of full employment, the most profitable livelihood strategy is to specialize in one area and industry (Ricardo & McCulloch, 1846). While specializing in one trade or service may work in contexts and economies in the Global North where youth predominantly go into formal work, this approach is out of touch with the realities of youth in the Global South (Prasch, 1996). In response to precarious and uncertain conditions, youth seek livelihood strategies to meet their basic needs and to generate enough capital to expand their primary enterprises (Thieme, 2018).

This study takes an in-depth look at how 32 out-of-school youth in the Kagera region of northern Tanzania have been engaged in livelihood activities over the course of five years. In Zanzibar, a semi-autonomous archipelago region, the livelihoods of 180 youth are analyzed as they start to engage in multiple and mixed livelihood activities in their first years after leaving school. As youth in both Kagera and Zanzibar communicated through their interviews, multiple and mixed livelihoods are a form of hustling. The findings demonstrate how they mix and multiply their strategies, and hustle to negotiate better economic futures for themselves and their families.

Following the introduction, we explore the concept of hustling within the informal economy in Tanzania. We discuss how even though hustling is a livelihood strategy that integrates multiple and mixed sources of livelihoods, the concept is missing from programs aimed at supporting young entrepreneurs. Following this discussion of hustling, we present the study population of youth from the northern Kagera region of Tanzania and Zanzibar and the methods used in this longitudinal study. Next, we turn to presenting the findings that show how youth mix and multiply livelihood strategies as well as some of the reasons why hustling helps youth both get by and get ahead economically.

This chapter concludes with a discussion of how important mixed-methods and longitudinal research on youth's experiences navigating and hustling in the informal economy is to designing effective entrepreneurship and livelihoods programming.

Hustling in Tanzania's Informal Economy

Hustling as a Multiple and Mixed Livelihoods Strategy

In the Global North, hustling has historically referred to urban youth that engaged in economic behaviors deemed as criminal and/or deviant (Saitta et al., 2013; Thieme, 2018). However, in the Global South this term often refers to the creative ways young people generate multiple and mixed livelihood strategies in informal economies where they face major structural barriers such as lack of access to education, few formal jobs, high rates of vulnerable employment, and insufficient and costly financial services (Adjei, 2019; Lefebvre et al., 2018; Mwaura, 2017). This article draws on Thieme's (2013, 2017, 2018) theorization of hustling among informal waste laborers in Nairobi who combine "hand-to-mouth survivalism," "shrewd improvisation," and "politics of struggle" (p. 530). As a cultural economic practice, the "'hustle' infers a constant pragmatic search for alternative structures of opportunity outside formal education, employment, and service provision, which has been taken up by Adjei (2019) in education space as well. Hustling assumes a continuous management of risk associated with living and working beyond formal institutional norms" (Thieme, 2018, p. 537). In this study, hustling is the performance of the innovative multiple and mixed livelihoods Tanzanian youth use to get by in the precarious and uncertain environments where they live and work.

The terminologies "employment" and "workforce development" generally pertain to formal sector work, whereas livelihoods encompass both informal and formal sector activities (DeJaeghere, Morris, & Bamattre, 2019; Tripp, 1997). The concept of livelihoods includes income-generating activities as well as the material assets, social resources, and capabilities youth use to get by (Chambers & Conway, 1991). *Multiple livelihoods* (Bryceson, 2002a; Ellis, 2000) means being involved in more than one income-generating activity, such as fixing mobile phones and operating a motorbike taxi. *Mixed livelihoods* (Bryceson, 2002a; Freeman et al., 2002) is employing different kinds of agricultural and non-agricultural work strategies and across different sectors of formal employment, informal employment, and self-employment (Vaughn, 1997). For example, the young person who operated their own sofa-making business but at the same time harvests dried coffee in the agricultural sector. Mixed livelihoods can also vary by when activities are performed (e.g., different times of day, different seasons) and/or the governing regulatory environments where they operate, such as a sofa-making enterprise that is registered and pays taxes and an unregistered coffee-harvesting enterprise. The terms multiple and mixed livelihoods was popularized by Global North donors in the past three decades, albeit they have existed in practice across Africa long before the current wave of entrepreneurship and livelihoods programming (Bryceson, 2002b; Ellis, 2000). While engaging in multiple and mixed livelihood strategies was historically common at certain times of the year when agricultural work was minimal (post-harvest), it has increasingly become a way of generating cash for both coping with immediate needs and managing risks (Bryceson, 2002b; Ellis, 2000).

Hustling as a Missing, But Critical Component, of Livelihoods Programs

In general, young people in Tanzania who have not completed secondary school prefer to work in the informal sector as self-employed entrepreneurs of micro-enterprises as opposed to informal employees for others (DeJaeghere, 2017; NBS, 2015). In informal employment youth are often exploited and have little decision-making authority (Falco et al., 2014; Morris et al., 2015; Bamattre & Morris, 2016; Sekei et al., 2015). Youth micro-enterprises tend to be mobile with no permanent location (NBS, 2015). Few micro-enterprises are officially registered, and the majority of these businesses are run by women[2] (Sekei et al., 2015). The profit levels of micro-enterprises tend to be extremely low in Tanzania, but provide survival income for getting by; many micro-enterprises employ other youth on an ad hoc or part-time basis (Bamattre & Morris, 2016; Falco et al., 2014; World Bank, 2014).

In East Africa, the ability of micro-, small-, and medium-sized enterprises to thrive is in part dependent on the environmental certainties and conditions. Factors such as restrictive government policies and regulatory frameworks that limit the formation of enterprises, lack of access to viable financing and start-up capital, and corruption contribute to the challenges businesses face in thriving (Mwangi et al., 2013). In Tanzania, one of the key challenges to micro-enterprise development is unfavorable tax structures (URT-MoIT, 2013). The Small and Medium Enterprise (SME) Development Policy—which includes micro-enterprises—was developed in 2003 to create policy and mechanisms to support enterprise growth amid these challenges. Despite these reforms, a number of youth in this study cited taxation as a major challenge to sustain their enterprises.

Another reason micro-enterprises in East Africa do not survive is because they are run by youth who do not have access to the critical skills to navigate the uncertain and precarious environmental conditions they work in (Mwangi et al., 2013). Insufficient access to quality, formal education, social capital and networks, but also the scarcity of training opportunities that teach essential financial literacy, entrepreneurial, and life skills can inhibit young people from having the skills they need to acquire formal work (DeJaeghere, 2017; Sekei et al., 2015). Consequently, many youth rely on subsistence activities as their main means for getting by; in the Kagera region roughly 90% of the economically active population relies on agriculture, fishing, and livestock for subsistence (Kessy, 2005). In Zanzibar, roughly 35% of economically active people are engaged in agriculture (predominately in rural areas, and often

[2] In a study by Sekei et al. (2015) less than 1.5 of micro-enterprises were officially registered and 54.0% were operated by women. As is true in Tanzania as well as other parts of the Global South, it is often the most economically and socially marginalized of women who experience the greatest growth in enterprise income and profits per financial literacy and business skills training programs (Field et al., 2010; Sekei et al., 2015).

as an unpaid subsistence activity) with tourism as the next largest sector with 21% of working Zanzibaris and, overall, 33% of paid employees are precariously employed (URT ILFS, 2021).

Given the large population of youth entering into work each year coupled with the high percent of undereducated and unskilled youth, entering into work each year, there has been a strong push by the Government of Tanzania, international development agencies, non-governmental organizations, and the private sector to increase formal entrepreneurship education and non-formal training programs (DeJaeghere, 2017). One of the first times this need was articulated officially by the Government of Tanzania was in the mainland's Education and Training Policy of 1995 (URT-MoEVT, 1995), which tasked the Vocational Education and Training Authority (VETA) with providing entrepreneurship and technical skills training and certification. VETA (known as VET in Zanzibar) trains in carpentry, tailoring, mechanics, masonry, and hotel management among other trades. While youth with only a primary education can apply, VETA/VET is increasingly serving secondary school graduates, further excluding youth without these credentials (Bamattre & Morris, 2016).

Prior to the development of national entrepreneurial education and training efforts, Tanzania's socialist policies were rooted in cooperative and communal enterprise development. Situated under the policy of Education for Self-Reliance (ESR), youth were encouraged to work together for the common economic and social good, but discouraged to start individual enterprises (DeJaeghere, 2017; Nyerere, 1967; Tripp, 1997). However, throughout the 1990s and 2000s, entrepreneurial language started to appear in economic, youth, education, and labor policies and in 2004 the National Economic Council (NEC) was set up in the mainland to oversee economic policies and to support development SMEs and micro-enterprises (Tanzania National Economic Empowerment Council [NEEC], 2013). In 2013, the first national entrepreneurship curriculum was released and the National Entrepreneurship Training Framework was established to integrate training into all education levels and across sectors and policies. An emphasis was placed on promoting employability skills in self-employment alongside formal employment, which the government defined as "salaried employment in a range of organizations, both small and large" (URT-NEEC, 2013). Although the Government of Tanzania acknowledges the importance of preparing youth to take on many different forms of employment, there was no mention of mixed and multiple livelihoods in their official entrepreneurship curriculum or framework (NEC, 2013; VETA, 2013). Likewise, youth livelihoods and entrepreneurship training programs are rarely designed to draw on multiple and mixed livelihoods hustling strategies in their curricula or training (Bamattre & Morris, 2016; Lefebvre et al., 2018).

This paper presents evidence of why youth in rural and urban economies in northern Tanzania and in Zanzibar engage in multiple and mixed livelihoods. Furthermore, this paper uses the notion of hustling to elucidate how out-of-school youth use diverse activities not only to get by, but as a means to get ahead and create strategic investments in the complex social, political, and economic contexts where they live. By looking at an urban and rural economic setting, this research expands the multiple and mixed livelihoods literature in Africa, which has been largely focused exclusively on either rural or urban economies but seldom both.

Methodology and Youth Population

The mixed-methods analytical approach used in this paper starts by exploring the extent to which youth mix and multiply their livelihood strategies (quantitative analyses) and how mixing and multiplying help them navigate the precarities and uncertainties in their environments (qualitative analyses). Employing qualitative and quantitative data allows for a deeper analysis of youth decisions and perspectives, as well as for capturing the nuances and details in their lived experiences (DeJaeghere et al., 2019). The qualitative research was collected through interviews and the quantitative tracking of livelihoods activities was captured through surveys. The surveys included questions related to the number and types of livelihood strategies youth engaged in as well as demographic characteristics. The quantitative analysis identified the percentage of youth in the study participating in multiple livelihood strategies and the different types of mixed strategies (agricultural, non-agricultural, or mixed) by gender (male/female) and location (rural/urban). The qualitative interviews centered on questions related to why youth diversify their earning strategies and were analyzed by themes and sub-themes. We explored four key categories of earning, savings, education, and well-being, as well as sub-themes including the type of earnings (i.e., self-employment, formal employment, informal employment, etc.) and mixed livelihoods. In 2023, the youth in the Zanzibar sample were in their first years of entering the informal economy, whereas the youth in Kagera had been working in the informal economy for at least five years at the time of their interviews.

Although the study in Zanzibar continued during the time of the COVID-19 pandemic, the youth did not note any significant economic implications on their earnings as a result of the pandemic. The governments of Tanzania and Zanzibar only closed schools and businesses for a short period at the start of the pandemic in March 2021, but quickly reopened and stopped publicly reporting information on infection rates thereafter. Youth did note in their interviews that fuel price increases and general economic decline during these years given global markets and tourism plummeted did intensify conditions of poverty, they did not report any changes to their livelihood practices as a result of the pandemic.

Kagera Sample

This paper draws on five years of qualitative and quantitative data collected with 32 young people who participated in longitudinal evaluation of a youth training program in northern Kagera region of Tanzania, a district with over 3,460 residents who predominantly rely on self-employment in agriculture (de Klerk, 2011; De Weerdt, 2010). This study tracks young people's livelihood strategies in the informal economy and how they mix and combine their approaches over more than five years. The Kagera region lies along the northern border with Uganda and surrounds Lake Victoria. The youth in Kagera who took part in this research between 2013 and 2017 were pushed out of school because they did not pass their primary school exams. In 2012 (the approximate year when this youth in this study took the exam) only 54.5% passed and were admitted into secondary schooling. This left approximately 20,000 young people to earn incomes to support themselves and their families (URT-MoEVT, 2013). In 2020, a higher proportion of young people passed their primary exams in Kagera (88.1%), but across the country only one in three (34.1%) young people went on to secondary school (MoEST, 2020). The Kagera youth in this study participated in a nine-month livelihoods and entrepreneurship program that provided technical and entrepreneurship skills training, internships, job placement, enterprise start-up support, linkages to financial service providers, the formation of savings groups, and life skills training and counseling. These 32 youth were predominantly male (62%) and from urban or semi-urban areas (59%). They completed quantitative surveys before and after the program as well as participated in qualitative interviews offered annually over a five-year period.[3]

Zanzibar Sample

This study also draws on longitudinal data of 180 youth in Zanzibar, collected from when they were in secondary school in 2018 to when they left school and entered the labor market between 2020 and 2023. The youth in this focused research were part of a larger longitudinal study of 1,200 young people in Zanzibar from the time they were in grade one through when they entered livelihood strategies. These youth were not able to further their secondary or tertiary education because they either did not pass their qualifying exams with high enough marks, or they did not have the economic resources to continue. The data captures their first years of entering their livelihoods activities. In Zanzibar, all students who take the primary school exam can continue on to secondary school regardless of exam performance, but roughly 84% do and a little more than half (55%) of enrolled students in lower secondary pass the

[3] Interviews were conducted in kiSwahili and kiHaya and simultaneously translated and transcribed in English.

examination continue and continue on to complete their basic education (Murphy et al., 2016). Of the roughly half of youth who passed their end of lower secondary school exams in 2014, only around 13% or so continued on to upper secondary, which allows them to enter into a university education (Murphy et al., 2016). Because they did not earn their secondary school certificates, these youth in both regions are largely confined to working in the informal economy. In-depth interviews were conducted with 19 rural Zanzibari youth, who were predominantly female (84%), to better understand their transition from school into the informal economy.

How Youth Multiply and Mix Livelihood Strategies

This section shows how and why youth multiply and mix livelihoods as a hustling strategy for negotiating the uncertainties and precarities in both their work and personal lives. We organize the findings by focusing first on youths' use of multiple livelihood activities and then how they diversify and mix activities. Then we explore the reasons youth hustle to get by and get ahead.

Youth Used Multiple Livelihoods Activities as a Strategy for Hustling

As the youth in Kagera described when they started the program, they were barely getting by and earning enough income to provide food and shelter for themselves. While their individual economic situation improved for nearly all the youth over the five years, they continued to face emergencies and crises that would set them back (DeJaeghere et al., 2019; Lefebvre et al., 2018). Similarly in Zanzibar, when youth left school after being excluded from entering post-secondary education, they often lived hand-to-mouth and tried to find livelihood strategies to sustain themselves and their families. Their livelihood strategies shifted over time as they navigated changing climate conditions, fluctuations in tourism, and an environment of economic uncertainty, yet they found creative ways to increase and diversify their livelihoods activities.

In Kagera 80% of youth engaged in multiple livelihoods and 28% in Zanzibar where youth had between one and four livelihood strategies with an average of 2.4 different livelihood activities in Kagera and 1.3 in Zanzibar (Table 7.1). Among the youth in Kagera, the vast majority (69%) described an increase in the number of strategies they used over time. Only 6% of the longitudinal sample decreased their livelihoods activities and nearly a quarter (22%) maintained the same number of activities. While most of these youth (56%) started and stopped one or more of their activities along the way, the number of overall activities was higher from the first year they were surveyed to the last year. In Zanzibar, the youth were just getting started with their livelihood strategies, but nearly a third (28%) had already employed more than one strategy in the first years after leaving school. In both regions, youth tended to start and stop activities either because of insufficient profits, time, or resources.

Table 7.1 Multiple livelihood strategies

Kagera ($n = 32$)				
Number of strategies	Females ($n = 13$)	Males ($n = 19$)	Rural ($n = 12$)	Urban ($n = 20$)
1. Strategy	1 (7.7%)	5 (26.3%)	3 (25%)	3 (15%)
2. Strategies	6 (46.2%)	5 (26.3%)	5 (41.7%)	6 (30%)
3. Strategies	5 (38.5%)	6 (31.6%)	2 (16.7%)	9 (45%)
4. Strategies	1 (7.7%)	3 (15.8%)	2 (16.7%)	2 (10%)
Mean	*2.46*	*2.37*	*2.25*	*2.5*
Zanzibar ($n = 180$)				
Number of strategies	Females ($n = 104$)	Males ($n = 76$)	Rural ($n = 137$)	Urban ($n = 43$)
1. Strategy	69 (66.3%)	60 (78.9%)	100 (73%)	29 (67.4%)
2. Strategies	31 (29.8%)	15 (19.7%)	33 (24.1%)	13 (30.2%)
3. Strategies	4 (3.8%)	1 (1.3%)	4 (2.9%)	1 (2.3%)
4. Strategies	–	–	–	–
Mean	*1.37*	*1.22*	*1.29*	*1.34*

Youth Used Mixed Livelihoods as Strategy for Hustling

Youth participated in a combination of permanent, casual, and seasonal livelihood activities in the agricultural and non-agricultural sectors as a strategy for hustling and providing new and alternative ways of generating income. Youth with multiple livelihood activities tended to perform a mixture of self-employment or informal, casual employment for others and the majority also had a micro-enterprise they used as a strategy for generating income to invest in their primary enterprise. For example, in Kagera one young person ran a micro-enterprise of harvesting and selling coffee that enabled him to generate income used to invest in their sofa-making business. Over half of the youth used a mixture of agricultural and non-agricultural income at the end of the five-year program in Kagera (Table 7.2), with raising chickens or goats, harvesting vegetables or coffee, or selling groundnuts as the most common agricultural activities in Kagera and fishing, subsistence farming, and harvesting coconuts and fruit in Zanzibar. In Zanzibar, a greater proportion of males engaged in agricultural activities than females. In both regions, non-agricultural activities consisted of working for a family's kiosk selling household items and performing casual labor (i.e., construction or cooking) for others. The longitudinal data revealed that the youths' initial livelihoods activities, regardless of sector, were not generating enough income for youth to get by. Youth diversified that their activities were a hustling strategy that they increasingly adopted for survival.

In addition to mixing agricultural and non-agricultural activities, youth diversified the type of work they did, whether permanent, casual, or seasonal. Youth performed permanent work consistently over time, even when the amount of earnings and the surrounding markets fluctuated. Permanent work included operating a small tailor or mechanic workshop or raising chickens to sell their meat and eggs. Casual work was infrequent and ad hoc (such as fetching water or firewood) while seasonal work was executed in certain times of the year (such as roasting coffee after the harvest or driving a motorbike taxi during the rainy season). As observed in Kagera, while youth tended to start out with casual or seasonal work, as they acquired technical skills during the training

Table 7.2 Mixed livelihood strategies

Kagera (n = 32)				
Type of strategy	Females (n = 13)	Males (n = 19)	Rural (n = 12)	Urban (n = 20)
Agricultural	1 (7.7%)	0 (0%)	1 (8.3%)	0 (0%)
Non-agricultural	4 (30.8%)	8 (42.1%)	4 (33.3%)	8 (40%)
Mixed	8 (61.5%)	11 (57.9%)	7 (58.3%)	12 (60%)
Zanzibar (n = 180)				
Type of strategy	Females (n = 104)	Males (n = 76)	Rural (n = 137)	Urban (n = 43)
Agricultural	5 (4.8%)	33 (43.4%)	32 (23.4%)	6 (14.0%)
Non-agricultural	89 (85.6%)	38 (50.0%)	92 (67.2%)	35 (81.4%)
Mixed	10 (9.6%)	5 (6.6%)	13 (9.5%)	2 (4.7%)

program, they started new micro-enterprises and increasingly diversified their livelihood strategies.

In Kagera, some youth continued their initial agricultural activities throughout the five years, but the majority paused at various times to focus on growing their technical work and/or strategically replaced low-paying activities with ones with higher profit margins (i.e., replacing groundnut sales with selling used clothes). Those youth with mixed livelihood strategies tended to engage family members or friends into their secondary or tertiary agricultural activities as they increased profit levels. For example, they ran tailoring business as their main livelihood activity but employed a younger sibling to sell groundnuts as a secondary activity. The majority of youth (57%) were able to employ others by year five. While youth were not taught how to mix their livelihoods through their trainings, they were doing so as part of their proclivity to hustle and by observing their families and peers. Similar trends were observed in Zanzibar, where youth started to diversify their activities the longer they were in the informal economy.

Youth who engaged in multiple livelihoods reported a strong preference for self-employment to increase earnings, as it is seen as more viable, secure, and safer than working for others in informal employment (Falco et al., 2014). In addition to having more earning potential, by working for themselves youth reported greater control over their work, more respect from their communities, and independence. Women described being safer in self-employment because they could avoid sexual harassment from male employers (Bamattre & Morris, 2016). While the self-employment sector has the biggest potential earnings gap in Tanzania (Falco et al., 2014), youth in this study moved toward activities with higher earnings by adding a technical trade area and/or replacing their initial livelihood strategies with ones that had greater profit margins, required more technical skills, and provided more security and certainty.

In both regions, interviews revealed that young men and women differed in how they engaged in livelihoods hustling. In Kagera, nearly three-quarters of young women involved in mixed livelihood activities at the end of the study started out by performing small farm work or selling agricultural goods for their families (i.e., raising chickens, selling greens, and/or cutting grass). Young men tended to manage their own livelihoods activities (i.e., harvesting vegetables or coffee) from the start. Over time, however, young women and men alike began to shift their primary activity into non-farm self-employment activities in their technical areas. These trades were highly gendered, with women's work generally associated with "home-making skills" such as cooking and preparing snacks, sewing and tailoring, soap making, hair plaiting, and painting henna in Kagera and Tanzania (Bryceson, 2002b, p. 732; Morris et al., 2015).

Household environments and compositions, such as living with parents, spouses, or independently, influenced the type of hustling of young women in this study. For example, two women from female-headed households in Kagera described that at the start of the program their families' main livelihoods were selling locally made beer and food from their home, which has been documented as a livelihood activity employed largely by female-headed-households (Bryceson, 2002a). As the women in this study explained, beer making is a form of vulnerable employment and often exposes family members to sexual harassment and violence because the largely male clientele who congregate in local beer joints can become aggressive while drinking. As soon as these two women gained technical skills through the training program, they left their families' beer making businesses in search of less precarious activities. In Zanzibar, women did not openly reveal any activities that compromised their safety, but this is likely because of the deep stigma surrounding this kind of work and not because it does not occur.

For nearly all the women in the Kagera sample, self-employment in one's technical trade allowed them to work in safer employment, earn money for themselves, and gain autonomy over their incomes. While many of these women started new micro-enterprises in non-agricultural areas, they continued to support household agricultural activities as a means of ensuring that their mothers, siblings, and grandparents could simultaneously generate incomes. This is consistent with research in Tanzania that has found women prefer to shift into non-agricultural trades where they have more control over their earnings and the people they are working with (Bryceson, 2002a).

Another gendered difference in how youth hustled was found among unmarried women, who like male youth were often more mobile with their enterprises. Youth in Kagera reported that unmarried women were able to travel with their goods to other cities whereas most of the married women described starting micro-enterprises close to home so they could attend to family duties as well as social and cultural expectations and norms. This is consistent with Madulu's (1998) study in a nearby district, which reported that youth who had fewer family responsibilities specialized in trades that moved around. Regardless of the types of trade youth engaged in and how mobile their livelihoods activities were, all the young men and women in this study described how they engaged in livelihoods hustling and strived to grow and diversify the number of livelihood activities over time.

Youth Mix and Multiply Livelihood Strategies

Youth hustle as a way to *get by*, and mitigate the precarities and uncertainties in their environments, as well as to *get ahead* and plan for their futures (Lefebvre et al., 2018). This section discusses youth's economic hustle, drawing on interview data and observations of youth micro-enterprises, in order to manage risks and meet basic needs and navigate the seasonality of labor in order to get by. Accessing credit and capital and accumulating assets allow youth to get ahead. These categories were adapted from Ellis (2000). Because the youth in Zanzibar are just entering their livelihoods activities, as opposed to the youth in Kagera who have been engaged in their activities for a longer period, most of the longitudinal examples will be drawn from the youth in Kagera. Observations from Zanzibar enhance examples of what hustling looks like in a community dependent on tourism and highly impacted by climate change.

While youth in Kagera engaged in multiple and mixed livelihoods to get by when they first started livelihood strategies, five years into these strategies they were still increasing and mixing their livelihood strategies to get ahead. Lefebvre et al. (2018) define getting ahead as the capacity to sustain a business and ultimately improve one's well-being. This article uses getting ahead as a strategy for generating investment income through multiple and mixed livelihoods with the ultimate goal of expanding one's primary enterprise. There is a critical distinction between "diversification of necessity and diversification by choice" as Ellis (2000) describes in the research on rural livelihood diversification in the Global South (p. 289). This paper argues that hustling for necessity is forming livelihood strategies to mitigate household and personal economic crises and to get by in uncertain and precarious environments. This is in contrast to hustling by choice, which encompasses ways to access credit and build assets as a way to get ahead.

Youth Hustle to Get by

As detailed below, in order to get by youth multiplied and mixed their livelihoods to meet their basic needs and cope with risks, and to adapt to the seasonal nature of work.

Meeting Basic Needs and Risk Management. Youth engaged in multiple and mixed livelihood strategies to both generate income to cover their basic needs and to cope with the various precarities and uncertainties of their urban and rural environments. Thirty-five percent said that they seldom or never met their basic needs. Youth struggled to anticipate and plan for sudden expenses like illness, theft, or price hikes. Emergency requests from family members and peers for loaning them money were constant and hard to plan for. As such, over two-thirds (71%) reported they did not have enough food for their household at least some of the time. This struggle to make ends meet persisted even years after participating in the training program and has informed the ways in which these youth devised livelihoods hustling strategies. The majority of youth in Kagera sought self-employment, but they continued to perform a number of informal employment activities for others as a way of smoothing their income, or covering moments when income from their self-employed activities wasn't enough to cover their basic needs.

Youth also used multiple and mixed livelihoods to deliberately plan for anticipated risks and unanticipated crises and disasters in their livelihood strategies or their personal lives. Their entrepreneurship training briefly covered how to avert and mitigate entrepreneurial failures or personal disasters. Engaging mixed labor strategies was one way self-employed youth prepared economically for potential risks. For example, the male carpenters and mechanics in rural Kagera fetched water and transported agricultural goods for others when they had lulls in their business. One young rural woman in Kagera maintained her own tailoring shop, but also worked for other tailors in case she encountered low sales. They also diversified their self-employment activities (i.e., doing a combination of knitting, embroidery, and tailoring) to ensure they did not have only one stream of income. Youth who reported working primarily for others in a hotel or factory also hustled to employ multiple and mixed livelihoods as they were acutely aware that they could be fired at any time, that their paycheck may be late, or that their income would be too little to cover their basic needs. Therefore, even youth engaged in formal employment used multiple and mixed livelihoods as a pre-emptive strategy to hustle and navigate the perils of vulnerable employment. This type of hustling demonstrated that youth were able to assess some of the risks involved and sought to protect themselves and their enterprises from imminent precarities and uncertainties.

While youth tried to establish multiple and mixed livelihood strategies to manage risks, they could not always predict the magnitude of devastation of these risks. Using hustling strategies helped them cope with enterprise hardships, theft, corruption, as well as personal crises ranging from debilitating personal illnesses and/or deaths in their family (Bamattre & Morris, 2016; Ellis, 2000; Rakodi, 2002). As none of the youth in either region had formal medical benefits to cover their illnesses or injuries, or formal insurance policies to protect their enterprises from theft, damage, or natural disaster, they created these safety nets through multiple and mixed livelihood strategies. For example, one young rural woman in Kagera described how she returned to raising chickens and selling eggs to save money to replace all the machines and materials stolen from her tailoring workshop. An urban male in Kagera described how he had started a motorbike spare parts shop for two reasons: first to ensure he had an affordable supply of parts for his own workshop, and second as an asset he could cash in on if he ran into financial hardship. Three years into the business he became gravely ill and was out of work and income for a month. He had to sell his spare parts shop to pay for his medical bills. Young women in Zanzibar described how they had to stop activities to care for sick family members, and one young man shared his story of how an untreated injury turned into a disability that put him out of employment. Personal success also could not be isolated from their household or family well-being. As one Tanzanian youth summarized this viewpoint through a Kiswahili proverb: "Mchuma janga hula na wakwao" ("One who earns calamity, eats it with his family"), meaning that an individual's success or demise determines that of his/her family's. This is a telltale indication of the interrelated nature of youth and family well-being. Youth in large part knew they lived in uncertain circumstances in a volatile economy, and they hustled to provide the safety nets they needed to cover the needs of their enterprises and families in emergencies.

Seasonality of labor. One of the most common reasons youth gave for using hustling strategies in Kagera was sustaining income during the two heavy and light rainy seasons. In Kagera, businesses tended to slow down in the rainy season and picked up in the dry season immediately post-harvest when farming families had greater income from agricultural goods and services. As the backbone to Kagera's economy is production of banana, coffee, and other agricultural goods, the post-harvest period was one of the most prosperous times for youths' businesses. In Zanzibar, rainy seasons coincided with a low tourism season and subsequently a period of lower income.

In Kagera, one in seven youth in Kagera reported that they added a new activity to account for the seasonality of their work or a holiday period. Youth move between different earning situations (working for self and others), as well as between multiple earnings strategies to negotiate higher and/or more stable income pathways. As one youth described, "For now, in this environment that I am working in, fetching water is something that is giving me a lot of income…With my carpentry work, in the place where I was working, I no longer have a workspace. I was renting a place and my contract ended and I didn't continue renting….so I am continuing with my carpentry work, but doing it at home because I have a small place to do it." Youth in Zanzibar were also impacted by seasons, and reported a decline in activity and income during the rainy seasons. While climate change was not discussed explicitly in Kagera, youth noticed changing weather patterns that affected their agricultural businesses. In Zanzibar, many youth noted a clear connection between a decrease in fishing activities by men and decreased seaweed farming by women because of rising ocean temperatures, but in most cases they did not see a clear link between climate change and their livelihood strategies. In deeper conversations with experts that work in fisheries and agricultural research in Zanzibar, they revealed notable changes in agricultural activities, including fishing, in response to climate change and an increase in tourism that puts demands on their limited natural resources (personal communication, research scientists, July 26, 2022). Both of these topics require further research.

Holiday seasons (including Christmas and the two Muslim Eids), the wedding season (during the dry season), and the start of the school year were also times of increased demand for goods and services provided by youth in the informal sector (Bamattre & Morris, 2016). This was especially true for female-concentrated tailoring and textile businesses in Kagera, as they provided clothes, uniforms, sweaters, and other clothing products for these occasions. As one young, urban woman described, "when you look at this activity of knitting, it is seasonal. When this activity has stopped for the season the second activity [selling cosmetics] gives me income." In both regions, holiday seasons also meant an increase in household expenses as food spending often goes up during periods like Ramadan, Eid, and Christmas alongside demands for new clothes also rise. Some youth reported having to take on additional livelihoods strategies to cover holiday expenses. Having multiple and mixed livelihoods helped youth sustain and smooth their income across the different seasons.

Youth Hustle to Get Ahead

In contrast to hustling for necessity, hustling by choice encompasses developing ways to accumulate assets, capacities, and capital with the intention of getting ahead and building and expanding a self-owned micro-enterprise and ultimately for securing a more certain economic future. This section explores the ways in which youth employed multiple and mixed livelihood strategies as a way to access credit and capital, and to accumulate assets.

Access to Credit and Capital

In addition to hustling to get by, youth mixed and increased their livelihoods activities in innovative ways in order to get ahead and generate credit and capital. Access to financial institutions, savings mechanisms, and credit and loans was very low in Kagera, and especially for this segment of out-of-school youth (Bamattre & Morris, 2016; Morris et al., 2015). This was also the case in rural Zanzibar. Youth were deemed by financial institutions as risky customers and as such offered youth higher interest rates on loans and/or had more strict lending requirements to account for this greater risk of default. Very few youth could meet the criterion needed to open formal accounts or apply for loans. This criterion included land or asset collateral, certification letters from local government authorities, and/or prior credit records (Morris et al., 2015). Access to loans and credit were even lower in rural settings (Ellis, 2000) and among youth and women (Falco et al., 2014).

Youth in Kagera reported starting a livelihood activity in order to make strategic investments for their future. They started livelihood strategies to generate the capital needed to expand or open an additional enterprise. For example, one urban male bought rental property to generate income that required little time and inputs but allowed him to invest money into his mechanic shop. One young urban woman who was not granted a formal loan because she lacked material collateral and a credit record described using income from her primary mixed strategy enterprise (embroidery and tailoring) to start a secondary enterprise (selling bedsheets). She in turn planned to use the profits from her bedsheet enterprise to expand her primary enterprise and to eventually start new enterprises. As she noted, "For anyone to prosper in life they have to have a lot of earning strategies to reach their goals. For example, I need to eat, I need to help my family and other youth, but I also need to expand my business…when I can't afford everything doing one business, I have another business especially secondhand sheets. The money I get from tailoring and embroidery will be for expanding that [bedsheet] business…which will help me accomplish my goals."

Although some youth accessed municipal and microfinance institution loans by the final year of the study in Kagera (Morris et al., 2015), they expressed the preference of using one of their multiple livelihood strategies instead to avoid paying interest rates and other fees. Therefore, hustling not only helped youth meet their immediate needs, but to strategically invest in future entrepreneurial activities. The Zanzibar youth were not yet at the place for applying for and seeking formal loans so this section concentrates on the Kagera youth.

Assets Accumulation

Throughout the course of this longitudinal research, youth in Kagera increased the number and types of their assets as a strategy for building their material and physical capital. Males tended to invest in natural capital (land and crops) and physical capital (houses, materials for houses, farm equipment). Males and females alike invested in enterprise capital (sewing and welding machines, spare parts) and enterprise space (workshops), as well as agricultural capital (cows, chickens, coffee plants). After five years, the Kagera youth increasingly invested in social capital (education and skills development) and networks. They used these assets as safety networks, such as the rural mechanic who sold off his land and spare parts business to pay medical bills, but also as collateral to secure enterprise loans.

For youth in Kagera, business assets and equipment were generally used to expand their enterprises and their customer bases, decrease their dependency on other entrepreneurs and their trainers (using one's own equipment instead of borrowing from a trainer), and to expand their profits. In a few cases, youth described starting new enterprises to provide additional income and assets for their families, so parents and siblings were less dependent on the youths' primary earnings and savings strategies. For example, one young rural woman started a kiosk for her parents so she could reduce the amount of money she sent home to them each month. By contributing economically to the family, interviewed youth described gaining a sense of value and importance in their families; their voice and opinions increasingly mattered and they were consulted on important decisions. One youth said, "Before I couldn't sit with elders, but now I can even discuss community development with them. Before people saw me as a person who is not important, they didn't recognize me. They saw me as a person who couldn't contribute anything in the community…. It was my desire to be someone who can talk with important people and do big things. Now I can talk to important people. I am recognized."

Youth described the importance of social assets (new skills) and how social networks were critical for solving problems, such as when carpenters in urban Kagera were wrongly jailed for not paying an informal tax or when women faced sexual harassment or solicitations in their workplace (DeJaeghere, 2017; Morris et al., 2015). Over 40% of youth in Kagera engaged in some form of new training and nearly all described working together with other youth to advance their enterprises and to mitigate challenges. Assets are therefore an important hustling strategy for a combination of managing risks, expanding enterprises, applying for credit and loans, but also in developing favorable business reputations and creating a sufficient support system.

Discussion

The youth in this study, which is also true in out-of-school youth communities with low educational attainment in other parts of Africa, engaged in livelihoods hustling out of a need for getting by as well as for creating greater certainty for their futures to get ahead. Youth used mixed and multiple livelihood strategies to manage precarity, but also to proactively access credit and secure assets for starting and expanding additional strategies to ultimately guarantee a more certain economic future. Mixed and multiple strategies enabled youth to manage their immediate cash needs, to create medium-term strategies for managing risks and generating assets, and ultimately to create long-term investments and livelihood strategies. Youth in Kagera and Zanzibar described how in lieu of safety nets they hustled to create coping strategies for themselves. They hustled to stagger their incomes through rainy and non-rainy seasons and through the uncertainties of income streams. They created savings and loan mechanisms for themselves and their community when formal banks refused to give them credit. Youth hustled to sustain their current income throughout the year and to generate the savings and investments needed to meet their future and longer-term goals.

The results from this study show why hustling through livelihood diversification is important to youth entrepreneurs as they start out, like those in Zanzibar, and as they continue to grow their enterprises, like those in Kagera. Although youth have engaged in diversification for decades and across the Global South, entrepreneurship programs often focus on training and building the capacity of youth to engage in one single enterprise. A singular livelihoods approach is not responsive to the needs, desires, and goals of the majority of youth participants working in informal economies and imposes an economic model from the Global North. In the case of the entrepreneurship training program in Kagera, implementers pivoted their approach to integrate multiple and mixed livelihoods to reflect the youths' tendency to hustle as a response to their lived experiences. In Zanzibar, the youth have received little to no livelihoods or entrepreneurship training and are negotiating multiple and mixed strategies intuitively but recognize the need for programs to respond to their economic and social realities.

This study adds to the field of youth livelihoods and entrepreneurship development in three ways. First, it shows how mixed-methods and longitudinal research in both rural and urban settings is critical to understanding youth's livelihood development. Mixed-methods research methods allow researchers to explore the complexity and dynamism of how and why youth engage in hustling for getting and getting ahead when they are excluded from formal employment. Second, this study argues that the concepts of hustling and mixed and multiple livelihood strategies are critical to understanding youth livelihoods and entrepreneurship in East Africa and the Global South and currently missing from much of the literature. The examples of out-of-school youth from low-income urban and rural households help shift the gaze from a deficit lens where young people are perpetually falling short of becoming formally employed, to one that exemplifies the ways that youth are resourceful and draw on multiple and mixed strategies to survive. Third, studying the realities and the lived experiences of youth in the informal economy helps ensure that implementers of youth livelihoods programming across Africa and the Global South have evidence based on southern theories and concepts. Livelihoods, employment, and entrepreneurship approaches on policies and interventions must reflect the uncertainties and precarities in which young people are surviving and acknowledge that the majority of youth are entering the informal economy at higher rates than formal employment as a way to make do with their circumstances and not because of a romanticized or embodied entrepreneurial spirit. Scholars, trainers and practitioners, and policymakers can ensure entrepreneurship and livelihood programs do a better job of ensuring that youth's experiences in the informal economy are acknowledged and used to support more stable and secure economic futures.

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8

Youth Entrepreneurship in Zimbabwe: Unlocking the Next Generation's Potential

Femi Stephen Olawoyin and Florence Chiwetu

Introduction

Entrepreneurship remains a lifeline, not just for individuals but also for economies struggling to achieve a significant leap in growth (World Economic Forum, 2020). The focus on youth entrepreneurship, particularly in nations like Zimbabwe, underscores the urgency to unlock the inherent potential of the younger generation to catalyse economic revival. Zimbabwe, a nation grappling with unemployment rates above 90%, presents a paradoxical backdrop for entrepreneurship (Trading Economics, 2021). The involvement of youth in entrepreneurial activities becomes an essential measure in addressing this economic conundrum. Youths constitute a significant share of Zimbabwe's total population, and their engagement in entrepreneurial activities can fuel the prosperity of the national economy (World Bank, 2020a, 2020b).

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Encouraging entrepreneurial spirit among youths marks the first step in acknowledging and addressing the innovative solutions offered by the younger population towards nation-building (Alrbehat, 2022).

Youth entrepreneurship could play an unprecedented role in reversing the economic downturn in Zimbabwe, contributing immensely to job creation, poverty alleviation, and economic diversification (World Bank, 2019). A report by the African Development Bank (2019) elucidated how entrepreneurship could provide an alternate source of employment and engage youth in constructive activities, thereby combatting issues related to unrest in Zimbabwe.

The cognisance of barriers hindering the progress of youth entrepreneurship is essential for developing strategies to navigate them. Firstly, limited access to financial resources restricts entrepreneurial activity among the Zimbabwean youth (UNICEF, 2022). Secondly, the absence of a comprehensive entrepreneurial education framework hinders the development of entrepreneurial competencies among the youth in Zimbabwe (UNESCO, 2021). Further, socio-cultural factors can also create a discouraging environment for the initiation and maintenance of entrepreneurial activities (Munemo, 2021a, 2021b). Several national and international initiatives aim to bolster youth entrepreneurship in Zimbabwe, focusing on policy recommendations, capacity building, and providing institutional support. The Government's Youth Empowerment Strategy highlighted the necessity to empower youths through entrepreneurial activities (Government of Zimbabwe, 2019). On an international level, organisations like UNDP have initiated skill-building programmes for the Zimbabwean youth, promoting their capabilities to start entrepreneurial ventures (UNDP, 2023). The burgeoning potential of the youth is a beacon of hope for Zimbabwe, a country striving to overcome intractable economic challenges. Youth entrepreneurship has the potential to turn around Zimbabwe's economic trajectory (Chikweche & Fletcher, 2019; Ojeda-Beltrán et al., 2023). While barriers exist to the full realisation of this potential, with the right investments, policies, and supportive entrepreneurial ecosystem, these obstacles can be overcome, paving the way for enhanced economic growth and development.

Against the above backdrop, this chapter undertakes a comprehensive literature review to delve into the issue of youth entrepreneurship in Zimbabwe and explores how it can serve as a key to unlocking the potential of the country's next generation. The chapter explores youth entrepreneurship in Zimbabwe, unlocking the next generation's potential by illuminating the importance of fostering entrepreneurial spirit among Zimbabwean youth and identifying the potential barriers and opportunities present in this sector. The chapter discussed various factors associated with youth entrepreneurship, alongside its challenges, importance, and ways to harness and unlock the next generation's entrepreneurial capabilities among Zimbabwe youths.

Literature Review

Concept of Entrepreneurship

Entrepreneurship pertains to a multifaceted concept that entails a myriad of business-related processes. Essentially, entrepreneurship encapsulates the ability and willingness to establish, oversee, and develop a business venture along with the associated risks, with the aim of making a profit (Ayamga et al., 2023; Blank, 2020; Mafini et al., 2021). More specifically, Burns (2021) identifies entrepreneurship as the relentless pursuit of opportunity, regardless of any existing resources. The diverse definitions of entrepreneurship inherently depict its complex nature. Many definitions tend to focus on objectives such as profit-making, risk management, and innovation (McGrath & MacMillan, 2021). Hence, some scholars have pointed out that this complexity may pose challenges for entrepreneurs in their pursuit of success, given the multiple components they are typically required to master (Brown & Mawson, 2019).

The concept's multidimensional aspect also throws into sharp relief the entrepreneurial paradox: the simultaneous challenge and opportunity promised by entrepreneurship. Detailed by Stevenson and Jarillo (2020), the entrepreneur's journey involves a blend of risk and reward, optimism and reality, making it a phenomenon that necessitates critical examination. A divergent perspective asserts that entrepreneurship is not exclusively about profit-making and risk-taking but also considerate of the societal and environmental implications (Lin et al., 2023; Mangundjaya, 2022; Okolo-obasi & Uduji, 2023; Sumaworo, 2023; Zahra & Wright, 2021). This aspect reinforces the unfolding paradigm shift from traditional business-oriented entrepreneurship towards more sustainable and social entrepreneurship. This growing body of literature introduces a new dimension to our understanding of entrepreneurship and highlights the importance of adopting adaptable and innovative approaches.

Another point of contention revolves around the role of educational institutions in fostering entrepreneurship. While Singh and Gibbs (2020) argue that entrepreneurial skills can be inculcated via education, others, such as Verheul et al. (2019), suggest that entrepreneurial instincts are innate and not necessarily education related. The debate indicates the need for further studies to comprehend the relationship between education and entrepreneurship. Furthermore, the concept of entrepreneurship caters to diversity, extending to women and minority entrepreneurs (Ayamga et al., 2023; Carter & Shaw, 2021; Chikweche & Fletcher, 2019; Ojeda-Beltrán et al., 2023). Despite facing additional challenges, such as financing hurdles and discrimination, recent developments have seen a surge in successful entrepreneurs from these demographics. The trend underlines the inclusive nature of the concept, holding promise for sustainable economic development. The changing dimensions of entrepreneurship point towards an all-encompassing nature of the concept, influenced by education, societal norms, and economics, among other elements. From an academic point of view, there remains ample scope for further exploration and understanding of entrepreneurial mechanisms in different contexts. Ultimately, the essence of entrepreneurship lies in its evolving paradigm, reflective of broader changes in the global economic and social landscapes (Chikweche & Fletcher, 2019).

Current States of Youth Entrepreneurship in Zimbabwe

Grey and Morvane (2019) argued that entrepreneurship is a critical driver of economic growth and innovation. It creates new companies and jobs and fuels national growth (Sumaworo, 2023). In Zimbabwe, the current state of youth entrepreneurship reflects a beacon of hope, challenge, and uncertainty amid an unstable economic environment.

The economic contractions in Zimbabwe have created a compelling need for youth entrepreneurship development (Ford, 2020; Mafini et al., 2021; Mangundjaya, 2022; Okolo-obasi & Uduji, 2023; Sumaworo, 2023). With extensive unemployment rates, numerous young people have willingly or unwillingly entered into the entrepreneurship scene, shifting from job-seeking mindsets to self-employment modalities. From street vending to online businesses, various manifestations of youth entrepreneurship in Zimbabwe are reassuringly dynamic. A report by Mawere and Mubaya (2021) indicates that 55% of Zimbabwean youths are involved in some form of small to medium-sized entrepreneurship activities.

However, youth entrepreneurship has yet to achieve the desired levels of participation and success (Chikweche & Fletcher, 2019; Sumaworo, 2023). Limited access to capital, inadequacy of business skills, and a demanding business environment have constrained the full growth and development of youth entrepreneurship (Ayamga et al., 2023; Lin et al., 2023; Mangundjaya, 2022; Ojeda-Beltrán et al., 2023). According to Tongesayi (2022), the environment in which entrepreneurship occurs dramatically influences its growth and efficacy. Unfortunately, Zimbabwe's youth entrepreneurs face a myriad of challenges stemming from their socio-economic environment (Chengu & Makuyana, 2020).

Economic instability, punctuated by high inflation and inconsistency in government policy, has inhibited entrepreneurial drive in Zimbabwean youth (Chimucheka, 2021; Sibanda & Ramrathan, 2022). The lack of access to finance is another significant obstacle (Chikweche & Fletcher, 2022). High-interest rates and stringent requirements by financial institutions render many youths unable to access capital needed for start-ups or expansion (Sumaworo, 2023; Okolo-obasi & Uduji, 2023). Moreover, capacity constraints further dampen the growth of youth entrepreneurship. Limited business training and financial literacy have resulted in poor planning and mismanagement of resources, leading to business failure.

Despite challenges, there are substantial opportunities for youth entrepreneurship in Zimbabwe. Several sectors, including information technology, agriculture, and manufacturing, present high-potential areas for entrepreneurial activities (Pasura, 2021). The emerging digital economy has opened doors to new ventures and markets beyond geographical limitations. The accessibility of digital platforms for marketing and sales has enabled budding entrepreneurs to conduct business at limited costs effectively. Efforts at both governmental and non-governmental levels have been aimed at tackling the aforementioned challenges. A notable initiative is the Zimbabwe Youth Entrepreneurship Scheme (Muyambo & Mupa, 2022), which provides youth with financial support and mentorship. Additionally, organisations like the Global Shapers Community Harare are offering targeted entrepreneurship training to assist young entrepreneurs in developing and aligning their ventures effectively (Ayamga et al., 2023; Mafini et al., 2021; Mangundjaya, 2022; Ojeda-Beltrán et al., 2023).

The state of youth entrepreneurship in Zimbabwe is dynamic but fraught with challenges. The economic environment has largely hampered the development and growth of youth entrepreneurship (Sibanda & Ramrathan, 2022). But, amid the obstacles lie significant opportunities, especially in the digital space and other emerging industries. Market-driven measures coupled with a conducive entrepreneurial environment, robust policy support, and capacity strengthening can empower Zimbabwean youths to unleash their entrepreneurial potential fully (Chimucheka, 2021; Mafini et al., 2021). Thus, turning tides of the economic instability and significantly contributing to the national economy.

Benefits and Contributions of Youth Entrepreneurship in Zimbabwe

In recent years, entrepreneurship has evolved as a significant solution to economic rise, job creation, and the fostering of innovation, particularly among the youthful demographic (Chigora & Zendera, 2020). Youth entrepreneurship, therefore, remains a salient catalyst, effectively propelling Zimbabwe towards an enriched and sustainable future (Ngarava, 2021). This section of the chapter critically discusses the benefits and contributions of youth entrepreneurship to Zimbabwe's socio-economic landscape.

Youth entrepreneurship contributes to the endemic issue of youth unemployment. Recent statistics show that the unemployment rate among the youth in Zimbabwe is significantly high (World Bank, 2020a, 2020b), a pitfall that entrepreneurship remarkably contributes to mitigating. Entrepreneurship provides the youth with numerous self-employment opportunities, which directly contributes to the reduction of the burgeoning issue of youth unemployment (Chikweche, 2019).

Additionally, youth entrepreneurship helps address the issue of skills mismatch. According to Chigora and Zendera (2020), many youths in Zimbabwe have degrees that do not match the jobs available in the local market—an issue that entrepreneurship helps bridge through the creation of relevant ventures that capitalise on these skills. Thus, entrepreneurship produces an avenue through which the youth can harness their skills and qualifications effectively for societal contributions and self-betterment.

Furthermore, youth entrepreneurship contributes to developing the nation's entrepreneurial ecosystem, providing the much-needed resilience in the face of economic adversity (Ngarava, 2021). Zimbabwe, which has faced macroeconomic instability and liquidity challenges, can directly profit from a robust entrepreneurial landscape cultivated by the youth. This landscape fosters innovation, economic diversification, and competitiveness and lays the foundation for a sustainable monetary future.

In addition, youth entrepreneurship plays a significant role in fostering innovation. According to Mandibaya (2019), it is imperative to recognise that the youthful population remains technologically savvy, creative, and digitally native. As a result, these young entrepreneurs are more likely to foster innovation, disrupt traditional business models, and introduce avant-garde products and services that could redefine the business landscape in Zimbabwe.

Furthermore, youth entrepreneurship contributes to sustainable economic growth. Studies show that small and medium-sized enterprises (SMEs) make a substantial contribution to Zimbabwe's gross domestic product (GDP), with many of these enterprises being youth-led initiatives (Ngarava, 2021). Moreover, these youthful entrepreneurs contribute to national growth by investing their profits back into the local economy, enhancing societal welfare and generating additional employment opportunities.

While the contributions and benefits of youth entrepreneurship are evident in Zimbabwe, it is also crucial to acknowledge the challenges that these young entrepreneurs face. According to Chikweche (2019), factors such as high inflation rates, access to capital, a lack of practical business skills, and inadequate mentorship impede the development of youth entrepreneurship. Consequently, it is essential to put in place supportive policies and frameworks that address these challenges. These measures could involve, among others, improving the business environment, developing robust entrepreneurial education, and providing financial support and mentorship to young entrepreneurs (Lin et al., 2023; Mangundjaya, 2022; Sumaworo, 2023).

Youth entrepreneurship remains a crucial pillar in Zimbabwe's economic landscape due to its substantial contributions in combating unemployment, fostering innovation, catalysing economic growth, and cultivating a resilient entrepreneurial ecosystem (Ayamga et al., 2023; Chimucheka, 2021; Ojeda-Beltrán et al., 2023). Yet, the full potential of youth entrepreneurship could be further harnessed by addressing the challenges faced by young entrepreneurs and implementing supporting policies that facilitate their growth.

Barriers and Challenges of Youth Entrepreneurship in Zimbabwe: A Critical Analysis

Entrepreneurship has long been recognised as an effective catalyst for economic growth and development (Acs et al., 2020). In Zimbabwe, youth entrepreneurship is particularly important, given the high rates of youth unemployment. However, young entrepreneurs face significant barriers, particularly in resource-scarce environments like Zimbabwe. Despite the potential benefits of entrepreneurship, young entrepreneurs in Zimbabwe face numerous challenges. According to Maponga and Dzvimbo (2020), young Zimbabwean entrepreneurs grapple with barriers that include limited access to finance, shortage of business skills, restrictive regulatory frameworks, and cultural attitudes towards entrepreneurship.

Arguably, one of the primary barriers is the difficulty in accessing initial start-up capital (Chinomona, 2021). Banks and other financial institutions are hesitant to invest in youth-led businesses due to perceived high risks (Chimucheka, 2021; Makoni & Nyakurimwa, 2019; Mangundjaya, 2022). Beyond finance, a skill deficit also exists, with many young entrepreneurs lacking strategic management and marketing skills, further impeding their ability to succeed (Tongesayi, 2022). Limited access to finance is a substantial barrier. Young entrepreneurs may not have the necessary collateral or positive credit history needed to secure business loans (Chikweche & Fletcher, 2019). Also, despite demonstrating technical skills, many young entrepreneurs lack management skills, marketing acumen, and financial literacy. This skills deficit often results in poor business performance (Chinomona & Maziriri, 2021).

Moreover, the regulatory constraints in Zimbabwe pose significant challenges. Bureaucracy, red tape, and convoluted procedures are hurdles budding entrepreneurs must overcome (Makoni & Nyakurimwa, 2019). Mafini et al. (2021) argue that bureaucratic procedures, corruption, and high taxes can discourage young people from pursuing entrepreneurship. Furthermore, cultural attitudes and societal norms can negatively influence entrepreneurship. Zimbabwean culture often support secure employment over entrepreneurial risk-taking (Maponga & Dzvimbo, 2020). It is evident a systemic failure exists in supporting young entrepreneurs, necessitating a critical re-evaluation to alleviate these barriers. Current prevailing socio-economic challenges further aggravate the situation for young entrepreneurs. High inflation, currency instability, and inadequate infrastructure considerably hinder the growth potential of businesses (Chinomona, 2021; Mafini et al., 2021; Okolo-obasi & Uduji, 2023). Moreover, political instability and corruption have served to devastate the entrepreneurial ecosystem, making it difficult for start-ups to succeed (Sibanda & Ramrathan, 2022).

In addition to these general problems, Zimbabwe's youth entrepreneurs face contextualised challenges due to the harsh socio-economic realities they inhabit. Combined with a tense political climate, these challenges inhibit the ability of the youth to create sustainable business ventures, thus promoting economic stagnation (Ayamga et al., 2023; Lin et al., 2023; Tongesayi, 2022). Beyond the immediate context, these barriers and challenges have wider implications. Lack of entrepreneurship translates into high youth unemployment, exacerbating poverty levels, and increasing dependence on already strained public resources (Makoni & Nyakurimwa, 2019). This situation ill-reflects Zimbabwe's progress in implementing Sustainable Development Goals, particularly number eight, which urges for decent work and economic growth (Sibanda & Ramrathan, 2022).

Evidence from credible secondary sources reveals that the barriers and challenges to youth entrepreneurship in Zimbabwe are multi-faceted and interlinked, combining financial, skills, regulatory, and socio-economic hurdles. Given the potential of entrepreneurship to address youth unemployment and contribute to economic development, stakeholders must engage in a concerted effort to eradicate these barriers. This includes reforms in the financial sector to increase access to capital, entrepreneurial skills development, regulatory simplification, and broader socio-economic and political stability measures. The future of Zimbabwe's economic growth depends significantly on harnessing the potential of its youthful population—a resource that must be cultivated and supported.

Proposed Strategies for Overcoming Youth Entrepreneurship Challenges in Zimbabwe

The mitigation of the above-mentioned challenges requires multifaceted and concerted efforts encompassing reformed regulations, improved access to finance, and promotion of entrepreneurial education. It is here that public partnership initiatives and investment in youth entrepreneurship play a vital role (Chinomona, 2021). Stakeholders should work on creating an environment conducive to the success of youth entrepreneurship by addressing challenges such as access to credit, skills development, and legislation simplification, among other measures.

To address financial constraints, Smit et al. (2019) suggest innovative financial models such as peer-to-peer lending, microfinance, and crowdfunding. Such models resonate with the social and communal values prevalent in Zimbabwean society (Mangundjaya, 2022). Furthermore, established institutions could consider alternative creditworthiness measures, such as business ideas or personal qualities, rather than traditional financial collateral (Aldrich & Yang, 2020).

Training programmes in business and entrepreneurship can address the skill gaps. Practical, context-specific courses can equip young entrepreneurs with essential management and marketing skills while promoting financial literacy (Runhare & Dzomonda, 2021). Furthermore, developing a culture of mentorship within entrepreneurship can accelerate learning through direct exposure to successful entrepreneurs (Aldrich & Yang, 2020).

Simplifying complex regulatory procedures, reducing bureaucratic red tape, and enforcing strict anti-corruption measures can create a friendlier business environment. Also, tax incentives for youth enterprises encourage entrepreneurship (Mafini et al., 2021). Furthermore, societal attitudes towards entrepreneurship can be shifted through awareness campaigns, role model programmes, and entrepreneurship education in schools. These methods can institutionalise the concept of entrepreneurship, encouraging youth involvement in business (Smit et al., 2019).

Youth entrepreneurship stands as a viable option for addressing Zimbabwe's unemployment issue. The outlined barriers, though significant, can be mitigated through strategic interventions: alternative financing models, skill-developing training programmes, encouraging regulatory reforms, and shifting societal perceptions. For Zimbabwe, fostering a vibrant, sustainable ecosystem of youth entrepreneurship represents both a challenge and an opportunity worthy of serious policy consideration.

Significance of Artificial Intelligence, Sustainability, and COVID-19 in Zimbabwean Youth Entrepreneurship

Artificial Intelligence (AI), sustainability, and COVID-19 are key concepts with significant implications for the contemporary era, especially in the realm of youth entrepreneurship. AI, sustainability, and COVID-19 have profound implications for youth entrepreneurship in Zimbabwe.

The advent of AI has redefined the entrepreneurial landscape globally, and Zimbabwean youth ventures are no exception (Dundu et al., 2023; Hannigan et al., 2022). AI's significant influence on productivity, business efficiency, and decision-making capabilities has been explored by Al-Surmi et al. (2022). Putri et al. (2023) argue that AI's disruptive impact can similarly be leveraged in Zimbabwe, especially by the youth, who are typically more digitally literate and open to technological adoption.

However, the effectiveness of AI is contingent upon the availability of resources and infrastructure, which are currently lacking in Zimbabwe. Thus, the potential for AI to boost youth entrepreneurship is significant, yet unrealised (Hannigan et al., 2022). Governmental and international bodies could address this deficit by investing in AI-related training and resources for young entrepreneurs.

Sustainability, encompassing environmental, social, and economic dimensions, is crucial for businesses worldwide. Chundu et al. (2022) discuss the integral role that sustainability plays in Zimbabwean youth entrepreneurship. Young Zimbabwean entrepreneurs are increasingly shifting towards sustainable practices and eco-friendly business models to appeal to the ethical consumer market. Furthermore, sustainability offers various benefits, including cost savings, brand reputation enhancement, and improved customer relationships.

However, achieving sustainability may necessitate overcoming challenges, such as inadequate access to capital and lack of knowledge about sustainable practices and technologies. Promoting sustainability education and facilitating the availability of funds for green initiatives can bridge this gap.

The COVID-19 pandemic has had a profound influence on entrepreneurship, particularly on the youth sector. Despite hardships, COVID-19 has triggered an unprecedented entrepreneurial spirit among Zimbabwean youth, driven by necessity and opportunity (Zhanda et al., 2022). Many have launched business ventures in response to new market needs caused by the pandemic. The post-COVID-19 era is also expected to offer unique prospects for youth entrepreneurship in Zimbabwe, with further growth anticipated in sectors such as e-commerce, sanitation, and remote learning.

The potential benefits of AI and sustainability in enhancing business practices are yet to be fully realised, highlighting the need for interventions in infrastructure, education, and funding. The COVID-19 pandemic, while disruptive, has catalysed a surge in entrepreneurial endeavour among Zimbabwean youth.

Managerial Implications in Addressing Youth Entrepreneurship Barriers in Zimbabwe

The discourse surrounding the nurturing and promotion of entrepreneurial activities among the youth in Zimbabwe has never been more salient, in part due to the country's burgeoning youth population and the crucial role they play in economic rejuvenation. Despite this recognition, pervasive barriers impede the influential capacity of youth entrepreneurship.

The broader socio-economic condition of Zimbabwe calls for managerial strategies that incorporate the principles of equity, inclusion, and resource mobilisation. Implementation of programmes focused on skills development, access to finance, and alterations in the socio-cultural fabric (Chimucheka, 2021) need to be carefully managed. Creating an enabling entrepreneurial environment may require systemic changes involving political, educational, and financial structures. The practical implementation of these strategies would require the concerted efforts of the government, non-governmental organisations, and the private sector.

Equity

Equity in entrepreneurship refers to a balanced distribution of resources, opportunities, and benefits among all participants in entrepreneurial activities, regardless of their socio-economic, ethnic, or gender backgrounds (OECD, 2021). In Zimbabwe, youth entrepreneurs, especially those from marginalised groups, face various obstacles, like limited access to finance (Chigudu, 2021). By promoting equity, these individuals could be empowered to overcome such obstacles, have fair access to resources, and effectively contribute to the entrepreneurial ecosystem. Practical equity strategies include fostering fair laws and regulations to ensure all entrepreneurs have equal access to opportunities (OECD, 2023). Central to achieving equity and inclusion would be the passing and enforcement of fair legislations and regulations that level the entrepreneurial field for all youths (OECD, 2023).

Inclusion

Inclusive entrepreneurship stresses the involvement of all individuals in entrepreneurial activities, particularly those marginalised or disadvantaged (OECD, 2021). Zimbabwean youths often face exclusion due to their limited experience and skill set. Encouraging inclusion through designing inclusive business support services, building entrepreneurial skills among marginalised youths, and enhancing youths' access to networks could dramatically improve their entrepreneurial outcomes (World Bank, 2022). A Fairbairn and Fook (2019) study emphasises the importance of experiential learning, which, when integrated into

Zimbabwean schools, can fortify students' entrepreneurial abilities. A strong administrative body is needed to manage the successful integration of such a curriculum.

Resource Mobilisation

Resource mobilisation implies securing diverse resources, like human capital, funds, technology social networks, etc., for entrepreneurial activities (UNCTAD, 2019). Resource constraints often significantly impede Zimbabwean youths' engagement in entrepreneurship. Therefore, implementing resource mobilisation strategies, like promoting entrepreneurial education, facilitating young entrepreneurs' access to finance, and developing social networks for knowledge exchange, can create valuable opportunities for youth entrepreneurs (AFDB, 2021). Providing entrepreneurship training and mentorship programmes, as well as offering financial and technical support, can effectively mobilise resources for youth entrepreneurs (AFDB, 2022). Access to credit, as examined by Jones and Latreille (2019), remained a prime concern for most small-scale entrepreneurs in Zimbabwe. Managerial essentials here include strengthening institutional mechanisms that support credit initiatives for entrepreneurs, initiating collaboration with microfinance institutions, heavily scrutinising loan repayment criteria, and encouraging the use of technology in promoting financial inclusion.

The Trajectory of Youth Entrepreneurship in Zimbabwe

Developing countries' future heavily depends on their young population's entrepreneurial potential (Roundy, 2019). Youth entrepreneurship is a key factor that provides economic benefits and helps tackle widespread unemployment. Zimbabwe is besieged with economic challenges, with the youth representing a significant portion of the unemployed (Ndedzu et al., 2021).

Youth entrepreneurship presents a promising avenue to transform this unsettling trend. Nevertheless, the current scenario reveals significant barriers, including an absence of start-up funds (Njaya, 2019). Nonetheless, the emerging entrepreneurial landscape in Zimbabwe is slowly beginning to change; budding entrepreneurs are revealing a spirit of resilience and innovation despite numerous obstacles (Nkala-Dlamini, 2020).

For entrepreneurship to thrive, nations must indomitably vouch for equity. Zimbabwe's entrepreneurial sector needs to be gender-neutral and provide equal opportunities for all (Kundishora, 2021). A study by Moyo and Mamvura (2022) reveals a stark gender inequality issue, with women facing more obstacles in starting businesses. This begs for robust policy manoeuvres to improve the entrepreneurial climate through the lens of equity.

Inclusion plays a fundamental role in developing a conducive entrepreneurial ecosystem which triggers bottom-up innovation (Chinomona, 2020). The Zimbabwean government has introduced diverse programmes such as Empretec and ZimDEF to foster inclusion in entrepreneurship (Munemo, 2021a, 2021b). However, these efforts need to be strengthened to meet the demands of a growing young population eager to start their businesses.

Zimbabwe's policies for resource allocation prove to be a decisive parameter for the trajectory of youth entrepreneurship. Limited access to financial resources remains a significant hurdle for most aspiring entrepreneurs (Chinomona, 2023). Thus, effective strategies for resource allocation, coupled with training and mentorship, can significantly improve the growth and sustainability of entrepreneurial ventures among the youth.

Predicting the trajectory of youth entrepreneurship in Zimbabwe involves a constant evaluation of the prevailing equity, inclusion, and resource allocation policies. Potential policy interventions should help in making significant strides towards fostering a vibrant entrepreneurial ecosystem conducive to budding entrepreneurs.

Zimbabwe's youth entrepreneurial journey is not without challenges. Transforming the entrepreneurial landscape requires persistent work on empowering the youth through enhanced access to resources, facilitating a culture of innovation, and nurturing an environment of equity and inclusion.

Conclusion

Entrepreneurship has become an essential route to economic growth globally, specifically in Zimbabwe, with its significant promise to deal with the youth unemployment problem. However, various barriers and challenges have curbed this potential, leaving the country unable to realise the benefits of youth entrepreneurship fully. This chapter reviewed extant literature on Zimbabwe youth entrepreneurship. The findings revealed that youth entrepreneurship in Zimbabwe faces multifaceted barriers, ranging from cultural, educational, and economic landscapes. Addressing these barriers offers economic prosperity and societal rejuvenation, thus making this issue of paramount importance to Zimbabwe's future. Focusing on equity, inclusion, and resource allocation can foster an environment ripe for entrepreneurial activities. A macro-to-micro managerial approach, incorporating training initiatives, financial support, and sculpting an empowering socio-cultural milieu, can give rise to a vibrant entrepreneurial ecosystem in Zimbabwe.

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9

Critical Appraisal of Women Entrepreneurship and Economic Inclusion in Cameroon

Kamaldeen A. A. Lawal and Tajudeen Adebowale Oduwole

Introduction

The focus of the chapter is on critical appraisal of women entrepreneurship in the context of the economic inclusion of the opportunity of entrepreneurship development for the contributions to economic growth and development among potential of women within the Cameroonian economy. Notably, more than 70% of women engage in agricultural activities, which serve as the primary source of wealth creation. However, alarming three-quarters of these women find themselves trapped in poverty. Their challenges include limited access to crucial resources such as finance, quality education, healthcare, technology, and markets.

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Despite commendable efforts undertaken by various stakeholders within the entrepreneurial ecosystem to reverse this trend, the gender gap continues to widen with each passing year. The survey conducted by the National Institute of Statistics (NIS, 2016) of Cameroon indicates the first obstacle to entrepreneurship is taxation followed by administrative formalities and hassles with agents of the town hall or the urban community at 34.2%, and financing problems—access to credit, were also singled out 30.7%. The same applies to market outlets (18.1%), corruption at 18.1%, and insufficient energy and water at 17.4%. All of which are factors that hinder the development of entrepreneurship in Cameroon and, therefore, the economic inclusion of women. To achieve economic development, stakeholders and government intend to continue its policy of equitable access to quality education, training, and information, to strengthen programs to encourage entrepreneurship among women, and to intensify consultations with the financial institutions and non-governmental organization system to open up credit to this segment of the population. These measures should ultimately facilitate the access of women to a financial grants, physical material, and intellectual resources to stimulate their entrepreneurial ability and professional activities toward economic growth.

The Cameroonian entrepreneurial ecosystem is categorized among countries with average human development but many efforts remain to be made by all the actors to facilitate the integration of women in all the different spheres of society and their economic empowerment. Women are facing challenges that affect their immense potential due to several factors identified earlier. These factors are mainly due to women's limited access to resources (material, financial, psychological, physical, intellectual, etc.). Indeed, exclusion is manifested by the lack of social correlations caused by idleness, and above all, the scarcity, and instability of resources. Although Cameroonian women entrepreneurs find an important source of financing through njangi houses (an African financial support system) and family associations, such financing remains insufficient. The new National Development Strategy for 2020–2030 (NDS30) proposed by the Cameroon government has set the objective of strengthening programs to encourage entrepreneurship among women and young people to intensify the consultations with the financial institutions and non-government system to give credit and grants to women. Cameroon's performance in promoting women's socioeconomic rights has changed little compared to many African countries, like Rwanda, which has now become a global benchmark for gender equality. In Cameroon, women represent more than 60% of the population, but remain the most economically excluded (Bureau Central des Recensments, 2005). This reality appears to be challenged for a country that wants to be emerging nation by 2035. The main objective of this paper is to show the role that entrepreneurial development could play in promoting women economic inclusion in Cameroon. It was expected to raise awareness among public authorities and the private sector on the importance of economic inclusion of women through entrepreneurship development. Based on previous studies carried out, this study will further close the vacuum.

Literature Review

The entrepreneurship field of study is getting popular among researchers and policymakers over the last few decades. The purpose of this section is to review the literature on the subject matter—women entrepreneurship and its economic inclusion in Cameroon. Therefore it seems essential to review specific literature for better understanding of the phenomenon of "women entrepreneurship". Women's entrepreneurship is getting an ever-increased attention in recent era. Women entrepreneurs are appearing as potential players in Cameroonian economy. History of the term "entrepreneur" and the evolution of its several meanings were traced by Herbert and link (1988). It first appeared in the writings of Richard Cantillion in 1755 that describe the term entrepreneur as "someone who exercises business judgment in the face of uncertainty" (Gibb, 2002) and Lawal et al. (2019) attempted to interpret several twentieth-century authors to explain the entrepreneur and entrepreneurship. Entrepreneurship is expression of the value of what the entrepreneur contributes to production in exactly the same sense that wages are the value expression of what the workers produce.

Recent attempts at redefinition use concepts and words like "fundamental change" to some extent these descriptions add insight but upon closer examination merely rephrase the Schumpeter definition. The understanding of the concept of entrepreneurship is never complete without explanations of the contribution of Joseph Schumpeter to its definition (1934) that defines entrepreneurship as a process of creating "new combinations" of factors to produce economic growth. In his work innovation of entrepreneurship allows economic systems to avoid repetition and progress to more advanced states. Schumpeter rightly puts it: "without innovation no entrepreneur; without entrepreneurial achievement no capitalist returns". Cunha (2007) noted that Schumpeter raised in the stimulating climate of the end of the century. Venkataraman (2003) studied Schumpeter's work on economic development as their primary concern, shedding additional light on influence on the concept of entrepreneurship. Drucker (1985) defined entrepreneurship as the process of extracting profits from new unique and valuable combination of resources in an uncertain and ambiguous environment. Krizner (1983) defines entrepreneurship as process of perceiving profit opportunities and initiating actions to fill currently unsatisfied market needs or doing efficiently what is already done. Delphi's study (Gartner, 1985) identifies eight themes expressed by the participants that constitute the nature of entrepreneurship. They are the entrepreneur, innovator, organization, creating value, profit or non-profit, growth, uniqueness, and owner manager. The argument on Schumpeter's definitions is adequately descriptive and discriminatory for academic purposes and precise enough for policymaking purposes. Filion (2011) identified 15 elements (Innovation, Risk, Coordination of resources for production; organizing factor of production or of the management of resources, Value creation, Projective and visionary thinking, Focus on action, Leadership, Dynamic of the economic system, Venture creation, Opportunity recognition, Creativity, Anxiety, Control, Introduction of change, and Rebellion/Delinquency) mentioning most frequents in the definitions from entrepreneurship literature that he believes are most relevant over decades because the use of recent literature provides overview of the different perspectives from which the subject was examined in the shaping of what is in process of becoming the field of study of entrepreneurship. In the 2000s, the definitions of “entrepreneurship” have been expanded to explain how and why some individuals (or terms) identify opportunities, evaluate them as viable, and then decide to exploit them, whereas others do not and in turn how entrepreneurs use these opportunities to develop new products or services, launch new firms or even new industries, and create wealth. Lawal et al. (2019) observed that entrepreneurship typically operates within an entrepreneurship ecosystem which often includes government programs and services that promote entrepreneurship and support entrepreneurs and start-ups; non-governmental organizations such as small business and cooperative associations that offer advice and mentoring to entrepreneurs (e.g., through entrepreneurship centers or websites); small business advocacy organizations that lobby the government for increased support of entrepreneurship programs and small business-friendly laws and regulations; entrepreneurship resources and facilities (e.g., business incubators and seed accelerators); and entrepreneurship education and training programs offered by different institutions of learning and financial institutions (e.g., bank loans and grants, venture capital financing, angel investing, and government and private foundation grants).

Macro-level empirical work has concern with how entrepreneurship influences economic measure of development, such as GDP, productivity, and employment. Very few studies have considered non-monetary or subjective measures. Most micro-level studies focus on the why and how of entrepreneurship, not its impact on development. Nevertheless, studies on productivity, innovation, growth, and female entrepreneurs provide insights on whether and how entrepreneurship concern for development. One lesson is that innovative entrepreneurship matters most for development.

Epo (2012) considered the literature on the impact of entrepreneurship on employment, innovation, and productivity growth. He found that entrepreneurs spend less on research and development than their counterparts, although quality and efficiency of their innovation were higher and that their contribution to productivity growth is low. Majority of entrepreneurs would earn higher incomes as wage employees and create more jobs relative to non-entrepreneurs; the quality of jobs they create is lower. Hence, not all entrepreneurs drive development, and not all entrepreneurs are innovative (Stam & Wennberg, 2009); reconsidering entrepreneurship role in economic development reveals that entrepreneurship influences development outcomes positively as well as negatively on entrepreneurship significantly determined by the dynamics of development. Entrepreneurship development is an important field of study for entrepreneurial and management scholars (Shane, 2009). Studies show that innovative firms, particularly in high-tech sectors, having on average higher levels of productivity tend to enjoy higher employment growth and cause positive spillovers for other firms.

A variety of ways can be used to make entrepreneurial development more attractive, like structured institutional building programs, efficient educational systems that train and develop leaders for entrepreneurship, infrastructure that's adequate, functional, accessible, efficient, and functional for entrepreneurship, easy access to financial support, loan funding, and long-term financing to fund capital assets just to mention a few (Agu & Nwachukwu, 2020).

Therefore, Osemeke (2012) discusses the Cameroonian economy in terms of entrepreneurial development as a program of activities designed to enhance knowledge, skills, attitudes, and behavior of entrepreneurs by individuals and groups. An explanation of how promotion of such programs in the society can provide critical appraisal of women's entrepreneurship and economic inclusion opportunity in Cameroon.

Opportunity recognition theory is a well-known theory in entrepreneurship that seeks to explain how entrepreneurs identify and exploit opportunities. Based on this theory, for women entrepreneur to be successful, they must be equipped with unique skills, knowledge, and experience that enable them to recognize promising opportunities and develop innovative and practical solutions to address unmet needs in the market (Shane & Venkataraman., 2000). The theory explains further that everyone or more specifically, entrepreneurs will have equal exposure to opportunities. What make the difference between successful and unsuccessful is the ability to recognize these opportunities and act promptly to provide solutions. The entrepreneurial process involves identifying, evaluating, and exploiting opportunities (Shane & Venkataraman, 2000). Opportunity recognition and exploitation are determined by several factors; these include prior knowledge and experience in the industry, cognitive, and personality traits such as creativity, risk-taking, social networks, and environmental factors such as regulatory frameworks and technological advancements (Davidsson, 2015). By understanding the process of Opportunity recognition, educators and policymakers can develop programs and policies that enhance the entrepreneurial skills and knowledge of individuals and create a conducive environment for entrepreneurship to thrive (Ardichvili et al., 2003). Ardichvili et al. (2003) developed a theory and model for recognizing opportunities based on existing models of Opportunity recognition. New venture opportunities were successfully identified by entrepreneurs with high levels of entrepreneurial alertness, according to the theory of Opportunity recognition. An extended social network and a convergence of interests contribute to alertness. Researchers examined a combination of factors that influence the success of new ventures for the first time. According to their research, a model of Opportunity recognition was proposed after studying 20 successful entrepreneurs whose companies sold between $2 million and $200 million. Successful opportunity identification is often influenced by prior market and customer knowledge, entrepreneurial alertness, and social networks. To understand specific factors and causal relationships, the concept of Opportunity recognition was re-examined by new models using different lenses, such as cognitive psychology and developmental psychology, in response to this seminal work.

Resource-based theory has been widely study as a framework for understanding how entrepreneurs firms can leverage their unique resources and capabilities to create and sustain a competitive advantage and to create value to generate sustainable competitive advantage firms that use both tangible and intangible resources by utilizing unique resources and capabilities help sustain a competitive advantage and have unique capabilities and resources (Barney, 2001). It implies that firms are expected to be in a continuous process of improving their resources and strengths to maintain a competitive advantage over time (Amit & Schoemaker, 1993).

However, leveraging these resources and capabilities requires effective management and strategic decision-making (Helfat & Peteraf, 2003).

The resource-based theory emphasizes how firms use their resources to achieve their goals as well as their strengths. A firm's strength can be developed following a SWOT analysis through a combination of knowledge, skills, and experience used to create a competitive advantage through efficiency, innovation, or responsiveness. For instance, if a firm has capabilities to produce and brand a product to a multiple of clients, it will differentiate itself from its competitors and produce a strong brand name for itself. It is not enough to create a competitive advantage but even more so, it is necessary to maintain it. The key to maintain a competitive edge for a company is to continuously invest in its strengths, specifically its resources and capabilities (Helfat & Peteraf, 2003). It entails focusing on resource acquisition, resource development, and resource deployment. Resource acquisition involves identifying and acquiring new resources that can leverage to create value, while resource development involves building and enhancing existing resources to improve their effectiveness. Resource deployment involves allocating resources to activities or initiatives that generate the most significant value. The resource-based theory is an important framework in entrepreneurial development as it assists in understanding how a firm can create and maintain a sustainable competitive advantage in entrepreneurship. By leveraging unique valuable resources and capabilities, firms can differentiate themselves from their competitors, create value for their customers, and achieve long-term success (Helfat & Peteraf, 2003).

Social network theory was a well-known theory of entrepreneurship that suggests the success of entrepreneurs influence by the size, strength, and diversity of their social networks (Granovetter, 1983). Since Cameroon is a country with informal economy and a culture of collectivism, social networks are important for entrepreneurship (Tengeh & Nkem, 2017).

Social networks are series of social connections that put a person in direct contact with another and eventually more people through them. It plays a crucial role inclusion of women. Women entrepreneurs with more robust and diverse social networks are more likely to succeed than those with weak or limited networks. Social network help women entrepreneurs easily overcome the barriers to entry into the formal economy. Capital, information, and market barriers are just a few of these barriers. For example, women entrepreneurs with strong social networks may have access to informal funding sources that liable to leverage their relationships to secure contracts and partnerships. Khelil (2016) supports this finding that social networks can help entrepreneurs overcome institutional voids in developing economies. Furthermore, evidence shown that social networks can help women entrepreneurs build trust and reputation essential for establishing and maintaining business relationships.

Women entrepreneurs with solid relationships with suppliers, customers, and other stakeholders will likely succeed long term. Researchers also suggest that social capital, or the value of social networks, is positively associated with entrepreneurial success (Bruton et al., 2010). Finally, this study suggests that social networks can have a significant role to play in women and economic inclusion for entrepreneurship success in Cameroon, specifically as evidenced of the study leveraging social networks on women entrepreneurs can overcome barriers to entry in build trust and reputation, and access valuable resources and information. Policymakers and educators can use this knowledge to develop strategies to support the growth of social networks and promote entrepreneurship in Cameroon.

Bentham's theory of utilitarian morality leads us to know that purpose of economic activity was to ensure social progress for the happiness of the great number. Thus, excluding people from an economic system without considering their interests is considered destruction of the common good. According to the United Nations (2020), population is one of the most important factors of economic productivity, as it influences rate of development of a country.

Women represent 49.6% of the world's population, and young people aged from 10 to 24 represent 15.5% of the world's population UN World Youth Report (2020), World Bank (2021a, 2021b).

In this section, the focus of discussion is on contribution of women to economic growth in Cameroon endowed with natural resources, according to the 2022 report, "Women, Business and Law", which assesses the performance of 190 countries worldwide in adopting reforms to reduce gender inequality, the report specifically measures the laws and regulations of 190 countries in eight areas that impact women's economic participation: mobility, work, pay, marriage, entrepreneurship, assets, and retirement. In 2021, Cameroon ranks 43rd with a score of 60, reflecting a slow but definite improvement in this domain. These reforms have put women at the forefront of the government's agenda by granting them considerable rights. These political and legal reforms have enabled women to participate strongly in the economic activity life of the country especially in the area of business investment and entrepreneurship.

The results presented in Table 9.1 show the contribution of women's employment to economic growth in Cameroon from 2011 to 2021.

According to statistics from the Cameroonian Ministry of Agriculture and Rural Development (MINADER), women represent more than 70% of the rural labor force in the country. They produce almost 90% of food crops but represent only 3% of the industrial agricultural sector. According to the World Bank (2021a, 2021b), the proportion of women engaged in agriculture, hunting, forestry, and fishing activities in Cameroon was estimated at 47.7% of the female population and the results indicate that in Cameroon in 2021, increase in value added in agriculture by ten percentage points contributed to an increase in economic growth of about two percentage points. These results are indeed justified by the degree of diversification of the economy which measures and ranks countries according to their degree of economic diversification in terms of international trade, as well as government revenues (away from dependence on natural resources or commodity revenues) (Global Economic Diversification Index, 2021). The services sector is a real growth sector. The strength of the sector is driven by telecommunications, transport and logistics, health, education, and distribution. The value added to the services sector in Cameroon has increased by about 11 percentage points since 1980. It has increased from 40% of GDP in 1980 to 51.05% of GDP today (World Bank, 2021a, 2021b). Women working in this sector represent today 41.32% of the active female population in Cameroon. Available data from the World Bank shows that this contribution amounts to 0.415 in Cameroon in 2021. This result indicates that a 10% point increase in the value-added of the services sector has impacted positively on economic growth of 4.15% in Cameroon.

Table 9.1 Women's contribution to economic activities in Cameroon

Sector	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Agriculture, value added (annual change)	7.664	−1.790	12.297	8.539	−9.460	4.878	3.652	9.447	1.068	7.027	7.470
Manufacturing, value added (annual change)	10.849	6.936	4.008	2.416	4.262	4.640	3.067	3.551	1.173	0.376	4.448
Industry, value added (annual change)	−1.506	6.597	3.099	1.626	6.416	4.953	1.410	2.933	3.76	12.830	3.221
Services, value added (annual change)	13.857	−3.472	10.872	8.117	−13.0	6.90	6.536	10.919	0.384	4.259	9.678
Agriculture, value added (% annual growth)	2.922	3.465	4.224	5.229	5.250	2.530	2.520	3.844	3.864	1.362	2.936
Manufacturing, value added (% annual growth)	10.849	6.936	4.008	2.416	4.262	4.640	3.067	3.551	1.173	0.376	4.448

(continued)

Table 9.1 (continued)

Sector	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Industry, value added (% annual growth)	−1.506	6.597	3.099	1.626	6.416	4.953	1.410	2.933	3.761	2.830	3.221
Services, value added (% of annual growth)	6.328	3.056	5.339	6.296	3.230	4.429	4.759	5.094	3.147	−0.516	4.289
Contribution of agricultural VA to growth	0.224	−0.062	0.493	0.447	−0.497	0.226	0.092	0.363	0.013	0.096	0.219
Contribution of manufacturing VA to growth	1.177	0.481	0.16	1 0.058	0.182	0.215	0.094	0.126	0.014	0.001	0.198
Contribution of industrial VA to growth	0.023	0.435	0.096	0.026	0.412	0.245	0.020	0.086	0.141	0.080	0.104
Contribution of the VA of services to growth	0.877	−0.106	0.580	0.511	−0.40	0.306	0.311	0.556	0.012	−0.022	0.415

Data source Adopted from World Bank (2021a, 2021b)

The Trend of Entrepreneurship Development in Cameroon: Government Interventions

Population of Cameroon youngsters represent a critical resource that may foster future economic development and structural transformation. However, realizing these economic benefits depends on the availability of employment opportunities that will hold the potential to deliver widespread benefit of entire economy of the country. Self-employment and entrepreneurship can provide alternative career for women and young people by unleashing their economic potential. An entrepreneur's relentless search for opportunities is made possible by the "rules of the game"—an economy's entrepreneurial structure. For Cameroon government to support and invest in youths and women entrepreneurship today is like a venture capitalist investing in the early stage of an innovative company that later achieves equity growth.

Cameroon economy's future structure is determined by today's investment in human capital and new skills. Cameroon as a country has numerous business and investment potentials due to the abundant, vibrant, and dynamic human and natural resources it possesses. Tapping these resources requires the ability to identify potential useful and economically viable fields of endeavors.

Entrepreneurship activities and innovative ingenuity in Cameroon have developed enterprises in the following areas:

- Agricultural/agro-allied activities where there are foodstuffs, restaurants, and fast food vending, etc.
- In area of solid minerals, there are quarrying germ stone cutting, polishing, and crushing engineering.
- In power and transport, there are power generation and haulage business.
- In information and telecom business, there are manufacturing and repairs of GSM accessories and the printing and selling of recharge cards.

- In oil and gas business, there are hotels, accommodation, resort centers, films and home video products, and production.
- In environmental and waste management business, there is refuse collection, recycling, and drainage construction jobs (Taiwo et al., 2017).

In spite of the fact that entrepreneurship development has regarded as the bulwark for employment generation and technological development in Cameroon, the sector never had its fair share of neglect with concomitant unpleasant impacts on the economy. Against this backdrop, entrepreneurship gallantly developed in Cameroon and take its pride in quelling unemployment and thus generating employment among Cameroonian youth and women, especially graduates and once again, place the economy on a proper footing.

It cannot be emphasized that entrepreneurship development is appropriate to solve problems of economic development. Jobs have to be created by and for the people. Entrepreneurship is a valuable factor of production and should be seen distinctly and as valuable as any of the basic factors of production. By innovative processes and/or products, entrepreneurs create jobs for themselves and others. However, many problems militate against the development of small-scale industries/enterprises sector. This is discussed as problems of skilled manpower and technical know-how, finance and capital, marketing, administrative policies and support, cooperate entrepreneurship enabling environment, and women and entrepreneurship.

The best approach to entrepreneurial nationhood in Cameroon is through entrepreneurship education that cuts across the entire spectrum of the education system from primary school to university as well as in the informal system. Actualizing this will imply a definite national philosophy of education that emphasizes self-reliance with entrepreneurship at the core.

The Potential of Youth and Women Entrepreneurship

With appropriate resources, entrepreneurship can be a major source of job creation especially for women and young people. The women and Youth Employment Inventory ranked entrepreneurship promotion measures as having the highest positive impact on employment creation among a range of programs reviewed. Studies were carried out on the spillover of youths and women entrepreneurship. For instance, the study of Oxford University sums up a number of reasons for importance of promoting youth and women entrepreneurship:

- Bringing alienated and marginalized women and youth back into the economic mainstream and giving them a sense of meaning and belonging promoting innovation and resilience in women and youth.
- Creating employment opportunities for self-employed women and youths.
- Capitalizing on the fact that women and young entrepreneurs may be particularly responsive to new economic opportunities and trends.
- Helping women and youth develop new skills and experiences that can be applied to other challenges in life.
- Promoting the revitalization of the local community by providing valuable goods and services (Taiwo et al., 2017).

As mentioned earlier, women entrepreneurship is an option to create employment for the young people and women not only through self-employment but also through enterprise development. The contribution of entrepreneurship to job creation and growth has been reiterated any times over recent years. Establishing a new venture may have positive impacts on women and youth employment and economic growth, as it offers unemployed women and youth an opportunity to build sustainable livelihood and to integrate into society. It was found that self employed youths have higher "life satisfaction" than youth in the same age group and are more likely to employ fellow youths, setting up fertile ground for further employment-creation dynamic transition into payed employment within three years is easier (Lawal et al., 2019).

Entrepreneurship Women Economic Inclusion in Cameroon

Entrepreneurship in Cameroon has not effectively played its role which is the pivot par excellence of the economic inclusion of women and youth in Cameroon, as it faces several difficulties. The economic exclusion of youth and women is characterized by poverty and unemployment due to their limited participation in the development of society. Therefore, economic inclusion promotes the fight against poverty and unemployment in a community but also as a way of getting people actively contributes to the development of the community.

In 2021, the unemployment rate in Cameroon stood at 6.1%, compared to 3.84% in 2020, while the underemployment rate fell to 65%, a drop of four percentage points over the period African Economic Outlook (2022).

Corruption has become another problem for the development of the private sector in Cameroon. The country is among the 30 most corrupt African countries and ranks 157th out of 187 countries in the world (Transparency International, 2020). This was a negative impact, and lack of technical assistance to businesses also seriously hampers entrepreneurship development and reduces the economic inclusion of youth and women in Cameroon.

In the same vein, due to administrative red tape, it indicates that 31% of businesses have some form of certification proportion which is higher among large businesses (55%). 51% of companies are involved in a quality process. 43% of companies have certified their products by the National Agency for Standardization and Quality (ANOR) of Cameroon attest to the negative influence that administrative hassles have on development of entrepreneurship in Cameroon.

In Cameroon, the rate of access to credit for small- and medium-sized enterprises (SMEs) remains low and represents only 14.9% of GDP (World Bank, 2019). This low rate is due to the non-formalization of SMEs in Cameroon as this is a key factor for access to finance. Informal SMEs do not protect financial institutions, making it difficult to comply with financial sector regulatory requirements.

Furthermore, Cameroon's National Development Strategy 2020–2030 (NDS30) for structural transformation and inclusive development sets one of its major objectives in promotion of employment and economic inclusion of its population, through the development of very small enterprises (VSEs), SMEs, and women entrepreneurship. Cameroonian government has developed several efforts to address the problem of women unemployment, including the creation of the National Employment Fund, the Rural and Urban Youth Support Program (PAGER-U), the special three-year plan, the agency for the promotion of women, the improvement of the business climate, etc.

However, the economic inclusion of women is struggling to improve, largely due to the low level of entrepreneurship development. Based on credible empirical findings from international and local institutions, the sections highlight the need for the Cameroonian government to develop more ways to increase its strategy could lead to the local transformation of natural resources/local products and the development of the manufacturing sector that will take a way burden on SMEs in order to stimulate entrepreneurship among women.

It is therefore in this logic that entrepreneurship appears to be the key to the economic inclusion of women through the fight against unemployment and poverty. In Cameroon, the agricultural sector alone employed 62% of the Cameroonian.

The Impact of COVID-19 and Activities After the Pandemic

Cameroon is one of the African countries which has been affected by COVID-19 due to negligence measures put in place by the government as results believe and high level of poverty in the country, one of the key measures put in place by the World Health Organization (WHO) to fight COVID-19, has not been adhered to by people that is social distancing with regard to transport of goods, as well as of people, including beyond national borders, and markets have not been locked down Wilson Center (2021). Such negligence has led to the easy transmission of the virus. COVID-19 crisis impact negatively in Cameroonian economy which has recorded losses of about 800 billion CFA (approx. USD 1.3 billion). Several economic sectors, notably tourism, transport, and services has been particularly affected by the pandemic. According to a study by the Employers Association of Cameroon (GICAM), the Cameroon which opted for partial lockdown later lifted some restrictions in order to stimulate economic activity. Restrictive measures are the closure of borders, the postponement of sports competitions, the closure of schools and universities, the closure of bars, and the suspension of entry visas to Cameroon. In addition, restaurants and leisure facilities were closed from 6 p.m. onward, gatherings of more than fifty (50) people and overloading in buses, taxis, and taxi-motors. The measures also covered the restriction of urban and interurban travel, and the regulation of customer traffic in markets and shopping centers was prohibited to limit and control the spread of the virus in the country.

In addition to these measures, the Cameroonian government recommended that the population respect the rules of hygiene and social distancing measures announced by the World Health Organization (WHO). Social and economic measures deals with the socioeconomic consequences of the COVID-19 pandemic fund initially endowed with the sum of US$ 1,681,833 (CFA 1 billion), was intended to finance operations under the strategy for preventing the spread of the coronavirus pandemic in Cameroon by the government measures aimed at cushioning the shock suffered by households and businesses as a result of the restrictions related to the fight against COVID-19 to show ingenuity and creativity was strongly criticized by the social partners, who considered the measures taken insufficient to alleviate employers' tax burdens. Further, none of the accompanying measures addressed the loss of earnings of workers who went on unpaid technical leave.

The Cameroonian trade union landscape is complex and dominated by pluralism which was abused by trade union leaders and put workers at a disadvantage. While continuing to raise awareness at the local level, unions must reflect on how to secure safety at the workplace, protect jobs, and advocate for social protection for all in the society. A permanent platform for inter-union collaboration and cohesion is essential for unions in Cameroon.

The aftermath of COVID-19 young people and women are the most affected by this economic situation. The government and govenmental organizations are able to address the challenges that face Cameroonian women and workers generally by putting in place to strengthen their effort to secure social dialogue and formulate responses to the crisis also work for post-crisis policies that benefit the government and employers likewise the creation of new enterprises has become an effective means of combating unemployment and reducing poverty in Cameroon.

The Impact of Technology—Artificial Intelligence (AI) on Entrepreneurial Activities and Practices in Cameroon

McCarthy (2004) states that artificial intelligence (AI)—it is the science and engineering of making intelligent machines, especially intelligent computer programs. It is related to the similar task of using computers to understand human intelligence, but AI does not have to confine itself to methods that are biologically observable. The understanding of AI is the simulation of human intelligence processes by machines, especially computer systems. The applications of AI include expert systems, natural language processing, speech recognition, and machine vision. Readiness index ranking reveals that (out of 194 countries) rank Cameroon 119, Number of AI start-ups. Agrix, Tech, was founded 2018, described Agrix Tech uses data analytics and AI imaging techniques to detect crop diseases at early stages and propose viable treatments to farmers in local languages (Arakpogun et al., 2021). There are considerable opportunities to be gained from AI in Africa also several challenges and unintended consequences that might arise that policymakers need to take seriously. The fusion of multiple technologies underpins the architecture of AI and its ability to drive accelerating technology convergence in a manner that poses a new challenge to governments, particularly in the realms of regulation. It is argued that institutional capacity (i.e., skills and financial resources) of governments to regulate previous industrial revolutions was less challenging given the propinquity between the speed of public policy decision-making and the linear-mechanistic process that existed (Schwab, 2016). These challenges range from structural inequalities due to digital divides and the lack of digital skills among a large proportion of the users in Cameroon to the dangers of automation and the displacement of jobs that might affect many industries. Therefore, diligence is needed to account for these challenges by focusing on AI technologies that can empower rather than displace workers as well as developing schemes that focus on bridging the digital divides in Cameroonian economies. Furthermore, underpinning AI developments is the need for a digitally skilled workforce as such, and bridging the digital divides is vital for Cameroonian women and young people to be better and placed to benefit from advances in AI.

Many of the AI opportunities are already emerging across Cameroonian women with the potential to improve employment, advancement of medicine and improve quality of lives, improve productivity and efficiency of global supply chains as well as raise global incomes Schwab (2016). The employment, for example, private firm has employed women across Cameroon to "train" data and transmit human intelligence to AI for big tech companies that as the capacity to improve various aspects of socioeconomic development across the world.

The dependable income generated in the process increases purchasing power of people and helps gradually to break the endemic cycle of poverty among women. Agrix is a tech-created job to improve quality of lives and maintain social cohesion in Cameroon (Arakpogun et al., 2021). Microsoft and Yahoo create an avenue for over 11,00 women and young people working on various projects across Cameroon with incomes that support, for example, the education of their siblings and over-all living condition of their families so that a network of over 50,000 people are now benefiting from this process.

Policy Proposals to Improve the Contribution of Women-Owned Enterprises to Economic Growth in Cameroon

Developing Communication and Telecommunication Infrastructures Particularly in Rural Areas

The Cameroonian economy is extroverted and essentially based on agriculture, which employs about three-quarters of the rural workforce. Unfortunately, the lack of infrastructure makes it difficult to transport farmers' products to urban centers. To take advantage of the country's agricultural development potential and maximize agricultural value added, the government should prioritize the construction of roads and telecommunications infrastructure development to facilitate the transport of agricultural products to distribution centers that are usually located far from the farm. The development of communication (roads and railways) and telecommunication (internet, telephone) infrastructures would also allow the government to better implement its will to modernize production tools, to favor access to technological innovations by strengthening the links between research and training, as well as the competitiveness of the production sectors. To achieve this, the Cameroonian authorities should, among other things, promote the development of business incubators specialized in women's entrepreneurship but also involve women entrepreneurs in development strategies. This involves strengthening their academic, professional, and entrepreneurial skills, involving them in decision-making processes.

Encourage Financial Agents to Get Involved in the Development Strategies for Women's Enterprises, Especially Those in Rural Areas

The difficulty of accessing finance remains the main difficulty encountered by women in Cameroon. Women are indeed involved in many entrepreneurial activities but struggle to make significant progress due to insufficient financial resources at their disposal. Actors in the entrepreneurial ecosystem are called upon to convince financial and microfinance institutions of the need to address the financial needs of rural women entrepreneurs by persuading them to develop and offer appropriate, accessible, and flexible financial products and services (including affordable insurance and savings products) at suitable interest rates. Addressing this issue of access to finance would make a positive and significant contribution to improving women's economic participation. A very appropriate way to do this would be to encourage rural women to organize themselves collectively into cooperatives and professional groups to facilitate access to financial services.

Strengthen the National Rural Development Policy

In view of the above, it is clear that additional efforts are required from the various stakeholders to boost contribution of women to economic growth in the Cameroonian entrepreneurial ecosystem. Given the fact that women, especially those living in rural areas, are mainly engaged in agricultural work, a government policy anchored on gender to promote rural agriculture will not only enable the state to make significant progress in economic growth but would also promote sustainable and inclusive development. Rural women account for more than 70% of the country's agricultural production and have untapped potential.

They face discriminatory laws and practices regarding access to land and inheritance and have difficulties in accessing new and lucrative markets, developing their economic activities, or accessing the financial resources needed to start a business. The entrepreneurial skills of rural women (especially in production, leadership, market research, and strategic planning) should be improved gradual integration of rural women's businesses into the formal economy that should be encouraged.

Promote Development of Business Incubators Specialized in Women's Entrepreneurship

Development of business incubators specialized in rural enterprise development would also clearly contribute to women empowerment of rural. By definition, a business incubator is an organization that supports start-ups and individual entrepreneurs in developing their businesses by providing a full range of services from management training and space to venture capital financing. Development of such facilities promotes the women in rural areas and enhances the potential of rural women entrepreneurs through specific and affordable training, counseling, mentoring services, and networking that will develop their growth potential.

Strengthening the competitiveness of rural women's enterprises, combined with the integration of women's representatives in decision-making mechanisms at local, regional, and national levels, can significantly contribute to the achievement of sustainable and inclusive economic growth in Cameroon.

Conclusion

Women involvement in the development of various sectors in Cameroon will constitute a great opportunity to reap all benefits by focusing on social entrepreneurship and economic development through stimulating innovation and job creation that support to increase their productivity and efficiency. Economic freedom for women entrepreneurship in Cameroon among Small Business and Entrepreneurship as build a more robust and diverse middle class, promote economic transformation and empower women support SMEs across the country and promote business-friendly policies, powering prosperity and technology, innovation, public health and progressive policies that create economic opportunities for all appears to be a key to economic inclusion, and a strategy for combating unemployment and poverty. The essential drive is that the study passionately is of the opinion for Cameroon in particular to pull in to the fundamentals of value re-orientation, a mechanism which this chapter conceived as panacea to the debate in order to forestall meaningful inclusive sustainability. Thus women to uphold a synergy as nature ordained for the humanity, which the SDGs 5—achieving gender equity underscored. Therefore, the feats of women entrepreneurship become attainable in Cameroon.

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Part III

Faith-Based Entrepreneurship

10

If Tithing Is Good; How Good Is It for African Nano, Micro, Small, and Medium-Sized Enterprises?—A Research Agenda

Ezekiel Oyerogba, Femi Oladele, Olateju Aregbesola, Temiloluwa Akinsola, Mofoluwake Adeyemo, and Yinka Emmanuel

Introduction

This chapter contribution as a research agenda to foster greater discourse on the practice and impact of tithing addresses a concern and a question: if tithe is good as promised in the Holy Book; how good is it for business and businesses? Business in this sense probes the suitability, workability, and practicality of tithing as an acceptable business practice, while the reference to businesses points to performance (financial and non-financial). Hence, more fluidly, should tithing become an acceptable business practice and secondly, to what extent does tithing as a practice impact business outcome?

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The triad of sustainability (people, planet, and profit) is sustainably upheld largely by the economic stance and has traditionally been the value-adding proposition for many businesses. While many businesses are refocusing on sustainability, on some grounds for the purposes of acceptability and legitimacy (Erin et al., 2022; Nguyen, 2020). It can be argued that reporting entities must have made significant profit to bolster their commitments to the environment and people, albeit not in all situations (Thomson & Bates, 2022). For example, businesses that commit to the full spectrum of sustainability have seen their profitability increase significantly (Efobi et al., 2019; Iheduru & Okoro, 2019; Thomson & Bates, 2022), even given increased scrutiny of profit reportage (Iheduru & Okoro, 2019; Shakil et al., 2019).

The massive contribution of especially small businesses has been empirically proven (Efobi et al., 2019) to an extent that in Nigeria, small businesses are regarded as a significant contributor to the country's economy in terms of service provision, employment, poverty reduction, empowerment, and so on (Adeosun & Shittu, 2022; Kowo et al., 2019; SMEDAN & NBS, 2021). Sustaining the productivity of small businesses in Africa remains a focal point driving policy such as the ease of doing business and robust financing options including tax incentives and other measures. Development partners and business support groups have focused on improving owner/manager's financial literacy, social capital, access to finance, and other human resource traits that make for successful businesses. However, little is being done to identify and/or assess how the religiosity of business owners and managers affect their business performance.

Measures of performance mostly tend toward financials, since they are quantitative and easier to measure compared to non-financial performance metrics, which however are significant pointers to business performance (Thomson & Bates, 2022).

Theoretically, good management practices such as good corporate strategy, budgeting, forecasting, data analytics, monitoring and controls, benchmarking, total quality management, communication quality, management by objective, and the like affect a business' overall performance (Maroufkhani et al., 2020; Pambrenia et al.,; 2019). Literature is also rife with considerations of factors (government policies, diversity—gender, race/ethnicity, age, education—sustainability practices, corporate governance and management practices and mechanisms, internal controls) that impact on business performance—both financial and non-financial performance outcomes have been considerably measured. For example, the corporate ethical identity (CEI) of reporting entities is said to enhance performance (Berrone et al., 2007). Furthermore, Berrone et al. (2007) and Báez et al. (2018) found that reporting entities with higher financial figures were less diverse in their boards. Literature including those emanating from developing nations has considerably covered disclosures of charitable donations and social responsibility practices, environmental restoration as part of their sustainability practices, and so on which are recognised in mainstream corporate reporting (Coleman & Wu, 2021; Nyeadi et al., 2018; Wood & Jones, 1995).

Despite the scant appearance of in the last decade, there is growing interest in the roles of religiosity and spirituality of business managers (Arasli et al., 2023; Ayoun et al., 2015; Cavanagh, 1999). Mohdali and Pope (2014) noted that taxpayers' religiosity positively influenced their voluntary tax compliance, Kauppinen (2020) also asserted that instructions for tax payment compliance are in the Holy Scriptures, hence, religious business leaders find it a duty to pay their taxes, while Kanagaretnam et al. (2015) highlighted that religiosity affected risk-taking among managers. Another study found that managers in more religious societies state their financial affairs more conservatively (Bjornsen et al., 2018). Previous research has established that religiosity significantly influences the demonstration of ethical behaviors (Kanagaretnam et al., 2015).

Many owners and managers of businesses generally practice donations to religious organisations based on their religious leanings, albeit mostly outside the coverage of mainstream financial reporting with little bearing for tax purposes in Nigeria (Ottuh & Eboh, 2020). Section 25 of the primary tax legislation for companies in Nigeria—Companies Income Tax Act (CITA) allows ecclesiastical organisations and other peculiar types of organisations to receive tax deductible donations from companies subject to meeting some conditions highlighted in Schedule 5 of the CITA. In some instances, those who practice religious giving, especially tithing see it as an act of responding to the command of God (Ajah, 2018; Dalton, 2020) who adherents believe is the "third finger" (Oladele, 2017).

Given the perception that tithing draws supernatural blessing to individuals, this article highlights and discusses unexplored research paradigm to deepen academic discourse on the practice of religious giving, business owners' and managers' inclination to practice religious giving, especially tithing and its perceived effect on business performance.

Problem Statement

Some of the factors that affect business performance have appeared as varied array of models and theories; however, the religious leanings of business managers influencing the act of giving tithes for subsequent impact on business performance have been left largely unattended to, especially in developing economies. The quality of human resource is said to impact significantly on the performance of organisations (Capelleras et al., 2021; Caputo et al., 2019; Khandekar, & Sharma, 2005; Turulja & Bajgoric, 2018; Ubeda-García et al., 2013). However, the practice of religiosity by business owners and managers has received little literature mention. The factoring of the practice of religiosity by business owners and managers as a significant determinant of business performance has not received ample literature mention in developing economies where religion is significantly culturally ingrained. This is the significant literature gap identified in the tithing and business performance literature. This is readily important because religiosity is an integral signature among Africans.

One method of maximising returns from investment is an appeal to the "third finger" (Oladele, 2017). The potency of the "third finger" has been recognised even in secular circles as influencing the affairs of men. The Governor of a State in Nigeria once called for prayers to God in tackling the menace of armed robbery and kidnapping,[1] consolidating the perception on the existence and capability of God to do extraordinary things.

Price and Rahdert (1993) hypothesize that beyond verbal proclamation of faith, commitment to a cause is evinced by some acts such as appearance (including dressing), commitment to a cause, manner of speech, and financial donation, and religious adherents believe in tithing and practice it accordingly. It however needs to be stated that the concept of tithing is still very much vague, diverse, inconsistent even in its application, despite being an age-long practice (James & Jones, 2011).

Issues of business performance are significant globally and especially so in developing countries where the drive for revenue diversification especially to the non-oil sector has become a front burner issue. Businesses world over continue to pursue productivity, growth, sustainability, and efficiency as well as other business outcomes and it is noted that the human resource is a significant determinant of business output (Urban et al., 2024; Zapata-Guerrero et al., 2020). It is therefore safe to postulate that the religious leaning of business owners and managers becomes a useful tool in assessing the performance of businesses.

Proposed Research Questions

Contemporary practice of tithing is adjudged to be controversial having diverse explanations and permutations (Ajah, 2018; Igbo, 2021; James & Jones, 2011; Rakotsoane, 2021; Show, 2020). Tithe as a religious gift has also received diverse permutations of meanings (Ajah, 2018), but one thing stands, that it is a tenth. However, there is no consensus as to the base for its calculation as reference has been made to "returns", "income", "increase", and other basis from the Bible. Literature in the area of tithing in Nigeria has been limited to exegetical analysis (Ademiluka, 2020) as it relates to the New Testament Church. Another study looked at Tithe

[1] Governor Bello, Others Hold Special Prayer for Security in Niger • Channels Television (channelstv.com).

from the historical perspective (Dalton, 2020). However, we have not found evidence of its relevance or connection to business profiting and/or performance, hence the significance of academic/scholarly enquiry into the important phenomenon. Additionally, many studies in the area of tithing in Nigeria rely heavily on mainstream media reports, news, and articles (Ademiluka, 2020).

Given the identified limitation in literature, research in this area should consider answering the following questions:

RQ1: What are the religious characteristics of business owners and managers?

There are studies (Bartik et al., 2020; Briozzo et al., 2017; Oladele & Oladele, 2016) that have profiled the demographic characteristics of business owners and managers covering their gender, age, educational and professional qualifications, and experience. However, the researchers are not aware of African studies, particularly in Nigeria that have documented the religious leaning of business owners and managers for the purpose of understanding their religious stance on religious giving, especially tithing.

The attributes that may be sought include demographic, socio-economic, and religion or spirituality as the most significant variable for the study. It is proposed that demographic variables should be limited to age, gender, ethnicity, and education. Speaking about age, their study (James & Jones, 2011) found that those who practiced tithing were older and educated.

On the socio-economic plane, James and Jones (2011) mentioned that many studies have found a significant association between "income and charitable giving". It is assumed that the family size, which might determine level of financial responsibility and commitment might be significant in determining the practice of religious giving.

For religiosity, a measure of religion might be limited depending on jurisdiction. For example, there are two major broad religions—Christianity and Islam. Some identify as traditionalists, atheists, and other religions, including none (Fig. 10.1).

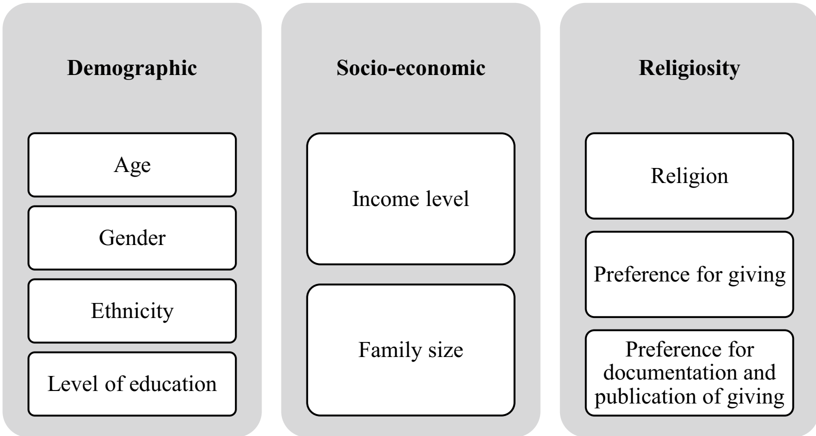

Fig. 10.1 Characteristics of business owners and managers

RQ2: To what extent would business owners' and managers' religious leaning influence their practice of tithing?

Having known the attributes of business managers, research may proceed to understand how business owners' and managers' religious leaning influence or inform their behaviors with respect to, for example, undertaking acts theoretically (Biblically) believed to improve business performance such as in giving tithes, which is a form of religious declaration.

In Christian literature (Ajah, 2018; Igbo, 2021; Rakotsoane, 2021) the practice of tithing has been highlighted to be on some pedestals—mandatory, obligatory, and voluntary (cheerful). Mandatory leaves the giver with no choice, while obligatory pressures the giver to tithe based on certain expectations. The stance of business owners and managers is significant in determining how and why they practice tithing. It might also determine their expectation and perception of their religiosity on business performance. To make this robust, a further enquiry into their demographics may provide additional insight.

This question speaks to the heart of their values regarding tithing which speaks to why and how it is practiced such as mandatory, obligatory, or voluntary (Ademiluka, 2020; Rakotsoane, 2021). This notwithstanding, individuals form their own understanding of the practice of tithe which may align with their religious organisation or be divergent (Fig. 10.2).

RQ3: To what extent do business managers perceive that their religious leaning impact on their business performance?

This question speaks to donor expectation. Considering that organisations banking on empirical evidence that CSR impacts performance have structured their CSR strategically to influence their performance, this question asks if business owners and managers are influenced to practice tithing because of a promise of returns. From the business owners' and managers' perspective, do their religious acts of tithing contribute to their business performance? To what extent do those acts yield expected results?

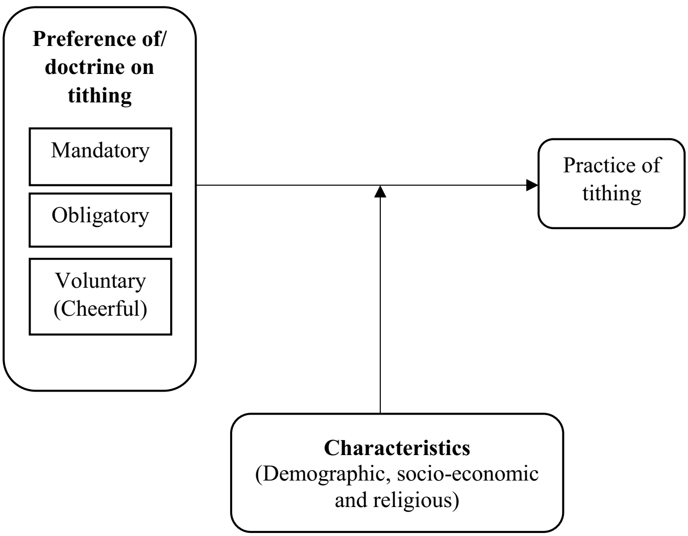

Fig. 10.2 Religious preference and practice of tithing

Belief in the "third finger" (Oladele, 2017) is akin to an insurance policy—saving for the rainy day. Business owners and managers who believe in God expect Him to help them, especially in hard times by leading their thoughts, helping them to strategize, strengthening them, guiding their decision-making, and following them through their actions. In answering this question, some concerns need to be clarified:

a. How do business owners and managers perceive that their religious leaning support them with insight and foresight beyond available management data and information?
b. What type of financial performance is more impacted by their religious leaning: financial, non-financial performance, or both?

Genesis 28: 20-22 clearly expresses a potential donor's expectation (Fig. 10.3).

> "20 And Jacob vowed a vow, saying, If God will be with me, and will keep me in this way that I go, and will give me bread to eat, and raiment to put on,
> 21 So that I come again to my father's house in peace; then shall the Lord be my God:
> 22 And this stone, which I have set for a pillar, shall be God's house: and of all that thou shalt give me I will surely give the tenth unto thee."

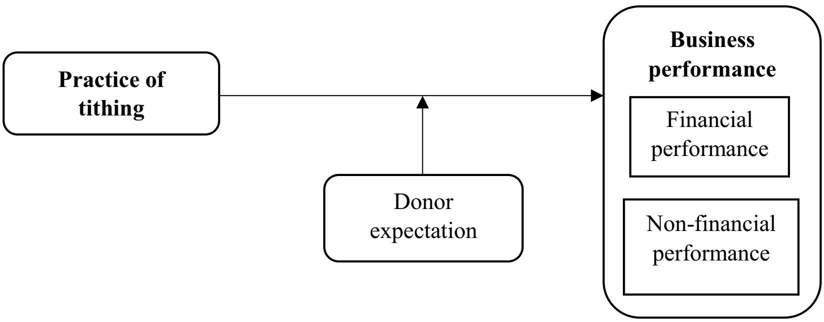

Fig. 10.3 Donor expectation, practice of tithing, and business performance

Unlike what obtains in a patronage relationship, tithe according to the Bible is to be given without creating a dependency syndrome (Dalton, 2020) but this does not influence the foreclosure of (hopeful) expectation. This third research question border on expectations. Given that there is a promise of an outpouring when tithing is practiced, the question examines if theories of expectation in anyway influence the practice of tithing. Studies in this area are few. Dalton (2020) using textual analysis explained a tithing donor's expectation for Torah instruction as a horizontal relationship between two human parties—the Rabbi and an adherent. However, the crux of this question stands on the premise of a vertical relationship between human (business owners and managers) and a deity—God.

RQ4: How do religious business owners and managers determine/assess the effect of their religiosity on their business performance?

Even if/when business owners and managers believe that their religiosity (with respect to religious giving, especially tithing) is responsible for or contributes to their business performance, what is the evidence? The major concerns are with measurability, verifiability, and consistency/validity (ability to duplicate it for future outcomes).

The popular promised return in the Bible is found in Malachi 3:10

> "Bring ye all the tithes into the storehouse, that there may be meat in mine house, and prove me now herewith, saith the Lord of hosts, if I will not open you the windows of heaven, and pour you out a blessing, that there shall not be room enough to receive it."

According to Oladele (2017) there is no quantitative measure of return on tithe, hence determining its worth and value may be a little bit difficult. This question therefore poses a challenge of determining how to measure financial and non-financial performance.

Case Study Consideration

As a case study, Nigeria may well be considered, because despite being consistently largely monotonous in revenue generation is now making serious moves to diversify to other non-oil sectors (agriculture, tourism, and taxation amongst others). This therefore opens the need to consider the effect of Nigerian's religiosity on business performance. Nigeria in contemporary times seems to be basking in ironic appellations as Africa's most powerful, most corrupt, most populous, potentially richest, and arguably most dangerously dysfunctional nation (Maier, 2000). Yet one description stands out as well, that, it is a nation whose citizens are religious (Yunusa & Nordin, 2015). Given this latter descriptive of Nigeria, it becomes imperative to point out that literature that has factored this "imaging" of her people on business performance is limited.

Conceptual Framework and Methodology

We propose the following framework (see Fig. 10.1) for the purpose of carrying out an empirical analysis. The independent variable is religiosity/spirituality proxied with the act or practice of tithing and other religious or charitable giving. The dependent variable is business performance, which can be financial and/or non-financial. Financial performance points to general purpose quantitative measures of business performance such as profit (gross, net), liquidity, and growth measures. Non-financial performance includes both quantitative and qualitative measures that tend to the goodwill of a business such as employee turnover, brand perception. Financial and non-financial performance measures have been deeply explored in literature.

The return profile for tithing is not specific and may be hard to determine, because no quantitative measure is promised in the Holy Book. However, from informal communications, ardent practitioners of tithing have linked their subsequent returns to their acts of giving. It is therefore expected that since no certain percentage of return is highlighted, it may be difficult to quantitatively assert the value of return without running into statistical error (Fig. 10.4).

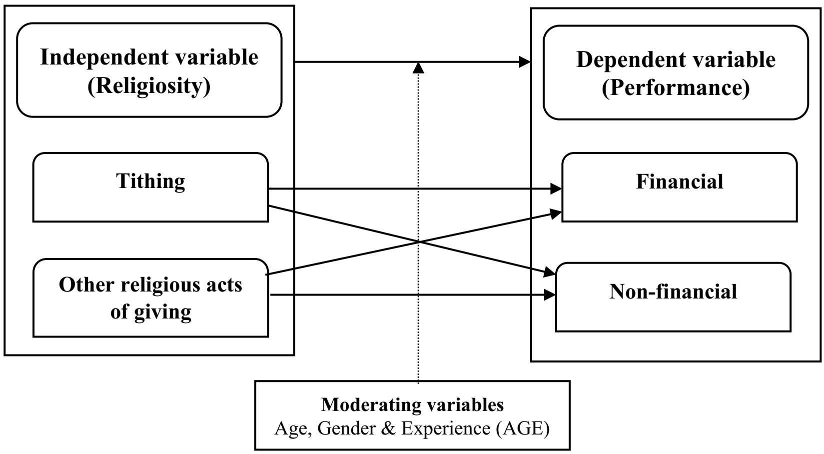

Fig. 10.4 Conceptual framework (proposed)

Studies should be designed to capture an array of business owners and managers, leaders of religious organizations, and other stakeholders and could adopt both quantitative and qualitative methods cutting across primary and secondary data to enhance the quality of findings. Given the exploratory nature of the focus area, the survey research design appears appropriate (Bhattacherjee, 2012), although qualitative approach (interviews, focus group discussions) is likely to elicit more genuine responses given the sensitive nature of the tithing phenomenon. Recommended tools for qualitative analysis include Leximancer, NVIVO or ATLAS.ti, or QCAmap.

Sources of data could include for example, for research question one, which is on determining the attributes of business owners and managers, publicly available online profiles can be used and supported by interview data. For other questions, Twitter (now X), the popular microblogging app, can provide a significant data bank, such that short questions in the forms of tweets can be used to elicit responses. Additionally, hashtags can be used to curl data from Twitter (now X) for further analysis.

Sundry Issues: Tax Deductibility of Tithe and Zakat

In 2017, Oladele (2017) raised a question on adoption of tithe as tax deductible donation. In Nigeria, donations by companies to an ecclesiastical organization are now tax deductible subject to meet some conditions and this reduces the tax liability of the donor company, which is the case in for example, the United States of America (Lowry, 2017). Also in Indonesia, tax deductibility for Zakat has been practiced since 1999 (Nurhayati & Siswantoro, 2015).

Kauppinen (2020) holds that tithing (or Zakat) and taxes are both universal means of transfer of funds for a greater cause such as for the welfare of a congregation (Stanley et al., 2018), focus on social justice (Soesilo, 2021) and social welfare (Solihah, 2015). While there is evidence to suggest that tithe and zakat are similar, they are also different in many ways (Samad & Glenn, 2010). Yet, for the purpose of research, the same principles proposed earlier are applicable in determining the effect of its practice on business performance.

Evidence of tax deductibility on tithing in many jurisdictions adds another twist to questions that can be explored. An additional question that readily becomes relevant is—to what extent would tax deductibility of tithing influence business managers' desire to practice tithing?

Concluding Thoughts

Given the religious connotations that tithing evokes and the widely religious culture in Africa, its practice in business, especially seeing its recognition in mainstream general purpose financial reporting and tax is a significant area for scholarly enquiry. Focus should be on how business managers of especially nano, micro, small, and medium-sized businesses are adopting tithing practice to enhance their business performance. Throughout Africa, the practice of tithing is diverse, which provides potential opportunities to explore various cultures, its implications for business evaluations as well as its impact on business success measurement (performance). It is expected that robust data will be generated to support arguments for and against the practice of tithing as well as for policy direction. With respect to recognition of tithing in mainstream financial reporting and for tax purposes, a diligent analysis may open further inroad for critical discourse.

Appendix

Data Crawling on X

For data crawling on X ***relevant hashtags that can be used include #religiosity #Tithe #Tithes #giving #CharitableGiving #Religious-Giving***.

Short Burst Questions/Statements on Social Media

Another source of data is the use of short burst questions on social media, especially X where responses can be mined and analyzed.

1. Would you pay tithe as a business manager?
2. Why would you like to pay tithe as a business manager or owner?
3. Paying tithe has a positive effect on my business performance.

Questionnaire/Interview Questions (Fuller Study)

For a fuller study, we propose the use of an interview guide with the following components:

Information and respondent's consent

Proposed research question 1: Personal and business demography

1. Gender
2. Age
3. Business category: Nano, Micro, Small, Medium

4. Industry: Agriculture, Technology, Financial Services, Manufacturing, Other Services, Other
5. Religious leaning: Christian, Muslim, Traditionalist, Others

Proposed research question 2: …determine how business managers' religious leaning influence their religious actions

6. As a religious person, how do you think your religious stance influences your giving of Tithes/Zakat?
7. How do you practice tithing/zakating: mandatory, obligatory, voluntary?

Proposed research question 3: …understand how business managers/owners perceive that their religious acts influence their business performance

8. Thinking about your business, do you think your giving of Tithes/ Zakat improves your business performance?
9. After giving Tithe/Zakat and your business experience a boost, are you quick to attribute the increase to the blessing of your giving?
10. To what extent would you complain if it appears no "return on investment" for giving Tithes/Zakat?
11. When your business doesn't get returns on investment after giving your Tithes/Zakat, do you attribute it to the size/quality of your Tithe/Zakat?
12. Give a scenario of when something very significant happened and you attributed it to your (non)faithfulness to Tithing/Zakat

Proposed research question 4: …describe the extent to which economic conditions/considerations influence religious acts.

13. As a business owner/manager, are you inclined to give Tithe/Zakat because you expect a return?
14. What type of "return on investment" do you expect or get when you give Tithe/Zakat?

Tax deductibility

15. Do you think Tithes/Zakat should be tax deductible?
16. Would your business apply for tax deductions after giving tithes?
17. Does your religious leaning support disclosure of your Tithe/Zakat for tax purposes?
18. If Tithe/Zakat becomes tax deductible, would it affect your giving in any way?

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11

Faith-Based Entrepreneurship as Ultra-Religious Entrepreneurship in Africa: Definition, Essence, Strands, Theoretical Underpinning, and Theological Foundation

Lukman Raimi and Basirat Olaide Raimi

Introduction

Africa is ranked as the second-largest continent (Khapoya, 2013, 2015) and has a total area of over 11 million square miles encompassing 53 countries (Wanasika et al., 2011). As a vast continent, Africa overwhelms the rest of the world in terms of the diversity of its people, the complexity of its cultures, the majesty of its geography, the richness of its natural resources, and the resilience of its people (Khapoya, 2015). There is ample evidence of Africa's openness to Western and European ideals. The rulers, statesmen and traders in Africa maintained economic relations, trade relations and diplomatic cooperation with the Indian

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Ocean region, Western Asia, and the Mediterranean world. African entrepreneurs traded local goods of comparable quality to goods from pre-industrial Europe (Collins & Burns, 2014; Hongxing et al., 2021). In recent times, faith-based entrepreneurship has become an integral part of the global entrepreneurship ecosystem, which represents the merging of two powerful forces: faith and entrepreneurship, with the intent to create value, transform lives, provide goods and services, and create jobs for people and prosperity for communities and even nations (Alderson, 2012; Moon, 2007).

In Africa, faith-based entrepreneurship such as Islamic entrepreneurship, Halal entrepreneurship, Islamic investment, Islamic finance, and Halal branding has gained significant traction in several countries, with many Muslims recognizing the importance of aligning their business practices with their religious beliefs (Deku et al., 2023; Fikadu et al., 2023; Silalahi, 2023). This is not surprising because Islam has a rich history in Africa, with its roots dating back to the seventh century. Muslim traders and scholars played a crucial role in spreading the religion across the continent. As a result, Islamic principles and values have become deeply ingrained in the societies of many African countries. Several scholars noted that Islam is the second-largest religion in Africa, with around 450 million Muslims residing there. Interestingly, Muslims in Africa have long embraced the idea of conducting various businesses, including creative arts, in line with their religious beliefs. This has led to the formation of a distinct Islamic business ecosystem on the continent (Hasan, 2023; Taghavi & Segalla, 2023).

The city of Timbuktu in Mali was once a thriving hub of entrepreneurship, trade, and education. Islamic scholars and local intellectuals played a key role in promoting Islamic entrepreneurship and facilitating trade. Similarly, the Swahili trading cities along the East African coast have a rich history of Islamic and Halal entrepreneurship. Muslims in these cities engage in various industries such as trade, agriculture, fishing, shoemaking, and handicrafts, all based on Islamic laws and principles. These examples demonstrate the influence of Islamic culture and religion on entrepreneurial activities in different regions (Duyvesteyn & van der Wal, 2022; Hanretta, 2022; Röschenthaler, 2022; Verhoeven & Lieven, 2022).

Faith-based entrepreneurship is therefore not a substitute for conventional entrepreneurship in Africa and other parts of the world, but merely an alternative, as the concept of entrepreneurship, regardless of its variants, is relevant to all cultures, contexts, and countries due to its transformative nature. Undoubtedly, conventional entrepreneurship has promoted and supported economic progress and prosperity in both developed and developing countries. Traditional outcomes of entrepreneurship include job creation, wealth creation and innovation that bring tremendous benefits to society (Hanretta, 2022; Hitt et al., 2011).

The motivating catalyst for faith-based entrepreneurship is the agitation of religious communities, ethical Muslims, and Halal enthusiasts throughout the Muslim world. The quest to adopt Islamic lifestyles is leading to new areas of faith-based entrepreneurship such as Islamic entrepreneurship (IE), Halal entrepreneurship (HE), and Islamic digital economy (IDE). The three strands of faith-based entrepreneurship are aimed at Muslim communities and people with a passion for Islamic ethical products, services, fashion, cosmetics, health, tourism, and financial solutions (Amir & Abdukic, 2021). Faith-based entrepreneurship does not attempt to Islamize diverse world populations or impose Islamic thought, but alternative models for deepening responsible production and consumption in the rapidly changing world of multiple economies that follow Sharia principles (Hassan, 2016; Madi, 2014). The principles of Sharia derive from the Qur'an and Hadith, and the two main sources of Islamic law that guide socio-economic issues at the personal and group levels, also called Fiqh al-Mu'malat (Ismail & Arshad, 2009; Yusuf & Raimi, 2021). A proactive way for marginalized Muslims and ethical Muslim entrepreneurs to overcome social inequality and social exclusion caused by Riba, Maysir, and Gharar is to adopt Islamic faith-based business ethics to balance the link between economic opportunity and economic outcomes (A'la Mawdudi, 2013). Furthermore, faith-based entrepreneurship has coincided with the growth of the Islamic finance industry, which reached US$2.2 trillion in assets in 2016 and is projected to reach US$3.8 trillion in 2022 (Denham, 2019). Additionally, the global Halal business serves 1.8 billion Muslims with an estimated annual spend of US$2.2 trillion (Akram, 2022). Islamic and

Halal entrepreneurs in the food, beverage, cosmetics, clothing, fashion, and other essential services sectors are the largest contributors to the global Halal business (Abdullah & Azam, 2020a; Akram, 2022).

We contribute to existing knowledge in two ways. First, we expand practical knowledge of faith-based entrepreneurship with a special focus on IE, HE, and IDE. This field is still in its infancy among Islamic finance professionals, Halal consultants, and academic researchers and students who want to enter these two fields. Second, we want to correct misconceptions about the Islamic faith held by both Muslims and non-Muslims. Zarabozo (2007, p. 5) noted that Islam's negative views and misrepresentations are not based solely on personal religious beliefs. The effects go far beyond that, affecting world security and politics, especially political economy. The most damaging consequence, however, is the widespread misunderstanding and constant portrayal of Islam as the source of evil. This prevents many people from understanding the beauty and priceless truths that Islam and its ideals offer to mankind. In these difficult times, it is of the utmost importance to turn to God for guidance. The chapter focuses on the definition, nature, outline, theoretical underpinning, and theological foundation of faith-based entrepreneurship. The goal is to promote the understanding and adoption of these faith-based ideals in Africa. In this chapter, the following three questions are addressed: (a) What is the conceptual definition of faith-based entrepreneurship, its nature, and its different strands? (b) What are the historical, theological, and theoretical foundations of Islamic and Halal entrepreneurship? (c) What misconceptions are there about faith-based entrepreneurship in Africa and around the world?

The chapter is divided into five sections. Section 11.1 provides the introductory background. Section 11.2 covers the methodology. Section 11.3 focuses on the conceptual definition of faith-based entrepreneurship and its branches such as IE, HE, and IDE. Section 11.4 examines the historical, theological, and theoretical underpinnings of faith-based entrepreneurship. Section 11.5 addresses the implications and misconceptions surrounding faith-based entrepreneurship in Africa and its global reach. Finally, Sect. 11.6 provides a comprehensive summary of the discussion and makes recommendations for fostering the growth of faith-based entrepreneurship in Africa.

Methodology

When writing this chapter, we followed the methodology of qualitative research. To obtain answers to our research questions, we conducted a review of academic papers using critical literature review (CLR), which is a qualitative research method and interpretive research paradigm. Our goal was to fill existing knowledge gaps by critically reviewing scholarly works that uncover the historical, theological, and theoretical underpinnings of Islamic and Halal entrepreneurship, following the methods outlined by Yusuf and Raimi (2021). This approach is valuable in providing clarity regarding the understanding, acceptance, and dissemination of these ultra-religious ideals. The data we collected were systematically analysed using a critical literature review (CLR). Operationally, CLR involves a systematic analysis and appraisal of multiple articles and texts on a given topic. By objectively appraising and analysing these sources using appropriate language, we aimed to generate new knowledge, uncover additional facts, gain more comprehensive insights, and develop a deeper understanding (Saunders & Rojon, 2011; Saunders et al., 2012). To ensure objectivity in the selection of academic papers, we searched academic databases and identified over 120 articles and working papers from various parts of the world that focus on Islamic entrepreneurship (IE), Halal entrepreneurship (HE) , and Islamic digital economy (IDE). We employed a purposive sampling technique to systematically select and screen articles and texts that are relevant and appropriate to our research topics, following the purposive sampling logic for CLR used by Raimi et al. (2023). The current study followed a five-step approach to conducting CLR, as illustrated in Fig. 11.1.

Critical Literature Review

In this section, the conceptual definition of faith-based entrepreneurship, strands and significance of faith-based entrepreneurship are critically dissected and discussed. The mapping of IS, HE, and IDE in the Halal ecosystem is also highlighted.

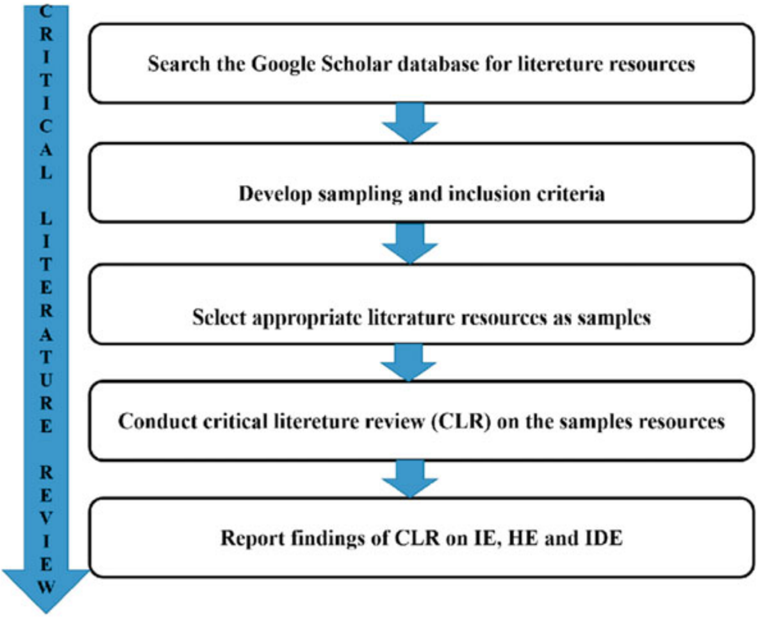

Fig. 11.1 Critical literature review

Islamic Entrepreneurship and Its Significance

Entrepreneurship, whether Islamic or non-Islamic, refers to the discovery and creation of opportunity by individuals and groups who are alert, wise, and attentive to the external environment (Yu, 2001). Hoque et al. (2014) define Islamic entrepreneurship as the process of starting a business to produce goods or provide Halal services to make reasonable profits while conducting business activities following Islamic teachings, principles of social responsibility, religious business ethics, and moral values to perform. It is not a business model limited to Muslim entrepreneurs but is open to non-Muslims and all ethical enthusiasts who share the values of Islamic entrepreneurship (Abdul Hamid & Che, 2011; Abdullah et al., 2019). Islamic entrepreneurship may resemble conventional entrepreneurship, but a closer look reveals a fundamental difference in their underlying philosophies, ethics, and norms (Javaid, 2022). Conventional entrepreneurship aims to maximize profit for commercial enterprises or social welfare for social enterprises. On the other hand, Islamic entrepreneurship seeks a dual success known as Al-Falah, which encompasses prosperity in two dimensions. The first dimension involves economic prosperity, profitability, and maximizing social well-being in worldly life. The second dimension focuses on success in the afterlife by addressing socio-economic and environmental issues through entrepreneurial activities (Abdullah et al., 2019; Kayed & Hassan, 2013). In essence, Islamic entrepreneurship is a comprehensive business approach that integrates the rights of God and the rights of mankind while seeking economic gain in business ventures (Javaid, 2022; Kayed & Hassan, 2010).

Halal Entrepreneurship, Essence, and Significance

Halal entrepreneurship (HE) is an alternative way of starting and running a business following Shariah rules and principles. HE can be described as the integration of Islamic ethics (Halal and Toyyib) into mainstream entrepreneurship, to produce Halal products and conduct business in a Shariah-compliant manner (Abdullah & Azam, 2020a, 2020b). In Islam, Halal refers to what is permissible or generally permitted, while Toyyib refers to what is good, quality, wholesome, and sustainable (Shafii & Khadijah, 2012). All the aforementioned scholars noted that the goal of HE is to provide Halal products and services to customers and other end users to create an Islamic economy. Muslim entrepreneurs create business value through the entrepreneurial process, provide goods and services, create jobs, and provide socio-economic benefits to diverse consumers and communities. In addition, they explained that HE is a distinct form of entrepreneurship that is inseparable from Islam and follows a different business model. Therefore, HE's uniqueness lies in presenting an alternative approach to starting and running a business in accordance with the Islamic principles of Halal (permitted) and Haram (prohibited) (Abdullah & Azam, 2020a; Shafii & Khadijah, 2012). In other words, HE is a belief-based concept rooted in the belief that Muslim entrepreneurs should conduct business and commercial activities in accordance with Islamic values (Abdullah &

Azam, 2020a, 2020b). The scope of HE extends to the avoidance of unlawful and illegal commercial activities such as the manufacture and sale of alcohol, drugs, usury, gambling, pornography, and business models based on immoral practices (Beekun, 1997).

The importance of HE stems from the fact that Islam views and treats entrepreneurship as a collective obligation, rather than a mandatory individual obligation, as not everyone possesses the ability to be an entrepreneur (Faizal et al., 2013). Entrepreneurship, when built on sound ethical principles, becomes a collective commitment that is necessary to meet societal needs and aspirations, which includes the provision of products/goods and services, the development of technology, the creation of jobs, wealth generation, and industrial growth (Kayed & Hassan, 2010, 2013; Ramadani et al., 2017). Islam strongly emphasizes the need for Muslims to engage in entrepreneurship and actively encourages them to participate in business activities and value creation. In the Islam text, it is narrated by Nuaym Ibn Abd Al-Rahman that the Prophet (PBUH) said: "Nine-tenths of livelihood (rizq) comes from trade/business ventures" (Kayed & Hassan, 2013). The practice of Halal entrepreneurship is experiencing a significant rise among both Muslims and non-Muslims worldwide. The global Halal market is valued at over US$2.3 trillion, with the food and beverage sector accounting for the majority share (Husin et al., 2021). Non-Muslim entrepreneurs are also permitted to engage in Halal entrepreneurship if they adhere to Shari'ah law in the manufacturing and provision of products and services, to benefit the Ummah (Muslim community) and humanity at large. This allowance is based on the concept of maslahah or public interest (Abdullah & Azam, 2020a, 2020b).

Islamic Digital Economy (IDE), Essence, and Significance

Islamic digital economy (IDE) is an integral part of the Islamic economic system. The IDE is simply an aspect of the Islamic economic system that refers to an emerging ultra-religious economy that uses digital technology to facilitate the creation, production, and distribution of Halal products, services, business processes, and solutions that respect the ethics, values, standards, and principles of Islamic law (Za'aba et al., 2020; Zuhriatusobah & Rahayu, 2022). The latter, on the other hand, represents a collection of rules, values, and standards of behaviour that organize economic life and establish production relations in Islamic society (Ishak & Man, 2011). These rules and standards are based on the Islamic order as recognized in the Qur'an and Sunna, the body of jurisprudence developed by thousands of jurists over the past 1400 years, and the changing circumstances and evolving lives of Muslims around the world (Aouissi, 2023; Ishak & Man, 2011). Moreover, the understanding of IDE extends to any Shari'ah-compliant or Sharia-neutral commercial activity undertaken by individual and corporate entrepreneurs in the digital space at national, regional, and international levels (Salaheldeen, 2022). The foregoing discourse shows that Islamic law, values, and culture play a crucial role in shaping the Halal ecosystem, IDE, and the behaviour of Halal entrepreneurs towards customers and other stakeholders.

The business model of the digital economy is based on digital goods and services, and its outputs are mainly or exclusively powered by digital technologies (Bukht & Heeks, 2017). The scope of the digital economy encompasses both the core digital sector and a broader range of large-scale digital activities in the Halal ecosystem, but it does not include all digitized activities in the market. IDE offers significant advantages over traditional commercial platforms for Muslim entrepreneurs and Halal-certified entrepreneurs. The advantages of IDE include lower transaction costs, the elimination of barriers to entry, easy access to domestic and international markets, the creation of new markets, the attraction of peers and non-professionals, and access to new sources of funding for small start-ups (Battour et al., 2021; Salaheldeen et al., 2019).

Arguably, IE, HE, and IDE are inseparable in the globalized and interconnected world driven by technology. The commitment of IE and HE within the IDE extends to providing high-quality and innovative Halal products, services, processes, business solutions, and technologies to meet the changing needs of customers and corporate users. Therefore, Halal businesses are at the forefront of the IDE because it provides e-commerce, a virtual marketplace, fintech, blockchain, Islamic finance, and crowdfunding, among others, following Shari'ah-compliant standards, while driving innovation in the Halal ecosystem (Biancone et al., 2019; Mohamed & Ali, 2018). The products, services, and business models of IE and HE face serious challenges when competing with non-Halal businesses, which often have a competitive advantage as they are not restricted by Halal laws and principles. The IDE, or Islamic digital economy, is therefore a key tool for the Halal industry and aspiring Halal entrepreneurs to overcome competitive challenges. One major challenge is the lack of awareness about the wide range of Halal products and services beyond food and beverages. The IDE helps to educate people about Halal household technologies and business solutions. This awareness is crucial to compete with non-Halal entrepreneurship. By utilizing the IDE, the Halal industry can thrive and meet the demands of consumers in various industries (Damit et al., 2017; Elasrag, 2016).

Furthermore, IDE backbones such as e-commerce and virtual marketplaces offer unlimited market potential for Halal products and services. These platforms allow entrepreneurs to market their offerings at a lower cost and with greater ease of entry. The third challenge for Halal entrepreneurship is the lack of access to finance in an economy that is dominated by conventional financial institutions. As a result, many well-intentioned Halal entrepreneurs are unable to secure funding for their start-ups and scale-ups from Islamic institutions and mainstream financial institutions (Abdullah & Oseni, 2017). This is where IDE comes in to address the challenges faced by the functionality of Halal entrepreneurship. IDE offers a unique opportunity for start-ups and scale-ups to raise funds through fintech platforms, crowdsourcing, and digital crowdfunding options.

Different Sectors of IE, HE, and IDE in the Halal Ecosystem

The three strands of faith-based entrepreneurship (IE, HE, and IDE) function cooperatively and collaboratively within the Halal ecosystem. Figure 11.2 highlights the different sectors and mutually reinforcing relationships among these three faith-based concepts. They go beyond mere

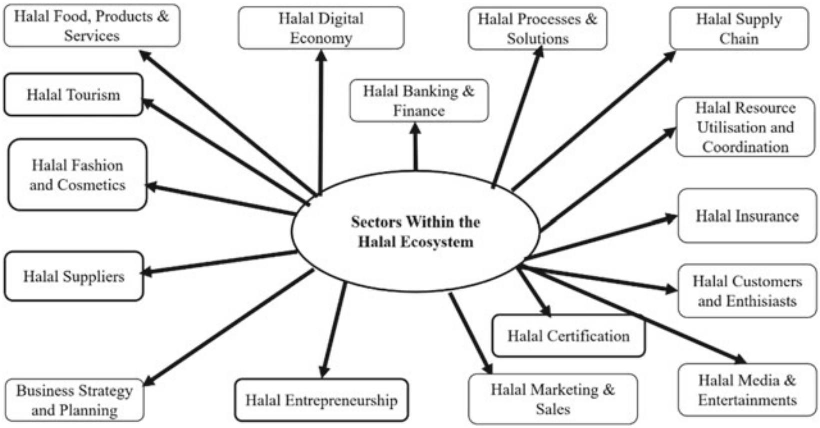

Fig. 11.2 Different sectors within the Halal ecosystem in Africa

profitability and focus on incorporating ethical and sustainable practices of Islam, such as reducing carbon emissions, promoting social justice, and contributing to community well-being. This commitment is especially important in the digital economy, which emphasizes standards, compliance, and transparency. The IDE sector spans various industries like Halal food, cosmetics, banking and finance, tourism, media, arts, and entertainment. Figure 11.2 provides an overview of the key players, products, and services in the Halal ecosystem.

Exploring Three Imperatives of Faith-Based Entrepreneurship

In this section, the historical, theological, and theoretical foundations of faith-based entrepreneurship are critically dissected and discussed.

Historical Underpinning of Faith-Based Entrepreneurship

In retrospect, faith-based entrepreneurship has a long history that can be traced back to the pre-Islamic era within Arab civilization. The Qur'an references the Quraysh tribe, who engaged in caravan trading, journeying to Yemen in winter and Syria in summer to ensure the economic prosperity and social well-being of their community, protecting them from hunger and fear (The Qur'an 106:1-4). However, despite the presence of entrepreneurship, the ancient Arab civilization faced challenges due to the lack of proper spirituality, morals, knowledge, and a progressive worldview. With the arrival and teachings of Prophet Muhammad (peace be upon him), entrepreneurship transformed and brought significant changes in its purpose, ethics, and implementation. The Qur'an reminds us:

> He it is Who sent among the unlettered ones a Messenger from among themselves, reciting to them His verses, purifying them, and teaching them the Book and the Hikmah (wisdom). (The Qur'an 64:2-3)

Machmud and Hidayat (2020) stated that Prophet Muhammad (peace be upon him) worked with Khadijah bin Khuwaylid as an intrapreneur before his appointment, learning valuable qualities of Islamic entrepreneurship such as honesty, a strong work ethic and keeping promises. These ethical qualities earned him the titles Al-Amin (The Trustworthy) and As-Siddiq (The Honest). The history of Prophet Muhammad's commitment to business-oriented entrepreneurship began when he started managing his Uncle Abu Talib's business. Later, he was hired as a professional to run Khadijah's business (Razak et al., 2022). Furthermore, when entrusted with political leadership, he transformed the state of Medina al-Munawwarah (Madinah the City of Light) into an inclusive society where Muslims, Christians, and Jews coexisted under the Constitution of Madinah. Funding is inherently tied to entrepreneurship as the former cannot exist without the latter.

After the era of the Prophet (peace be upon him), early Muslims established their presence in various parts of the world through long-distance trade and entrepreneurship. Some claim that Islam and its ethics were spread by swords and conquests, as the West believes (Rahman, 1980). However, Kuran (2010) discovered that the spread of Islam in the early seventh century CE, like the development of other major religions, required entrepreneurial acts of immense ingenuity. Moreover, Prange (2018) confirmed that during the Middle Ages, one of the most significant transmissions was the spread of Islam along the monsoon coasts of Asia by Muslim merchants who established communities in all the thriving port cities of the Indian Ocean. Islamic beliefs and practices became widespread and encountered diverse societies on a scale comparable only to the initial expansion of the caliphate in the seventh century. He emphatically stated that the movement of Muslim traders along the maritime trade routes was not based on military conquest, political hegemony, or imperial schemes. The spread of Muslim communities in monsoon Asia between the twelfth and sixteenth centuries coincided with the development of Muslim trade networks. The main actors in this expansion of the medieval Muslim world were not sultans, soldiers, or scholars, but ordinary merchants whose main aim was to make a profit. The personality traits and ethical standards of Muslim traders and missionaries were the unique selling points that led Africans, Asians, and other people to embrace Islam (Ahmed & Yasmeen, 2020; Risso, 2018).

Theological Underpinning of Faith-Based Entrepreneurship

The socio-economic aspirations of conscious Muslims are shaped and linked to religiosity (Wilson & Ayad, 2022). Furthermore, religion determines an individual's core values and beliefs and shapes their attitudes, behaviours, decisions, and entrepreneurial actions (Khurana et al., 2021; Ramadani et al., 2017). Because Islam covers all facets of life, it guides rituals, worship, and worldly activities (Muneeza & Mustapha, 2021). It is therefore not surprising that Islamic teachings encourage their followers to become active and innovative business owners, and entrepreneurs (Kayed & Hassan, 2010). The theological underpinnings of IE, HE, and IDE are rooted in Maqasid al-Shariah. The term Maqasid al-Shari'ah means the goals of Shari'ah (Islamic law). Maqasid al-Shariah is used by Islamic jurists to analyse and evaluate bioethical issues to determine their compatibility and relevance to the principles of Islamic law (Yusuf & Raimi, 2021). The analysis of issues based on Maqasid al-Shariah is essentially based on three aspects: intention, method, and output/final goal, while the assessment of issues based on Maqasid al-Shariah is based on human interest hierarchy, inclusivity, and the degree of certainty (Ibrahim et al., 2019).

In the contemporary discourse, Duderija (2014) and Yusuf and Raimi (2021) note that Maqāṣid al-Sharīᶜah also includes concepts such as (a) public interests (al masaliḥ al-ammah), (b) interests (al-masaliḥ al-murs), (c) juridical preference (istiḥsān), (d) presumption of continuity (istiḥsāb), and (e) avoidance of mischief (al-mafsadah). The five Maqāṣid al-Sharīᶜah include safeguarding religion (Hifzul Deen), safeguarding souls (Hifzul Nafs), safeguarding intellect (Hifzul Aqeel), safeguarding offspring/lineage (Hifzul Nasl), and safeguarding wealth (Hifzul Mal). The application of the five Maqāṣid al-Sharīᶜah to economics and entrepreneurship is discussed below.

i. **Preservation of religion:** All economic agents (governments, individuals, corporations) engaged in entrepreneurship are believed to exist to protect the sanctity of belief in God, as the lack of access to economic opportunities and employment can lead to poverty and disbelief.
ii. **Preservation of life:** Economic actors are expected to work together in economic activities and entrepreneurship to sustain the lives of poverty-stricken communities and individuals at the bottom of the social pyramid through Islam's mission of social justice.
iii. **Preservation of intellect:** All economic agents engaged in entrepreneurship, investment, and other economic activities are expected to support and protect intellectual integrity, intellectual property, research results, intellectual rigour, and sound science.
iv. **Preservation of progeny:** In the face of moral decadence, all economic actors must find new ways to protect their lineage and

safeguard future generations through principled business relationships, ethical entrepreneurship, and noble business ethics, to prepare new generations who are resilient and disciplined to achieve socio-economic, environmental, and political development goals.

v. **Preservation of wealth:** All economic actors exist to preserve wealth and promote economic and financial activity through ethical institutional governance for long-term socio-economic benefits (Yusuf & Raimi, 2021).

Apart from the five aims of Islamic law discussed above, Ismail and Arshad (2009) have stated that in Islamic economics there are five principles that entrepreneurs and managers must consider for the benefit of society. These principles are:

i. **The principle of right and wrong:** The Islamic economic system fundamentally distinguishes between what is permitted (Halal) and what is forbidden (Haram).
ii. **The principle of use:** People are obligated to make full use of the gifts bestowed on them by God within the limits of what is lawful (Halal) and what is not lawful (Haram) prescribed by Allah.
iii. **The principle of moderation**: Islam unequivocally discourages its followers from going beyond the limits set by Allah, emphasizing moderation and avoidance of extremism.
iv. **The principle of economic liberty:** Everyone is granted the freedom to be responsible in the world and to reward good deeds and punish bad deeds in the hereafter.
v. **The principle of justice:** The Islamic principle of justice operates in production, distribution, consumption, exchange, and other aspects of economic life.

Theoretical Underpinning of Faith-Based Entrepreneurship

The theories that logically explain the three strands of faith-based entrepreneurship in modern times as shown in Fig. 11.3, namely:

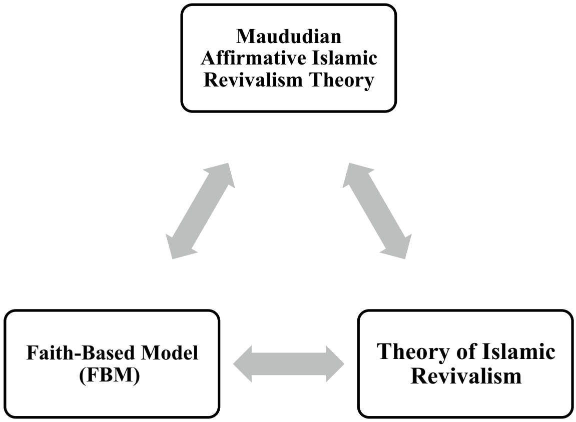

Fig. 11.3 Three theories of faith-based entrepreneurship

the Maududian Affirmative Islamic Revivalism Theory, the Faith-Based Model (FBM), and the Theory of Islamic Revivalism.

These theories shed light on why faith-based entrepreneurship and its three pillars are particularly widespread among Muslims and have gained recognition around the world. Referring to the Maududian theory of affirmative Islamic revivalism, she posits that Muslims are motivated to revive their religion in society through a better understanding of the Qur'an, the Sunnah, and Islamic provisions that prohibit undesirable and unethical socio-economic practices (Ali, 2012; Yusuf & Raimi, 2021). The theory was developed by Abul Ala Maududi, a renowned Islamic scholar and thinker of the twentieth century, who advocated for the revitalization and promotion of Islamic principles and values in all aspects of life (Ali & Minxing, 2021). The Maududian worldview believes that Muslims should actively engage in social, political, and economic spheres to establish an Islamic society based on the teachings of the Quran and the Sunnah (Lashkari, 2017). Applied to the three strands of faith-based entrepreneurship, this theory suggests that Muslim entrepreneurs should adopt a more ethical approach in their business practices, investments, and commercial transactions due to their enhanced knowledge of Islam and Islamic laws.

The Faith-Based Model (FBM) is an ethical framework that explains how Islamic business models (such as Murabaha, Musharakah and Ijarah) and Islamic social security (such as CSR, Sadaqat, Waqf and Zakat) work in today's society to drive the economy to promote empowerment and resolution of problems such as illiteracy, poverty, and unemployment faced by marginalized individuals (Raimi et al., 2010, 2014). When applied to three areas of faith-based entrepreneurship, this theory suggests that Muslim entrepreneurs and corporate entrepreneurs should integrate Islamic business models and social security measures into their ventures and business development to further achieve the dual goals of Al-Falah (success) in their economic and social responsibility (Nordin et al., 2022).

The theory of Islamic revivalism is a reactionary perspective that explains the reasons for the emergence of religious, intellectual, socio-political, and economic consciousness, including the religious aspirations of Muslims for a sense of identity and belonging. The theory posits that the socio-economic challenges and frustrations brought on by modernism have forced Muslims to reconsider the liberal view of religion and instead embrace an Islamic lifestyle rooted in religious orthodoxy. Proponents of Islamic revivalism view Islamic principles, norms, and worldviews as viable solutions to poverty, unemployment, marginalization, and other socio-economic problems caused by colonialism, globalization, and secularism in Muslim countries (Carvalho, 2009; Yusuf & Raimi, 2021). When applied to Islamic entrepreneurship (IE), Halal entrepreneurship (HE), and Islamic digital entrepreneurship (IDE), the theory explains that Muslim entrepreneurs are embracing faith-based entrepreneurship in various industries including Halal food and beverages, fashion and lifestyles, media and hospitality, leisure, Muslim-friendly tourism, Halal medicines, and Halal cosmetics. This embrace is fuelled by greater awareness and rethinking of liberal thoughts on religion and the need to return to the original teachings of Islam as found in the Qur'an and hadith (Ajaib & Altunişik, 2022; Suhartanto et al., 2021; Yusuf & Raimi, 2021).

Impacts and Misconceptions About Faith-Based Entrepreneurship

This section discusses the powerful successes and misconceptions about faith-based entrepreneurship. The figure below shows the three strands of faith-based entrepreneurship (IE, HE, IDE) that are expected to have a positive impact on the production of Halal products and services, sales and marketing, internationalization, market visibility, and achieving a broader customer base and improved access to fintech. All the above impacts contribute to the realization of Al-Falah (double prosperity) and economic growth. To realize the full potential of faith-based entrepreneurship in Africa, comprehensive regulatory frameworks are needed to promote education and awareness, facilitate access to finance for Islamic entrepreneurs, and encourage the growth and development of the sector. Additionally, collaboration, networking and engagement in the global Halal market can further fuel the growth and development of faith-based entrepreneurship in Africa. By adopting Islamic values and principles, entrepreneurs operating in the Halal ecosystem can create successful businesses that not only contribute to the economic development of the continent but also promote ethical and sustainable practices. As earlier discussed in the introductory section, with 44% of Africa being Muslims, representing 27% of the world's Muslims and the projected growth of the Halal market to almost USD3 trillion by 2028, faith-based entrepreneurship represents a growth opportunity for Africa (Fig. 11.4).

There are several misconceptions and myths about faith-based entrepreneurship that can be divided and discussed into mainstream and theological misconceptions. The first common misconception is compliance with Sharia principles, as strict adherence to Islamic principles can be challenging and may require constant monitoring of business practices to ensure compliance. At the same time, violations of these religious principles can damage the company's reputation. Accordingly, it can be difficult and costly to ensure that the entire IE, HE, and IDE supply chain complies with Islamic principles, including sourcing and production (Cherqaoui, 2022). Second, access to Islamic financial products from IE, HE, and IDE is limited in some regions, making it difficult for Halal entrepreneurs and companies to raise capital for start-ups and

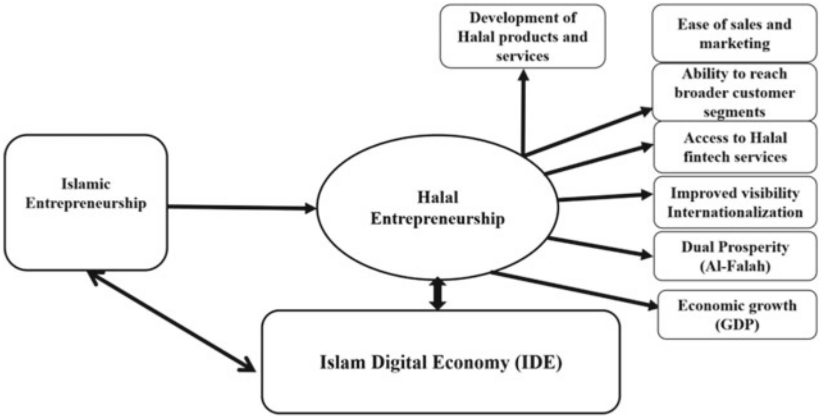

Fig. 11.4 Impacts of faith-based entrepreneurship

scale-ups, in addition to the complex structures and requirements of Islamic financing-companies to procure (Ullah et al., 2018). Third, the Muslim market is diverse and has different interpretations of Islamic principles. Therefore, understanding and addressing the specific preferences of different segments in this market can be very complex and challenging. The fourth common misconception is that the religious sector competes with both traditional businesses and other Islamic business models. Competing effectively in the mainstream market while remaining true to Islamic principles is perceived as daunting and operationally challenging. Finally, the regulatory challenges present another reason for misunderstanding as different countries may have different regulations, interpretations, and requirements for companies operating under Islamic principles, which can make overcoming these regulatory hurdles cumbersome (Aris et al., 2013).

Concerning the theological misconceptions, the first misconception stems from inadequate education and awareness, as many potential customers are not fully aware of what constitutes a Shariah-compliant business, hence promoters could not properly inform and attract large members of the target market. Second, many Muslims and non-Muslims view Islam only as a ritual, leading them to view intrusion into socio-economic activity as extremism. This misinformed notion stems from a poor understanding of Islam. However, Islam offers its followers real opportunities to venture into different types of businesses while maintaining a balance between making business profits and seeking spiritual rewards. The combination of economic and spiritual success in Islamic business ethics helps Muslim entrepreneurs avoid deviating from generally accepted business ethics and spirituality (Oukil, 2013). While the Western system uses material incentives to motivate individuals to engage in entrepreneurial activities, Islam mainly relies on moral incentives without neglecting material incentives (Kayed & Hassan, 2010).

Third, faith-based entrepreneurship and its various strands such as IE, HE, and IDE are not attempts to Islamize non-Muslims or impose Islamic thinking on them. These ideals can be pursued not only in Muslim-majority countries but also in other contexts. Furthermore, the products and services offered through these entrepreneurial ventures do not necessarily have to be exclusively aimed at the Muslim market (Gümüsay, 2015). Islamic economics encompasses two belief-based concepts, namely Islamic banking, and Islamic finance, which offer alternative models within the ever-evolving landscape of plural economic systems. The accusation of Islamization arises due to Islamic and Halal entrepreneurship's adherence to Sharia principles derived from the Qur'an and Hadith. It should be noted that since these models are rooted in Islam, they must be guided by the two main sources of Islamic law. The aspect of Islamic law that governs socio-economic matters at the individual and collective levels is known as Fiqh al-Mu'amalat. To ensure inclusiveness, Islamic and Halal entrepreneurship is subject to conventional laws and regulations enforced by governments and relevant agencies responsible for entrepreneurship and industry under the Halal standardization and certification agency (Muneeza & Mustapha, 2021).

Fourth, faith-based entrepreneurship is distrusted by some Muslims and criticized as a call to capitalism, particularly the excessive material acquisitions warned against in the Qur'an. The right attitude in Islam is humility and balance. The Qur'an says: "With the wealth that Allah has bestowed on you, seek the abode of the hereafter, but do not forget your share in this world and do good as Allah has done you good, and do not seek to cause mischief in the land. Allah does not love those who wreak havoc" (The Quran 28:77). According to Mahmud and

Hoque (2015), Islamic faith-based entrepreneurship is a societal duty that involves providing basic commodities such as food, clothing, and shelter to the buying public. Ideally, it is a collective duty of Muslims, but failure to do so makes it an individual duty for those who are able. In Muslim communities, individuals with entrepreneurial knowledge, skills, and abilities must engage in entrepreneurship to produce and provide essential goods, services, and business solutions that meet people's needs. The Islamic jurists of different schools of thought agree that entrepreneurship must be perceived and treated as a social responsibility, since life without taking on the responsibility of entrepreneurship is meaningless (Abdul Hamid & Che, 2011; Mahmud & Hoque, 2015).

Fifth, Islam is often perceived as a religion that hinders business development and entrepreneurship, with Muslim theorists only adopting Western and secular approaches and values compatible with Islam (Pistrui & Fahed-Sreih, 2010). However, this view is riddled with misinformation. Islam grants human beings free will and freedom to meet their needs while using the resources that God provides on earth based on Sharia principles (Shaheen & Polbitsyn, 2021). Therefore, it could be argued that Islamic entrepreneurship, Islamic finance, and Halal entrepreneurship are religious models aimed at demystifying the widespread public misconception that Islam is a regressive religion that resists economic development (Ratten et al., 2017).

Conclusion, Implications, and Suggestions

The chapter is dedicated to discussing faith-based entrepreneurship, its definition, essence, strands, theoretical underpinning, and theological foundation. Based on the critically reviewed articles, the chapter offers valuable insights into the definition of faith-based entrepreneurship and its three strands (Islamic entrepreneurship, Halal entrepreneurship, and Islamic digital economy). Second, we explained the essence of this ultra-religious concept and its strands, theoretical underpinning, and theological foundation. Third, we shared several misconceptions Muslims and non-Muslims have about faith-based entrepreneurship (IE, HE, and IDE). Finally, the chapter concludes with far-reaching suggestions on how to neutralize misconceptions about faith-based entrepreneurship in Africa and on a global scale. For the future, we suggest the following recommendations to address the misconceptions about Islamic faith-based entrepreneurship.

i. There is a need for more conceptual, theoretical, and empirical studies on Islamic faith-based entrepreneurship to dispel misconceptions and misunderstandings about these alternative entrepreneurship models.
ii. Islamic universities, Islamic research centres, Islamic banks, and financial institutions, as enablers and strategic partners of Islamic faith-based entrepreneurship, need to organize awareness programs and seminars for entrepreneurs and the public on the prospects of these alternative entrepreneurial models for Muslims and Muslim communities, as the benefits cannot be overlooked.
iii. The public needs to be educated through the media, radio, newspapers, and schools that Islamic faith-based entrepreneurship and its strands are religious models that only promote ethical entrepreneurship and socio-economic development based on Shari'ah principles. They pose no threats to non-Muslims.

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Part IV

Entrepreneurial Trends and Challenges

12

Entrepreneurship in Sierra Leone: Navigating Challenges Amidst Socio-Political Transformations

Tamaralaiyefa Harold Tiemo and Susan Sisay

Introduction

The centrality of entrepreneurship to economic development and growth as well as job and wealth creation is established in extant literature (Adusei, 2016; Peprah & Adekoya, 2020). Pre-dominantly, evidence of the positive link between entrepreneurship and economic development is from developed or transition economies. There is an emerging body of work that confirms that this is also the case within the context of developing economies, like Africa (Adesei, 2016; Ajide et al., 2021; Peprah & Adekoya, 2020). Sub-Saharan African (SSA) countries such as Nigeria and Ghana exemplify the transformative potential

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of entrepreneurship on economic growth and development. According to studies by Ogonu and Okejim (2018) and Addae-Korankye and Aryee (2021), entrepreneurship not only boosted employment opportunities in these two countries, but also propelled sectoral progress and overall socioeconomic development. Such empirical works underscore how entrepreneurship can drive socioeconomic transformation in Sierra Leone. While the body of research on entrepreneurship in Africa is on the rise, it is still limited (Igwe & Icha-Ituma, 2020). This is further impacted by a pre-dominant focus on the larger African economies, like Nigeria, Uganda, South Africa and Kenya (Igwe & Icha-Ituma, 2020), resulting in a paucity of research on smaller economies like Sierra Leone. However, Sierra Leone with its post-conflict background arising from an eleven-year civil war, its recovery from an Ebola epidemic and more recent coronavirus (Covid-19) pandemic, provides a rich and unique context for the study of entrepreneurship (Kobayashi & M'cleod, 2021; M'cleod & Ganson, 2018). According to World Bank (2022), the pandemic negatively impacted the country's gross domestic product (GDP) in 2020. It has since struggled with reduced public finances and increased inflation resulting in further depreciation of the country's currency, the leone (World Bank, 2022).

Sierra Leone has an estimated population of 8,892.241 (Worldometer, 2024) with a comparatively weaker entrepreneurial landscape to other West African and sub-Saharan African countries. According to the Global Entrepreneurship Index (GEI, 2019), it ranked 131/137 globally and 28/30 in SSA (SOBA, 2017), with start-up skills being the weakest area. Notwithstanding, policymakers have long viewed entrepreneurship as central to Sierra Leone's private sector development. This is underscored by several private sector development strategies and policies instituted by successive Governments of Sierra Leone (GoSL): for instance, an Agenda for Change, Sierra Leone's Second Poverty Reduction Strategy Paper, 2008–2012; the Presidential Recovery Priorities (2016); and the Agenda for Prosperity—Road to Middle Income Status (2013–2018).

Over 90% of Sierra Leone's private sector is comprised of micro, small and medium-sized enterprises (SMEs) providing livelihoods for about

70% of the population (World Bank, 2022). Entrepreneurship, innovation and small business (SMEs) are distinct but interrelated concepts, and it is acknowledged that not all SMEs are entrepreneurial (Sahut & Peris-Ortiz, 2014). However, SMEs are typically seen as vehicles of entrepreneurship, through their potential for job and wealth creation (Hessels & Naudé, 2019). Therefore, in this chapter, entrepreneurial firms will be classified as SMEs as opposed to large corporations. Historically, Sierra Leone's policies have been skewed in favour of large corporations, unintentionally sidelining SMEs and by extension, entrepreneurship. This is evident in the policies, which focus on large corporations while neglecting smaller and emerging enterprise (Chang et al., 2013; Kanu & Conteh, 2017). However, according to Ugiagbe et al. (2008) the capacity for innovation and job creation in SMEs can often surpass that of large organisations. Chuta et al. (1981) maintained that entrepreneurship can play a significant role in the economic stability of Sierra Leone. This still holds true as evidenced by the Private Sector Development Strategy Programme (PSDSP) (2008) report which identified investment and entrepreneurship as being critical to Sierra Leone achieving its objective of inclusive growth.

This chapter provides useful insights into the state of entrepreneurship in Sierra Leone. By documenting the current business and entrepreneurship environment, it highlights the challenges faced by entrepreneurs and sheds light on the policies implemented to promote entrepreneurship. This exploration concludes by offering actionable insights to policymakers, potential entrepreneurs, as well as local and foreign investors.

The Revitalisation of Entrepreneurship in Sierra Leone

In the past, sociopolitical challenges sought to restrain the entrepreneurial spirit of Sierra Leone. However, the country has remained resilient and notably, in recent times, entrepreneurship has revitalised. According to Kamara (2022), government efforts have played a significant role in promoting entrepreneurship in Sierra Leone. Over 90% of Sierra Leoneans are self-employed, which is above average for

Africa (Statistica, 2023). Successive governments have demonstrated a commitment towards developing the entrepreneurial landscape of Sierra Leone through several initiatives, for instance, establishing business incubation centres to nurture emerging enterprises and discover and support innovative ideas. These initiatives reflect a renewed dedication towards the development of Sierra Leone's entrepreneurial landscape.

In the 1960s and 1970s, emphasis was on reducing imports, with the government prioritising the establishment of large-scale corporations, especially those located in urban areas such as Freetown (Kanu & Conteh, 2017). Subsidies and incentives, as emphasised by Chang et al. (2013), were directed towards these corporations. However, these endeavours were unable to address persistent socioeconomic challenges such as poverty and unemployment. Over time, a realisation of the crucial role entrepreneurship plays in tackling these socioeconomic issues was realised. The country now has significantly more smaller, entrepreneurial ventures than large corporations (Kamara, 2019). This underscores the significance of entrepreneurship to the country's economy. Kanu and Conteh (2017) further maintain that this symbolises the resilience and adaptability of Sierra Leone's economy.

Recognising the potential and significance of entrepreneurship, a number of government-led initiatives aimed at strengthening entrepreneurship have been implemented. For instance, the Credit Guarantee Fund, which is a financial mechanism that ensured aspiring entrepreneurs, had access to finance. The establishment of Sierra Leone Investment and Export Promotion Agency (SLIEPA), which is tasked with increasing opportunities for entrepreneurs and providing them with platforms to expand their presence in the market. However, as with any endeavour, there are still challenges and the business and enterprise environment of the country remains challenging (Kobayashi & M'cleod, 2021).

To further strengthen the entrepreneurial landscape, SLIEPA collaborated with the Chambers of Commerce to streamline processes, provide resources and promote a friendly business environment. The GoSL additionally embraced initiatives such as the African Growth and Opportunities Act (AGOA) and the New Partnership for Africa's Development (NEPAD). These initiatives have opened up various opportunities for entrepreneurship in Sierra Leone (Kanu & Conteh, 2017). These initiatives garnered global recognition, with the World Bank and the United Nations Industrial Development Organisation (UNIDO) commending Sierra Leone's efforts in promoting entrepreneurship (Kamara, 2019).

Contextualising the Entrepreneurial Landscape

This section highlights key themes that characterise the socioeconomic and political landscape of Sierra Leone. These themes offer a dynamic narrative that sheds light on how they shape and influence entrepreneurship in Sierra Leone.

An Informal of Private Sector

More than 80% of the population in Sierra Leone is involved in informal economic activities and a significant portion of these activities is often overlooked by conventional business reform efforts (M'cleod, 2017). This sector which is comprised of self-employed people (petty traders, taxi drivers, street vendors, etc.) with limited access to education (Kabia, 2016). There is reliance on voluntary support from friends and family, with limited formal employment contracts and an elevated level of financial exclusion. Sierra Leone's women make up about 65% of the informal sector. The extensive informal structure in question has consequences, including reduced tax revenues, unregulated illicit activities and disparities in the availability of services (M'cleod, 2017). However, informality is deeply rooted in the cultural norms of the country, and one need not necessarily view it as a barrier (Kamara, 2019).

In addition to its informality, the sector is not homogeneous but rather is comprised of a collection of subsectors. For instance, the Fula enterprises operating in the real estate sector who tend to bypass banking channels. Small-scale miners who often avoid interactions with formal institutions and market women who rely on community-based financing methods. The primary motivation of actors in this sector is necessity;

their involvement in this space is typically as a means of survival rather than a deliberate exploitation of an opportunity (Kobayashi & M'cleod, 2021). There is a general hesitation to embrace formalisation due to a lack of trust of government-led initiatives.

There is undoubtedly a need for reforms, but this must align with the real-life experiences of the majority population. Recognising the important role of the private sector successive governments has implemented a range of reforms. These changes aimed not only to update laws but to establish new institutional structures with the ultimate goal of creating a favourable business environment (Manuel & Katiyo, 2017). Some of the reforms have unintentionally benefited a select few, further exacerbating socioeconomic disparities and fostering mistrust (Kamara, 2019). Also, reforms are urban-centric, centred around the capital Freetown, neglecting rural areas. This coupled with the connection between politics and businesses in Sierra Leone magnifies existing inequalities, increases perception of bias and erodes public trust (Kamara, 2019; Manuel & Katiyo, 2017).

Fragile, Post-Conflict Political Landscape

The post-independence era is characterised by predatory governance practices that led to the erosion of institutions (Harris, 2014). Due to recurring instances of state sanctioned brutality, tribal divisions and pervasive corruption, the relationship between the population and the state is fragile (M'cleod, 2017). This fragility culminated in an eleven civil war characterised by heinous atrocities. Although Sierra Leone embarked on a journey towards reconciliation and transformation at the end of the civil war, embracing democracy through the organisation of consecutive peaceful general elections since 2002 (M'cleod, 2017) political fragility continues, with recent instance of civil unrests and failed coups.

Youth Unemployment and Underemployment

Approximately 70% of young people in Sierra Leone are underemployed or unemployed and 800,000 actively on the job hunt (AFDB, 2023), making youth employment a significant challenge for the country. 75% of Sierra Leoneans are below the age of 35 (World Bank, 2021). In urban areas, youths aged 15–35 constitute the largest sub-group of the population and represent a significant "demographic dividend" (World Bank, 2021). However, the country is unable to capitalise on this due to low level educational attainment and limited economic opportunities. 60% of urban youths are self-employed, 75% of which operate in the informal sector (World Bank, 2021). Youth entrepreneurship offers an alternative route to employment; however, the complexities in the business environment and high operational costs of doing business hinder entrepreneurial activities of young entrepreneurs in Sierra Leone (Baba, 2013). Young entrepreneurs contend with a range of challenges. These range from little or no access to business support services, reliance on family for resources (SOBA, 2017), challenging business conditions (Acs et al., 2017), lack of access to continuous training opportunities and ease of access to modern technologies (International Development Research Centre, 2015). In addition to the issues of unemployment and underemployment, 18% of youths in Sierra Leone are not in employment, education or training (NEET), particularly in urban areas (World Bank, 2021).

Women and Entrepreneurship

Women play a major role in Sierra Leone's economy, with around 1.5 million involved in the micro and small business sector, which constitutes 90% of the nation's GDP (Cherie Blair Foundation for Women, 2022; Holland & Saidu, 2012). They make up 51% of the nation's labour force and mainly operate in the informal sector (for instance, petty trading, small-scale farming, fishing and artisanal mining) (Cherie Blair Foundation for Women, 2016; Kamara, 2008, 2019). These small-scale commercial activities not only demonstrate the economic pursuits undertaken by women in Sierra Leone but also underscore the entrepreneurial spirit they display (Kamara, 2008). The key challenges for women in entrepreneurship in Sierra Leone are like that faced by all entrepreneurs. This is the lack of relevant knowledge and skills to establish a successful business, limited access to relevant and appropriate finance, and little or no access to support to grow their business beyond the micro-level (CBFfW, 2021). This is further exacerbated by cultural and institutional gender biases that discriminate against women acquiring relevant skills and resources (CBFfW, 2021). Consequently, female entrepreneurs in Sierra Leone rely on informal support and finance structures, to overcome some of the barriers they face, for instance, participation in informal savings scheme (osusu) (CBFfW, 2021). There is an increasing reliance on civil society organisations for education and financial support (Arslan et al., 2022; Kamara, 2019; SOBA, 2017). These CSOs have become partners in providing resources for supporting women entrepreneurs.

Inadequate Infrastructure

Poor infrastructure is a significant barrier to Sierra Leone's entrepreneurs. While mobile money platforms like Orange Money and Africell Money have facilitated financial inclusion and fostered e-commerce (World Bank, 2018), their reach is limited by uneven access to reliable internet and electricity. Furthermore, dilapidated roads and bridges significantly constrain physical mobility and logistics, posing a major hurdle for entrepreneurs in transporting goods and connecting with customers (LSE Blogs, 2019). This not only limits market reach but also increases costs, eroding profit margins and hindering competitiveness. Additionally, inadequate storage facilities and unreliable electricity supply can lead to spoilage of perishable goods.

Despite these challenges, current technological advancements offer immense opportunities. The internet presents a gateway to global markets and online platforms like Etsy and Jumia, bypassing geographical limitations and providing access to a wider customer base (Ventures Africa, 2023). Social media platforms like Facebook and Instagram also empower cost-effective marketing and brand building, enabling entrepreneurs to reach new audiences and build online communities (IMF, 2022). However, many entrepreneurs lack requisite digital literacy skills and therefore are unable to leverage the opportunities the digital tools and resources present (World Bank, 2022). Additionally, the high cost of internet access and unreliable connectivity further exacerbates the digital divide, hindering effective participation in the digital economy.

Entrepreneurial Challenges in Sierra Leone

Entrepreneurship in Sierra Leone faces challenges that are interconnected and impact its growth. Factors such as infrastructure, financial accessibility, legal framework and educational systems play a role in shaping the landscape. Sierra Leone, a country with potential in SSA, faces complex issues that hinder the progress of entrepreneurship. This section aims to provide an understanding of Sierra Leone's ecosystem by delving into the socioeconomic context and addressing associated challenges.

Infrastructure Deficits

Infrastructure forms the foundation for facilitating business growth and development as highlighted by studies conducted by Audretsch et al. (2015) and St-Pierre et al. (2015). It not only involves socioeconomic factors but encompasses aspects such as integrating entrepreneurs with markets optimising efficiency and minimising costs. Unfortunately, several African countries including Sierra Leone as noted by Legas (2015) and Ajide (2020) face deficiencies in aspects of infrastructure. Mambula (2002) showcased this phenomenon in a study focused on enterprises in Nigeria. The author highlighted the impact of deteriorating road infrastructure, inadequate telecommunications services and unreliable power supply.

Sierra Leone's story serves as a symbol for these issues. The region's infrastructure has been severely affected by both unrest and the Ebola outbreak. According to the 2016/2017 Global Competitive Index presented by Schwab and Sala-i-Martín (2017), Sierra Leone ranks 127th out of 138 countries in terms of infrastructure. Similarly, the African Infrastructure Development Index (AFDB, 2020) positions Sierra Leone at 49th out of 57 countries for infrastructure quality. These measurements underscore the importance of strengthening infrastructure to foster entrepreneurship effectively.

Access to Finance

Accessing financial capital poses a challenge for entrepreneurship in SSA, and Sierra Leone is not an exception. According to a study conducted by the IDRC (2015), financial support plays a role in assisting businesses in Africa. It is concerning to note that Sierra Leone's economic climate ranks 157 out of 190 in terms of credit access as reported by the World Bank Group in 2018. This leads to high interest rates and strict collateral requirements for loans. About 54% of entrepreneurs in Sierra Leone expressed their financial concern as "interest rates" (SOBA, 2017). However, there is a potential for change on the horizon. Institutions such as the International Finance Corporation (IFC) and Cordaid are actively involved in implementing investment initiatives. Additionally, regulatory organisations in Sierra Leone are focusing on promoting inclusion by encouraging mobile banking usage and implementing safeguards for minority investors. Efforts made by organisations such as SLIEPA to attract international investments highlight the growing optimism within Sierra Leone's banking industry (Kamara, 2019).

Legislative Obstacles

Overcoming challenges is crucial for progress since regulations have a significant impact on it (Hall & Sobel, 2006). Sierra Leone, a country with potential, requires assistance in aligning its aspirations with policy objectives. The GoSL recognises the value of its population as an asset leading to the implementation of measures such as the NAYCOM (2009) Act and the "Agenda for Prosperity" (AFP) (Obaji & Olugu, 2014). However, Sierra Leone's ranking at 132 out of 137 on the GEI indicates a gap between policy development and effective implementation (Acs et al., 2018). While legislative frameworks provide guidance, it is crucial to ensure execution of these regulations. Sierra Leone faces challenges in bridging this gap by implementing policies that generate support and engaging stakeholders at all levels in a transformative manner.

Educational and Skills Gap

Sierra Leone faces a challenge aligning its educational system with the skills needed for an ever-changing world. According to a survey by the GoSL (2022), its current education budget, representing 2.8% of the GDP in 2020, is below the 4–6% suggested by the Sustainable Development Goal 4 (SDG4). This lack of funding is also evident in the allocation of the 2019 budget where 99% was allocated towards recurrent expenditures, which left limited resources for essential infrastructural developments required for innovative business ventures. Nonetheless, the increase in tertiary education enrolment by 44% between 2017 and 2019 (GoSL, 2022) indicates a growing pool of potential entrepreneurs, but a pressing issue is the mismatch between curriculum content and market demands (United Nations Development Programme [UNDP], 2014; World Bank, 2013), potentially leading to graduates who are not well prepared for challenges. Acknowledging this issue, the GoSL's modernisation efforts with support from organisations such as the World Bank and AFDB (AFDB, 2023; World Bank, 2018) prioritise curricula that promote innovation and critical thinking skills.

Strategic Frameworks and Proactive Initiatives: Advancing Entrepreneurship in Sierra Leone

Sierra Leone understands the significance of nurturing a thriving environment to drive its growth. The GoSL has implemented measures and programmes to enhance this by focusing on providing assistance to businesses and encouraging innovation. This section explores these measures and their implications for the country's entrepreneurial landscape.

Governmental Directives on Entrepreneurship

The policy framework, Agenda for Prosperity (GoSL Report, 2013), was put in place to promote entrepreneurship within the country. There were three pillars (1, 5 and 8) from this framework that had an impact on the entrepreneurial landscape:

1. Pillar 1: The first pillar aimed to diversify growth by focusing on agriculture, fishery, industry and tourism. The objective was to address existing obstacles through targeted infrastructure development, interventions in microfinance and improved financial accessibility. These efforts were strategically designed to create an environment for the growth and development of activities (GoSL Report, 2013).
2. Pillar 5: The fifth pillar emphasised the interconnectedness, between a labour market and a favourable business climate. The main objective is to encourage companies of all sizes to offer job opportunities aiming to enhance the vitality of the ecosystem (GoSL, 2013).
3. Pillar 8: The eight pillar is centred on Gender and Women's Empowerment and serves as a demonstration of the GoSL's commitment to promote diversity. It specifically aims to strengthen the presence of women entrepreneurs by addressing the challenges they face. The GoSL Report (2013) highlights efforts undertaken, including support and initiatives fostering a favourable economic climate.

The NAYCOM (2009) emphasises the importance of providing innovators with essential education and training opportunities. Additionally, offering resources, such as incubation centres, provides assistance to emerging businesses (Ministry of Youth Affairs Sierra Leone, 2018). However, similar to any policy implementation process there were challenges encountered along the way. Issues related to awareness and bureaucratic hurdles can hinder policy effectiveness and diminish its impact on targeted beneficiaries (Kamara, 2019).

Proactive Government Initiatives

The GoSL has implemented policies to address the challenges faced by entrepreneurs based on their understanding of the complexities involved. According to a study conducted by SOBA in 2017, it was observed that many entrepreneurs encountered obstacles and required business support (SOBA, 2017). These entrepreneurs heavily relied on personal networks for assistance. These valuable insights served as a driving force behind the implementation of targeted measures.

To effectively support entrepreneurship, the Small and Medium Enterprises Development Agency (SMEDA) was established. SMEDA has undertaken initiatives such as the implementation of the National Strategy for Financial Inclusion from 2017 to 2020 demonstrating a broader vision to transform the financial landscape for enterprises. The GoSL's commitment to supporting entrepreneurship was further strengthened through the enactment of the SMEDA (2016) Act. This legislation emphasises providing entrepreneurs with access to resources, policy consulting services and simplified registration procedures (Kamara, 2019). Additionally, prominent programmes such as the Youth Entrepreneurship and Employment Project (YEEP 3.0) and the social microfinance programme, MUNAFA funds, have made efforts to provide financial assistance to aspiring entrepreneurs (Kamara and Kamara, 2023). These initiatives indicate a future for entrepreneurship in Sierra Leone.

Conclusion and Future Directions

Despite facing challenges in areas such as infrastructure, finance, legislation and education, there is evidence of a commitment by successive governments to creating a conducive environment for entrepreneurship. Recognising the importance of addressing infrastructure gaps, Sierra Leone should adopt an approach that combines investments and international collaboration. Prioritising improvements in transportation systems, digital infrastructure and sustainable energy goals can play a role. For example, partnering with countries such as China on infrastructural projects and collaborating with technology giants to promote digital infrastructure and renewable energy initiatives can not only strengthen Sierra Leone's infrastructure but also attract new business opportunities. Future research should focus on identifying sectors that would benefit the most from collaborations while exploring the potential for development through infrastructure.

Another critical aspect that demands attention is access to finance. To enhance Sierra Leone's enterprise finance landscape, it is vital to establish a more solid partnership with organisations such as the AFDB, International Finance Corporation (IFC), Consultative Group to Assist the Poor (CGAP), United Nations Capital Development Fund (UNCDF) and the International Monetary Fund (IMF). Collaborating with local banks such as Rokel Commercial Bank (RCB), Sierra Leone Commercial Bank (SLCB) and Union Trust Bank (UTB) can offer loan solutions for start-up and developing enterprises. Microfinance institutions such as BRAC Sierra Leone and LAPO Sierra Leone also provide microloans and financial education. Engaging with investment firms and chambers of commerce will improve access to capital and networking opportunities thus strengthening Sierra Leone's entrepreneurial ecosystem. Future studies should focus on examining the effectiveness of these collaborations, identifying the best practices and exploring challenges. It is crucial to investigate the factors that contribute to collaborations and how these collaborative efforts impact and stimulate entrepreneurial activities.

The importance of legislation in promoting entrepreneurship in Sierra Leone cannot be overstated. It is not about creating policies; we also need frameworks that can adapt to the evolving trends in entrepreneurship. The government should combine policies ensuring liquidity, smart management of interest rates and timely financial incentives with a landscape that provides a fresh impetus to entrepreneurship. It is vital for the government to engage in dialogues with stakeholders from industries to stay connected with ground realities and foster innovation. By learning from practices implemented elsewhere, Sierra Leone can establish an effective legislative ecosystem. Future research should evaluate the impact of legislative efforts on entrepreneurship. Researchers can investigate the effectiveness of these frameworks, analyse any shortcomings and compare them to global standards.

Education is a pillar of societies and it could also benefit from innovation. Modern-day entrepreneurship requires skills compared to educational models. Sierra Leone should shift towards an education system that better aligns with these requirements. This involves measures such as prioritising training to provide practical skills, integrating entrepreneurial principles into the mainstream curriculum and fostering a culture of lifelong learning. Interestingly, while there have been some research studies on areas such as the impact of microfinance (e.g. MUNAFA funds) conducted by Kamara and Kamara (2023), more comprehensive research is needed on government initiatives such as SOBA, NAYCOM and SMEDA, to gain a thorough understanding of their effectiveness on the entrepreneurial landscape.

By considering the strengths, weaknesses and potential opportunities for local and international collaborations, Sierra Leone can create effective policies for the future. It is evident that the country's path forward is full of challenges, but there are opportunities for economic development and growth. If approached with dedication and a clear vision, the GoSL can unlock opportunities that will drive the country towards success. Collaboration will play a role in this journey involving government bodies, international partners, educators, the private sector and the community collectively. With unwavering commitment, ongoing research efforts and a willingness to adapt to change, Sierra Leone can harness its entrepreneurial spirit and welcome an era defined by innovation, growth and prosperity.

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13

Entrepreneurial Universities: A Multi-context Perspective

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Introduction

Entrepreneurial activities are considered the de facto for value creation in economies (Stam, 2015). Evolving knowledge shows that factors responsible for productive entrepreneurship in a region do not occur in isolation but rather are contingent on the quality of the environment and the interaction among various actor and factor conditions within the environment (Oladele et al., 2022). This notion has led to the emergence of the entrepreneurial ecosystem (EE) concept explaining that productive entrepreneurship results from systemic and dynamic interactions among

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various interdependent actors and factors (Leendertse et al., 2020). Elements such as finance, knowledge, networks and support, infrastructure, policy, markets, human capital/talents, and culture have been identified as critical for the development of an EE (Isenberg, 2011; Leendertse et al., 2020; Stam, 2015). Studies have shown that universities are important institutional actors within the EE discourse (Audretsch, 2014; Etzkowitz, 1993; Etzkowitz & Leydesdorff, 1995; Nicotra et al., 2021) and recent thoughts are converging on the notion that entrepreneurship is the university's "third mission" (Nicotra et al., 2021; Rubens et al., 2017; Szulczewska-Remi & Nowak-Mizgalska, 2021).

Nicotra et al. (2021) referred to the "third mission" of the university as beyond generating technology transfer and knowledge-based firms but as "broadened to focus on enhancing entrepreneurship capital and facilitating behaviour to prosper in an entrepreneurial society" (Audretsch, 2014, p. 313). Insights from the Triple helix model (Etzkowitz, 1993; Etzkowitz & Leydesdorff, 1995) and regional innovation systems (RIS) (Braczyk et al., 1998; Freeman, 1987; Lundvall, 1992) show that the university is a knowledge centre and major catalyst in the entrepreneurial process (Jegede & Nieuwenhuizen, 2021; Sadek, 2013). In the same way, EE frameworks such as those presented by Isenberg (2011) and Stam (2015) also recognise the indelible role of universities.

Furthermore, Theodoraki and Messeghem (2017) argued that EE comprises other sub-ecosystems, and Wang et al. (2021) described the university as a sub-ecosystem that can support/constrain the creation of firms (spinoffs) through the interactive development that takes place among the various elements within the system. This is consistent with the concept of "place" (Roundy & Fayard, 2020. According to Wang et al. (2021), place can be as large as a region or as small as a university. This notion largely birthed the university-based entrepreneurial ecosystem (UBEE) concept. Hence, the EE developed within the university is described as the UBEE, and the implication is that universities have what it takes to cultivate entrepreneurs (Wang et al., 2021) and be an incubator for spinoffs based (Nicotra et al., 2021; Spigel & Harrison, 2018). Some universities in developed economies, such as the University of California, the University of Georgia, Cambridge University, and

MIT, have successfully UBEEs with a high rate of spinoff firms (De Oliveira & Torkomian, 2019). University-based spinoffs are companies that are established through dynamic interactions of actors and factors within the academic environment. This interaction creates new businesses with the university as the parent company (Lehmann et al., 2020). This potential has, however, not been fully exploited in many African institutions.

The process of creating entrepreneurial universities is still in its early stages (Xie, 2019), and conceptual, theoretical, and empirical underpinnings are still nascent (Spigel et al., 2020; Sternberg et al., 2019). This is largely because the UBEE is a much newer concept, and the dimensions are yet to be clarified. Many of the frameworks for a UBEE have not been empirically tested (Meyer et al., 2020; Wang et al., 2021). Very few studies seem to have attempted to map out UBEE and develop a measurement index for the strength and weaknesses of UBEE (Wang et al., 2021). More importantly, frameworks for understanding sub-ecosystems such as the UBEE have not been fully explored in African literature. There is, therefore, a need to map out the unique features of the UBEEs to understand how they are configured, evolve, and interact to create spinoffs. Using multiple case studies, this chapter explores the components and interactions that make UBEEs, and how the culture of entrepreneurship can be consolidated in African universities drawing from successful experiences in Europe, Africa, and Nigeria. The main logic behind the selection is to capture a Western perspective, an African perspective, and then a local (Nigerian) perspective. Each of the institutions has a good reputation for good entrepreneurial practice that can be consolidated to form a learning experience.

The University-Based Entrepreneurial Ecosystem (UBEE)

In recent years, there has been a growing global awareness of the necessity of entrepreneurship and innovation, coinciding with the growing awareness of higher education institutions, particularly universities, to pursue the entrepreneurial route (Novela et al., 2021). EEs represent a significant interaction between varying albeit interdependent stakeholders comprising organisations and institutions facilitating the flow of tangible and intangible resources through formal and informal exchanges for the establishment and growth of firms (Oladele et al., 2022). As a highly social process, significant components of the entrepreneurial process, such as opportunity recognition, finance, and commercialisation, are tied to and shaped by a firm's social interaction with the environment (Spigel, 2016). The imperative here is that the EE construct reflects the place-based nature of entrepreneurship (Roundy & Fayard, 2020). The state of the "place" thus determines the quality of entrepreneurship that emerges. Also, the place can be as large as a region, state, nation, or small as a firm or university (Wang et al., 2021).

In other words, while the university plays a significant role within the larger EE (Nicotra et al., 2021; Spigel & Harrison, 2018), it can in itself be an EE (sub-EE) (Theodoraki & Messeghem, 2017; Wang et al., 2021). Drawing from the concept of "place", universities that create EEs are called UBEEs (Wang et al., 2021). According to Meyer et al. (2020, p. 2), universities are foundational in local and regional entrepreneurship ecosystem development. They are recognised as an important source of new technology and new ventures for local entrepreneurship ecosystems worldwide. Beyond the primary goals of universities which include teaching, research knowledge transfer, and commercialisation (Guerrero et al., 2020), there is an expectation from the universities to contribute more to national development and information transfer to hasten local economic progress (Novela et al., 2021). Novela et al. (2021) argued that expanding the university's focus to reach a wider scope through its participation in innovation makes the university entrepreneurial. Wang et al. (2021, p. 2) also indicated that "UBEE can enhance the regional EE and form an entrepreneurship cycle, which can create more jobs and stimulate economic vitality". Entrepreneurship within academic settings now encompasses various entrepreneurial activities, not necessarily limited to founding new businesses or establishing high-tech corporations by academics (Matt & Schaeffer, 2018). Thus, UBEEs have become major drivers of entrepreneurial behaviours, innovation, and new ventures

(Yuan et al., 2022), and this claim is not unfounded. For example, Miller and Acs (2017) reported how many founders that made the Forbes 2016 list of billionaires launched from universities.

Studies on the Elements of UBEE

The UBEE comprises various interdependent actors interacting to create the ecosystem. As a relatively new concept, much scholarship has been dedicated to exploring the components and elements that make up a UBEE. Table 13.1 shows the works of various scholars and the components identified.

A cursory look at Table 13.1 brings to the fore the dynamic nature of UBEEs. While there are overlaps in some elements, variances are also observed in the elements considered essential for a UBEE. This drives home the argument of Isenberg (2011) that no two ecosystems are alike, and as such, each region (in this context, university) should cultivate their own based on the peculiarities of their configurations and environment. Furthermore, it is not much so the presence of these elements that make up a vibrant UBEE but rather the interaction among the elements within the UBEE (Motoyama & Knowlton, 2016; Oladele et al., 2022). This dynamic interaction allows UBEE actors (internal and external) to collaborate and engage in formal and informal exchanges, resource sharing and allocation, leading to the creation of a vibrant UBEE and productive entrepreneurial outputs (Yuan et al., 2022).

Case Study 1: Cambridge University

Brief History of the University

The University of Cambridge is a collegiate research university in Cambridge, United Kingdom. Founded in 1209 and granted a royal charter by Henry III in 1231, Cambridge is the second-oldest university in the English-speaking world and the world's third-oldest surviving university. The university grew out of an association of scholars who

Table 13.1 UBEE components

S/n	Authors	UBEE Components
1.	Wang et al. (2021)	(1) Extracurricular activities, (2) networks (interpersonal, campus, regional, national/global networks), (3) entrepreneurial culture (entrepreneurial values/spirit, entrepreneurial environment, networking culture), and (4) leadership
2.	Prokop et al. (2019)	(1) Supportive entrepreneurial culture, (2) availability of social capital, (3) access to entrepreneurial financing, (4) the management teams and founders' human capital (internal and external), (5) institutions' capacity for innovation, and (6) formal support organisations such as business incubators
3.	Meyer et al. (2020)	Internal stakeholders (students, faculty, alumni, university administrators, university staff, and entrepreneurs) and external stakeholders (investors, mentors, service providers, corporations and managers, government policy officials, and foundation directors)
4.	Bedő et al. (2020)	Framework conditions (institutional structure, rules and regulations, entrepreneurial culture, physical spaces, companies); systemic conditions (research, finance, education and research, talent pool, leadership and deal makers, students and professional networks)

S/n	Authors	UBEE Components
5.	Matt and Schaeffer (2018)	(1) Students, (2) alumni, (3) university professors, (4) new generation incubators, (5) accelerators, (6) investors and companies supporting them (venture capitalists, business angels, grants, and managers of business plan competitions or startup competitions), (7) co-working spaces, (8) institutional culture supporting entrepreneurship, and (9) public authorities
6.	Sherwood (2014)	(1) Curriculum, (2) extracurricular, (3) traditional technology transfer office, (4) bridging mechanisms, (5) resources and community engagement, and (6) informal engagement
7.	Rice et al. (2014)	(1) Senior leadership vision and engagement sponsorship, (2) strong programmatic and faculty leadership, (3) sustained commitment over a long period of time, (4) the commitment of substantial financial resources, (5) commitment to continuing innovation in curriculum and programmes, (6) appropriate organisational infrastructure, and (7) commitment to building the extended enterprise and achieving critical mass
8.	Graham (2014)	(1) Institutions, (2) culture, (3) university leadership, (4) university research capabilities, (5) regional or government support, (6) effective institutional strategies, and (7) strong student entrepreneurial demand

(continued)

Table 13.1 (continued)

S/n	Authors	UBEE Components
9.	Brush (2014)	(1) Startup courses, (2) extracurricular activities, (3) research, (4) stakeholders, (5) resources, (6) facilities, and (7) culture
10.	Rideout and Gray (2013)	(1) Entrepreneurship courses and degrees, (2) the involvement of alumni entrepreneurs, (3) student incubators, (4) prototype development services, (5) startup funding for university businesses, (6) technology transfer services, and (7) scholarly research

Source Authors' compilations (2023)

left the University of Oxford after a dispute with the townspeople. The two ancient English universities share many common features, such as a similar collegiate structure and a tutorial supervision system that has set them apart from other educational institutions. Jointly, they are often referred to as Oxbridge. Cambridge is ranked among the most prestigious universities in the world (University of Cambridge, 2022a).

The university has leading academic centres and a self-governed community of scholars. Its reputation for outstanding academic achievement is known worldwide and reflects the intellectual achievement of its students, as well as the world-class original research carried out by the staff of the university and the Colleges (University of Cambridge, 2022b). The University of Cambridge is a member of the Russell Group, a network of research-led British universities; the Coimbra Group, an association of leading European universities; the League of European Research Universities; and the International Alliance of Research Universities. It is also considered part of the "Golden Triangle", a geographical concentration of UK university research (New World Encyclopedia, 2022).

Entrepreneurial Programmes

The Entrepreneurship Centre at Cambridge Judge Business School aims to inspire, enable, and research entrepreneurship. The centre encompasses the full entrepreneurial journey: from the empowerment of aspiring entrepreneurs to the creation and development of early-stage ventures to ensure small and medium-sized enterprise growth. The university offers a variety of entrepreneurship-focused programmes (see Table 13.2). The curriculum of each programme is specially curated to target different aspects of the entrepreneurial process.

Since its inception, Cambridge University's Entrepreneurship Centre's programmes have been a key enabler, directly or indirectly, for many of the new and thriving businesses in and around Cambridge, such as Vocal IQ (acquired by Apple in 2015), Healx ("AI Company of the Year" in 2019), and Cambridge Quantum Computing (recognised in 2020 by

Table 13.2 List of entrepreneurial programmes at Cambridge

s/n	Programme	Description
a.	Mst in Entrepreneurship	A master's degree to become a more effective entrepreneur
b.	EnterpriseTECH	An educational programme for researchers and students who are interested in taking real-world technologies to the market
c.	Accelerate Cambridge	A three-month structured approach programme containing training, mentoring, coaching, and workspace access
d.	Ignite	An intensive one-week programme for innovators and entrepreneurs to prepare and trial business ideas for the commercial environment
e.	Enterprise Tuesday	A series of evening lectures and networking sessions aimed at introducing participants to the world of business
f.	Venture Creation	Here, entrepreneurs can find out if their startup ideas are viable. They can develop, test, and launch business ideas in 54 hours
g.	Strategic Business Growth	Helps businesses develop their organisation's managerial skills and set them up to grow

Source University of Cambridge (2019)

the Sunday Times as one of Silicon Fen's finest startups) (Duke, 2021; University of Cambridge, 2019).

Cambridge's EE Components

The University of Cambridge is a global knowledge locus for entrepreneurship to enhance the development of management capacity within the Cambridge entrepreneurial ecosystem and beyond. Cambridge's EE revolves around four critical components: People and Ideas, Finance and Space to grow, Support, and Networks: Connected Cambridge (University of Cambridge, 2019).

People and Ideas

The researchers and students that carry out research are designed to push back the boundaries of knowledge. There are organisations like Cambridge Enterprise that can help students and staff to develop their ideas and commercialise.

Finance and Space to Grow

Organisations need finance and space to grow. Cambridge has places like idea spaces across the university. There is also the Cambridge Innovation Capital and several angel and venture funds around Cambridge for funding.

Support

Departments and groups across the university run programmes and initiatives to support entrepreneurs in developing their organisations and their personal capabilities. Lectures and networking are provided by Enterprise Tuesday, a scheme run by the Judge Business School, which also runs Accelerate, a startup accelerator programme and Ignite, an intensive one-week training programme for aspiring entrepreneurs and corporate innovators to trial and prepare business ideas for the commercial environment. The Maxwell Centre runs Impulse, a programme designed to help entrepreneurs translate their ideas into reality. Other support systems are the Cambridge Institute for Sustainability Leadership, Local Consultants, Cambridge Consultants and Technology Partnership.

Networks: Connected Cambridge

Cambridge has multiple networks to bring people together. Cambridge Wireless—Internet of things; Cambridge Network—connection with local businesses; Cambridge Ahead—to support the long-term growth of Cambridge. There are also student associations and societies, for instance, Cambridge University Entrepreneurs, Cambridge University Technology, and so on. These networks help to bring the community together to support people towards making the right connections. Actors within the ecosystem improve it through constant innovation. There is a Makespace in Cambridge—a community workshop—and there is Biomakespace—a bio-prototyping facility. The Judge Business School, in collaboration with Cambridge Enterprise, runs a Social Venture Incubator to help grow social ventures. This constant innovation in the ecosystem means that there is a constant effort towards making the enterprise ecosystem in Cambridge better.

Cambridge's Entrepreneurial Output

Cambridge's EE has produced several unicorns, including Abcam, Arm, Autonomy, AVEVA, Blinkx, CAT, Chiroscience, CSR, Darktrace, Domino, Improbable, Ionica, Marshall of Cambridge, Prometic, Solexa, Virata, and Xaar. Other innovations, such as the voice recognition software in Amazon's Alexa, Bluetooth, and the science behind cancer and arthritis medicine, all originated in Cambridge. Cambridge Angels: a club of around 60 entrepreneurs connected to the city who supported new startups to the tune of £28 m in the year 2018. Banks have also set up co-working and support spaces around Cambridge, such as Barclay's Eagle Labs, which include finance consulting to encourage local entrepreneurs. The efforts of Cambridge University have supported the genesis of 200+ new companies that have raised £250 m+ of investment and created 500+ new jobs in the Cambridge cluster. Moreover, another 180+ companies have benefited from the scale-up support, recording a 29% average revenue increase, 16% average profit improvement, and 18% employment growth (University of Cambridge, 2019).

Case Study 2: University of Johannesburg (UJ)

Brief History of the University

The University of Johannesburg is an African university established to implement the potential of higher education in developing the continent. It was established on the 1st of January 2005 and is situated in Johannesburg, which is a major city in South Africa. The founding was a result of the merger between Rand Afrikaans University, the Technikon Witwatersrand, and Vista University's Soweto and East Rand campuses. While ensuring a dynamic, vibrant, and multicultural system, the vision of UJ is to be "an international University of choice, anchored in Africa, dynamically shaping the future". Its mission is "inspiring its community to transform and serve humanity through innovation and the collaborative pursuit of knowledge". UJ is one of the largest universities in South Africa, operating with seven faculties and with over 50,000 students comprising international and local students. The University of Johannesburg founded the Johannesburg Business School Centre for Entrepreneurship (JBSCE) in 2006. Over the years, the JBSCE has evolved into an entrepreneurial excellence centre, facilitating business growth for Small, Medium, and Micro Enterprises (SMMEs) not just in South Africa but throughout the African continent (*see official website).*

Entrepreneurial Programmes

UJ, through their Centre for Entrepreneurship, has provided a hub which incubates and trains startups and SMEs. Some of the entrepreneurial short-learning programmes offered at the university are shown in Table 13.3.

To further aid the culture of entrepreneurship among its students, UJ, on a monthly basis, carries out an event tagged "Student Market Day". Through this, students are encouraged to create their own enterprises while still in school in order to prepare them to have established businesses when they graduate. To further aid students' business operations, another monthly event was put in place tagged "Let's Talk Business".

Table 13.3 List of entrepreneurial programmes at UJ

s/n	Programme	Description
1.	Raymond Ackerman Academy	A post-matric school that provides a six-month, full-time course in entrepreneurial development. The programme seeks to enhance the entrepreneurial mindsets of young people aged 18–35 years old
2.	Small Business Enrichment Programme	The goal of this programme is to educate, empower, and support current business entrepreneurs and owners. It seeks to instil confidence in small company owners so they can interact with large corporations or firms, spot possibilities, and take advantage of them. It also equips them with business skills so they can manage growth
3.	Emerging Social Enterprise Management	This programme has been created with the express purpose of fostering the growth of social sector leaders in non-profit organisations, non-governmental organisations, cooperatives, and social enterprises, as well as assisting them in using business management tools to enhance the performance of the emerging social enterprises and/or non-profit organisation being managed
4	Artisanal Master Programme	This programme offers artisans from a variety of sectors the chance to develop from being merely technical specialists to being at a master level in their technical field through options for career advancement and business development courses

(continued)

Table 13.3 (continued)

s/n	Programme	Description
5	Advanced Social Entrepreneurship and Social Innovation	This is a 5-day programme for social entrepreneurs aimed at aiding innovation and improvement of social entrepreneurial businesses
6	Entrepreneurial Development Programme	A six-month development programme that provides students with the know-how and abilities to develop business ideas
7	Asset-based Socio-Economic Development	A four-month programme for development professionals, social entrepreneurs, community developers, and aspirant business owners to stimulate more innovative community-based development by challenging the traditional needs-based mindset

This is an avenue for students and entrepreneurs to discuss their business challenges and impact their businesses through knowledge sharing.

Similarly, the University of Johannesburg (UJ) was able to open an incubator to help thousands of youth-led firms in the technology industry. In addition, since 2013, the university, in partnership with National Youth Development Agency (NYDA), launched the Innovative Student Entrepreneurship Initiative, which has been investing about R300,000 in awards to assist students in igniting the growth of entrepreneurship. Students who wish to participate submit a business plan, and a panel of judges comprised of officials from the university's Vice-Chancellor's office, commercial partners, and industry will then examine the summited ideas. The student with the greatest business concept will win a R100,000 cash award sponsored by the NYDA, with second and third place receiving R50,000 and R30,000, respectively. In addition, each of the seven contestants will get R20,000 (South Africa Government, 2013).

The Components of UJ's Entrepreneurial Ecosystem

The following components are identified as key factors to the entrepreneurial ecosystem of the University of Johannesburg:

Students: Students play an important role in realising the university's entrepreneurial missions, visions, and values. They are active and key participants in generating innovative ideas. Students are encouraged to create a business idea that solves an urgent need, start with a minimal viable product, and verify it until it reaches product-market fit.

Staff: Staff members form the human capital of UJ. UJ provides academics with the knowledge and skills needed to generate creative responses to a fast-changing higher education environment. By infusing an entrepreneurial spirit into the curriculum and engaging students, the staff members play a vital role in cultivating an entrepreneurial mindset among the student body.

Alumni: Graduates from the University of Johannesburg also contribute to the entrepreneurial activities of the institution. They act as mentors, and through their success stories, the university can access the effectiveness of UJ's entrepreneurial goals to have students running their own innovative startups after graduation.

Culture: UJ provides integrated entrepreneurial development support targeted at fostering an entrepreneurial culture, developing startups and established firms, and increasing economic participation. The culture at UJ encourages the involvement of students in entrepreneurial activities while still in school instead of waiting till after graduation. They also ensure that university resources such as research and development, an IP commercialisation office, technology transfer, accredited learning, and access to academic experts, business partners, mentors, coaches, and industry specialists are provided. Similarly, the culture aids with intellectual protection when appropriate and pursues market entrance.

Sponsors/ Investors/Partners: They are an important element in the ecosystem of UJ. Some of the sponsors that support entrepreneurial activities in UJ, just to mention a few, include THEBE Foundation, the Small Enterprise Development Agency (SEDA), the Department of Small Business Development, the Republic of South Africa, CHIETA, and the University of Johannesburg. These organisations partner with UJ to support and finance various entrepreneurial programmes. Also, investors are cogent factors in the successful creation of businesses. Some of these investors are corporate ventures, venture capitalists, co-working spaces, accelerators, and university venture capital. To further strengthen the entrepreneurial activities within the universities, there is an increased need to build partnerships with different foundations, such as Tony Elumelu and Mastercard Foundation, as well as delivery partners, such as LinkedIn and Get Smarter.

Entrepreneurial Output

The institution, through its entrepreneurial programme, has been able to generate employers and position the university as the chosen institution of higher learning, with purposeful interventions to combat unemployment and poverty in our nation and across the African continent. According to a report from Cruch Base (2022), 52 organisations have been established by 97 Alumni of UJ. Some of the trending business includes Clickatell, Geomall, Wise Book, Medici, and Dragonfly Aerospace. These businesses are output from grants and financing from investors.

Case Study 3: Pan-Atlantic University, Lagos

Brief History

Pan-Atlantic University (PAU) was established in 2002 as a non-profit, private institution of higher learning in Lagos State, Nigeria, with a mission to "form competent and committed professionals and encourage them to serve with personal initiative and social responsibility the community in which they work, thereby helping to build a better society in Nigeria and Africa at large" (Bamkole & Ibeku, 2020). The university, whose pioneer Vice-Chancellor was Professor Albert Alo, is legally owned by the Pan-Atlantic University Foundation, with the Board of

Trustees carrying out oversight functions (Pan-Atlantic University, 2020). The university currently has a workforce capacity of about 430 staff across the seven main units of the university: Lagos Business School (LBS); Enterprise Development Centre (EDC); School of Media and Communication (SMC); School of Management and Social Sciences (SMSS); School of Science and Technology (SST); Institute of Humanities (IOH); and Yemisi Shyllon Museum of Art (YSMA) (Pan-Atlantic University, 2020).

The Lagos Business School is the oldest unit of the university and shares the campus with the Enterprise Development Centre (EDC), which was later established in 2003. These two units are the membrane of the university's entrepreneurial ecosystem. EDC offers various capacity development programmes and value-added services (networks, business advisory, mentorship, retreats, access to market and information) to SMEs all over Nigeria in addition to supporting their students and executive education participants (Bamkole & Ibeku, 2020). EDC has been at the front stage driving the university's mission of fully becoming an entrepreneurial university.

Entrepreneurial Initiatives at PAU

PAU's entrepreneurial initiatives are multipronged, including the university, staff, undergraduates, and postgraduates. Various programmes were designed and implemented by the university through EDC to engage the university, staff, and students (undergraduate and postgraduates) in entrepreneurship (Bamkole & Ibeku, 2020).

The University as Actors

PAU recognised that the process of transformation from a conventional university to an entrepreneurial university is a strategic move requiring recalibration of the governance and structure of the university in terms of internal management mechanisms, leadership, decision-making, and rethinking the informal components as well especially norms, values, codes of conduct, norms of behaviour, and attitudes upheld within the ecosystem. To achieve its mission, PAU provided the framework conditions that enabled entrepreneurship to strive within the institution. First, the university has a goal of making entrepreneurship education and practice a traditional way of life on campus, and from an institutional perspective, the university reconfigured its internal mechanisms, governance structure, decision-making, and leadership to reflect a commitment to entrepreneurial learning and practices. This is demonstrated in the university's programmes and initiatives that encourage students and staff to engage in entrepreneurial education and training. Also, the entrepreneurial events championed by the institution, such as business pitching competitions and exhibitions, are notable examples. The governance structure of the university is also designed to accommodate research and new venture creation for staff and students. The university also nurtures a tradition of entrepreneurship through the values, norms, and attitudes it promotes and portrays. To further deepen the practice of entrepreneurship within the university, EDC maintains links with the external environment and actors such as investors, mentors, and advisors and development finance organisations. Notably, LBS and EDC acting are the catalysts driving the mission of the university towards being an entrepreneurial university.

University Staff as Actors

The staff are exposed to entrepreneurial education and training, at the end of which they are issued a "Certificate in Entrepreneurial Management" through the EDC. The aim is to build entrepreneurial capacity in their staff and the programmes, equip them to start and effectively manage businesses, and expose them to the challenges entrepreneurs grapple with and how they deploy innovation to address the issues. In addition to this, the training programmes also facilitate networking within the community of entrepreneurs. The university also engages the staff in "community service" on a quarterly basis by encouraging them to participate in training potential entrepreneurs in local communities. The experience is believed to further deepen the staff's knowledge, understanding, and practice of entrepreneurship. These collective activities culminate in improved teaching and professional practice for the staff. Additional entrepreneurial training programmes are offered to interested and qualified staff to equip them further to train undergraduates (Bamkole & Ibeku, 2020).

Undergraduates as Actors

PAU focuses most of its entrepreneurial effort on the undergraduates because they believe that they are core to achieving the university's goal of being an entrepreneurial university. PAU has a robust entrepreneurial plan for undergraduates that sharpens their minds and targets entrepreneurial intention. Irrespective of their discipline, PAU mandates that every undergraduate participates in an entrepreneurship course at the beginning of their second year on campus. The course is configured to instil entrepreneurship in them, spur their entrepreneurial intention after graduation, and equip them to be able to recognise opportunities, craft value propositions, birth innovative ideas, and test the ideas in the marketplace. The university partners with various actors in the community to facilitate the programmes, including professionals, industry experts, mentors, investors, parents, and students from other schools (Pan-Atlantic University, 2020).

The programme allows the students to learn independently and as a group. In the first term of their second year, students are grouped (maximum of 10) and mandated to start a business on campus. The university, through EDC, provides little seed capital (refundable) and an adviser for each team. The team raises additional capital through bootstrapping or equity (among themselves) or debt if they can (Bamkole & Ibeku, 2020).

As part of their assessment, investors are brought in to simulate the real-life investment pitch. The investors award points, not real investment, and this constitutes part of their credit for the course. At the end of the second year, a special programme called "EXPO" is organised for the teams to showcase their businesses to invited guests, including parents, students from other schools, invited guests of honour, particularly prominent entrepreneurs, and friends of the university. The guests assess the team presentation, business innovation, and product-market fit, among others. Points earned by each team are then aggregated and used to grade the students for the course. Subsequently, the students are allowed to dissolve the business and share the assets (mostly cash) or continue to run the business within the campus. Some students have opted for the latter. This provides the students with practical exposure, feedback, and networks. At graduation, the most enterprising student is given an award sponsored by the pioneer VC of the university, Professor Albert Alo. The target of the entrepreneurial programmes for undergraduates is to spur and reinforce an entrepreneurial mindset right from their second year (Bamkole & Ibeku, 2020).

Postgraduates as Actors

The university, through LBS and EDC, also makes provision for entrepreneurial education and practice for postgraduate students, particularly MBA. Full-time MBA students are exposed to 100 hours of consulting practice as part of their training. During this period, they are paired with experts (EDC consultants) to assist in solving real-life problems facing SMEs within the EDC community. The consulting cycle typically averages a period of 7 weeks from problem identification to solving. This process, the university believes, makes the MBA students "get their hands dirty" and exposes them to practical experiences which are, in turn, useful in the classroom for learning. The outcome of these programmes, as reported, has been twofold: first, many MBA graduates of LBS eventually act as classical intrapreneurs within the corporations they work for, and second, some graduates start their own businesses a few years after graduation and get support and value-added services from the university through EDC. Postgraduate students from other disciplines also get entrepreneurial education, training, and support at varying degrees within the university (Fig. 13.1).

The case study of PAU reflects the university's interaction with various actors who have contributed to the transformation process from a conventional university to an entrepreneurial university. At the base of that is the deliberate and strategic efforts of the university to set in motion the enabling frameworks for entrepreneurship to flourish. The ecosystem actors are twofold: the internal actors and the external actors.

Fig. 13.1 PAU'S entrepreneurial University initiatives (*Source* Adapted from Bamkole and Ibeku [2020])

Internal actors include students (undergraduates and postgraduates), staff, advisers, and faculties. The external actors are investors, financial institutions, mentors (existing entrepreneurs and alumni), industry experts, invited guests (students from other schools, alumni, parents, friends of the university, special guests of honour), the government, NGOs and international organisations, the local community, and the media. These actors have been recognised as instrumental in the development of the entrepreneurial ecosystem of the university.

PAU's Interactions

The university has been deliberate and strategic about engagements with the industry, NGOs, international organisations, and the government. In the industry, PAU partners with financial institutions to organise various programmes and initiatives, including *Womenpreneur* (Access Bank), *Building entrepreneurs today* (Diamond Bank now Access-Diamond), *The Economy and You* (First Bank of Nigeria), *Millionaires Hunt and Market Access Nigeria* (Etisalat/9mobile). Notably, Market Access Nigeria (MAN) continues to bring together SMEs, corporations, and government agencies to address issues affecting the growth of SMEs, including reducing the costs of business registration (Pan-Atlantic University, 2020).

The university interacts with government agencies, including CBN, the Ministry of Industry, Trade and Investment, SMEDAN, and BOI and has been invited severally to be members of the presidential committee on MSMEs. The interactions have produced useful collaborations that have resulted in the development of entrepreneurship nationally. For example, the university partnered with the Ministry of Finance to implement Youwin and Youwin! Connect. Their collaboration with the Federal Ministry of Industry, Trade, and Investment also led to the implementation of growing enterprise leaders and Business Innovation & Growth (BIG). PAU also partners with the Bank of Industry to organise the Youth Entrepreneurship Support Programme (YES-P). EDC has also partnered with CBN to formulate and implement various interventions around access to finance for SMEs (Pan-Atlantic University, 2020).

PAU also connects with NGOs to organise programmes for SMEs. For example, the university partners with the Global Entrepreneurship Network (GEN) and Aspen Network of Development Entrepreneurs (ANDE), among others, to support SMEs and assist in improving the vibrancy of their ecosystem. In addition, the university, through EDC, partners with Mastercard Foundation to provide toolkits for SMEs in Nigeria. Other collaborations are with the Coca-Cola Foundation, Cherie Blair Foundation for Women, Oxfam Novib, and the British Council.

The university also interacts with international organisations such as the World Bank and the international finance corporation to organise various programmes. Notable events are the SME toolkit, business edge, and Women X (Pan-Atlantic University, 2020).

PAU's Ecosystem Impact

The various interactions of the university over the years have produced diverse and enormous impacts. The university, through the collaborations of EDC with NGOs such as ANDE and GEN, has been able to impact over 150,000 indigenous entrepreneurs and continues to lead efforts in strengthening the vibrancy of the SME ecosystem. By the end of 2019, the university, through EDC, has supported more than 98,000 registered users of the SMEs toolkit provided in collaboration with the Mastercard Foundation (Pan-Atlantic University, 2020). The toolkit includes e-learning features, articles, and videos, among others. The Youwin intervention, which ran for three years, received and processed more than 200,000 applications. In the first year, EDC trained 6000 shortlisted entrepreneurs and selected 1200 awardees who received grants up to a maximum of ₦10million (Bamkole & Ibeku, 2020). The Youwin! Connect initiative, with the support of EDC, has also touched more than 50,000 SMEs. Through the YES-P initiative, the university has also provided training to 7000 youth who were funded by the Bank of Industry (Pan-Atlantic University, 2020).

Consolidating the Culture of Entrepreneurship

Table 13.4 outlines the key elements, as presented by the three case studies that can contribute towards fostering the culture of entrepreneurship within African universities. The Pan-Atlantic University focuses on entrepreneurial courses introduced early to instil an entrepreneurial mindset. The University of Johannesburg introduces more practical programmes, emphasising the importance of hands-on learning experiences. However, the University of Cambridge introduces a more robust entrepreneurial culture and incubation support, emphasising the need for well-equipped centres, funding, and mentorship throughout the entrepreneurial process.

A key factor across these three cases showcases the importance of collaborations. Collaboration offers access to a diverse network and funding necessary for entrepreneurial development. These insights collectively stress the need for active industry engagement and government involvement. Through educational curriculum integration, hands-on experience, fostered partnerships, advocation for supportive policies, and institutional alignment with market needs, African universities can create an enabling environment for the entrepreneurial culture to thrive.

Linking the UBEE and Entrepreneurial Outputs

Table 13.5 shows the UBEE components and entrepreneurial outputs. The components of the UBEE play a crucial role towards influencing and shaping entrepreneurial output. The strength and interaction between the UBEE components influence the entrepreneurial outputs.

Table 13.4 Consolidating the culture of entrepreneurship in African universities: Lessons Learnt

Theme	Insights	Strategy/recommendation
Entrepreneurial education as a foundation	Pan-Atlantic University, Lagos, emphasises mandatory entrepreneurship courses for undergraduates	Integrate entrepreneurship education across disciplines. Make it a foundational element for all students to instil an entrepreneurial mindset from the early stages of academic pursuits
Practical exposure and hands-on learning	University of Johannesburg incorporates community engagement and practical programmes like the technopreneurship programme	Emphasise hands-on learning and practical exposure. Programmes like internships, consulting projects, and community engagement can bridge the gap between theoretical knowledge and real-world application
Incubation ecosystems and support structures	University of Cambridge boasts a strong entrepreneurial culture and support mechanisms, including incubation	Establish well-equipped incubation centres, mentorship programmes, and funding support for startups. Create an ecosystem that nurtures and supports entrepreneurial ventures from conception to implementation

Theme	Insights	Strategy/recommendation
Collaboration and partnerships	All three universities prioritise collaboration and partnerships	Foster collaborations with industry, government agencies, NGOs, and international organisations. These partnerships can provide access to funding, market validations, and a diverse network of support
Recognition and awards	Pan-Atlantic University awards the most enterprising student	Institute awards and recognition for entrepreneurial achievements. Celebrate and showcase success stories to inspire and motivate other students and faculty members
Government and industry engagement	All three universities engage with government agencies and industry partners	Advocate for supportive policies and engage with government agencies to create an enabling environment for entrepreneurship. Encourage industry collaborations to align academic initiatives with market needs

For instance, components such as entrepreneurial education programmes contribute to fostering an entrepreneurial mindset among students; collaborations provide access to funding and connections needed for business startups; incubation and support services offer resources needed to nurture students through the entrepreneurial process; and supportive policies integrated with research reinforce the link between academia and practical applications. Therefore, the interaction between all these UBEE components significantly impacts and drives entrepreneurial output, shaping the entrepreneurial culture within these contexts.

Furthermore, Table 13.5 further buttresses the discussion in Table 13.4, presenting each institution's strategy for fostering entrepreneurship in more detail. Overall, it revolves around interconnecting links between entrepreneurial education, integration of research, collaborations, and the creation of robust structures. These links portray a comprehensive approach towards consolidating an entrepreneurial culture in African universities, fostering innovation, and increasing societal impact.

Implications for Policy and Practice

The current realities with HEIs imply that African universities must jump on the entrepreneurship bandwagon. The different case studies reflect the dynamic nature of UBEEs, which reinforces the notion that no two ecosystems are alike. It also shows that the priorities given to different components that drive their ecosystem vary depending on the university. It is imperative that African universities look inward and cultivate a custom-tailored entrepreneurial ecosystem that aligns with their peculiarities. More importantly, the ecosystem attributes curated in this study show that African universities have most of the attributes required to develop a UBEE. These universities also have existing networks with industry, although the strength of these networks may differ. However, it is important to recognise that the mere presence of the attributes is not only what makes up the ecosystem but the interactions and collaborations among external and internal actors that truly drive entrepreneurial activities. Subsequently, to promote a vibrant entrepreneurial ecosystem,

Table 13.5 Linking the UBEE and entrepreneurial outputs

Common themes	Entrepreneurial education programmes	Engagement with external stakeholders	Incubation and support services	Policy and regulatory support	Integration with research and innovation
Cambridge University	**Output**: Successful startups and spinoffs, often driven by innovative ideas originating from research activities **Link**: The emphasis on entrepreneurship education, including dedicated courses and resources like the Judge Business School, contributes to the creation of a pool of skilled and entrepreneurial graduates	**Output**: Spinoff companies, licensing agreements, and technology transfer activities that bridge academic research with practical applications **Link:** Strong collaborations with external stakeholders, including industry and investors, provide opportunities for commercialisation of R&D	**Output**: Thriving startups and businesses with access to mentorship, funding, and infrastructure **Link:** The presence of incubators and support services like the Cambridge Enterprise accelerates the growth of startups emerging from the university	**Output:** A conducive ecosystem for startups, attracting funding and partnerships **Link**: A supportive policy environment encourages entrepreneurship and facilitates the translation of academic innovations into tangible outcomes	**Output:** Research-driven startups and innovations with a strong foundation in academic excellence **Link:** The integration of entrepreneurship with research activities leads to the creation of commercially viable products and technologies

(continued)

Table 13.5 (continued)

Common themes	Entrepreneurial education programmes	Engagement with external stakeholders	Incubation and support services	Policy and regulatory support	Integration with research and innovation
UoJ	**Output:** Technology-driven startups and ventures emerging from academic research **Link:** Entrepreneurship education, as seen in programmes like the Technology Innovation Agency (TIA) Seed Fund, nurtures a culture of innovation and startup creation	**Output**: Sustainable startups with external support and connections **Link**: Collaboration with external partners, industry players, and investors provides avenues for market access and funding	**Output**: Successful startups with a foundation in incubation and mentorship **Link:** Incubation centres and support services, such as the Tshimologong Precinct, play a vital role in the development and sustainability of startups	**Output**: Government-backed initiatives and policies that foster entrepreneurship and innovation **Link:** Collaboration with government agencies and adherence to supportive policies contribute to a conducive entrepreneurial environment	**Output:** Research-led startups and solutions with societal impact **Link:** Integration with research activities results in startups and innovations that address real-world challenges

Common themes	Entrepreneurial education programmes	Engagement with external stakeholders	Incubation and support services	Policy and regulatory support	Integration with research and innovation
PAU	**Output**: Student-led startups and businesses with a foundation in entrepreneurship education **Link:** Mandating entrepreneurship courses for undergraduates cultivates an entrepreneurial mindset and practical skills	**Output:** Impactful collaborations leading to entrepreneurship support programmes and initiatives **Link:** Collaboration with industry, NGOs, and international organisations provides opportunities for networking and support	**Output:** Student startups with practical exposure, feedback, and networking opportunities **Link:** Providing seed capital, advisors, and support for student-led businesses enhances their chances of success	**Output**: National-level initiatives and programmes supporting entrepreneurship **Link:** Collaboration with government agencies, CBN, and the Ministry of Finance results in entrepreneurship support programmes	**Output:** Student projects and startups with a foundation in academic research **Link:** Integration of entrepreneurial education with research practices results in innovative student-led projects

the crucial task, thus, is to recalibrate these attributes, networks, and interactions with internal and external actors to drive entrepreneurial activities.

In addition to the considerations mentioned above, to successfully implement UBEEs in African universities, university administrators and the government need to address key challenges and possibilities. First, resources and infrastructure need to be invested substantially to support entrepreneurial activities. This entails setting up well-equipped incubation centres, laboratories, and designed locations for academics and entrepreneurs to collaborate and test ideas. Second, strong partnerships with government agencies, the industry, and the wider community are crucial. Such partnerships offer opportunities for access to funding and market validations. Third, integrating entrepreneurship education across disciplines is important to provide all students with a platform that nurtures an entrepreneurial mindset. Lastly, it is important to have supporting laws and regulatory frameworks that protect intellectual property, promote innovations, and facilitate the ease of doing business. Streamlined administrative procedures, access to capital, and favourable legislative frameworks can significantly improve EEs.

African universities must seize the opportunity to create customised entrepreneurial ecosystems while leveraging their networks and interactions. Through investment in infrastructure, collaborations, policy formulations, and the integration of entrepreneurship education, these universities can drive innovation and development through entrepreneurship. This transformative journey requires a collaborative effort between policymakers, university administrators, faculty, students, and the broader entrepreneurial ecosystem, leading to sustainable and inclusive entrepreneurial success.

Agenda for Further Studies

The last decades have witnessed significant advancement in the discourses of UBEEs; meanwhile, a lot of grounds remain uncovered. First, the causalities of ecosystem attributes within universities have not been significantly clarified. Second, the nature of interactions among ecosystem actors that produce entrepreneurial outputs in universities has not been consolidated in the literature. As a matter of fact, studies on interactions within ecosystems in general still remain sparse, with a few exceptions (Motoyama & Knowlton, 2016; Oladele et al., 2022). Core to the ecosystem concept is the nature and dynamics of their interactions, and this area needs further research. In addition, there are few studies establishing how universities can overcome deficits in relevant ecosystem attributes (Bedő et al., 2020). While there is no standard "recipe for success", guides on strategies to address deficits in certain attributes remain relevant. Finally, the question remains, how do UBEEs evolve? Literature has established that the EE concept evolves over time. What is unclear is the evolutionary process. In-depth studies into how different UBEEs have evolved over time can provide significant insights and contribute to our knowledge of UBEE evolution.

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Issues, Trends and Challenges of Entrepreneurship in East Africa: The Ugandan Experience

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Introduction

East Africa refers to the region of Africa that extends to the easternmost region of the continent. There are a total of twenty-one countries in East Africa. The most fascinating aspect of Eastern Africa is that this region of the African continent has so many different groups within the easternmost region of Africa. This area has been reported to have different sub-regions within the confines which include: (1) East African Community, (2) African Great Lakes Region, (3) Horn of Africa, (4) Central African Federation and (5) British East Africa Confederate. Uganda is

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part of the East African Community comprising Kenya, Burundi, Democratic Republic of Congo, Rwanda, Tanzania and South Sudan. It is also part of British East Africa Confederate (with Kenya, Tanzania and Zanzibar). Uganda is a landlocked country bordered to the North by South Sudan, to the east by Kenya, to the South by Tanzania and Rwanda and to the west by the Democratic Republic of Congo. It has a diverse landscape rich in wildlife and beautiful flora, encompassing the snowcapped Rwenzori Mountains and immense Lake Victoria (World Population Review Report, 2023).

Before the pandemic, East Africa already witnessed inequality, according to the 2022 Oxfam report, notwithstanding the growing economy, the richest 1% own 15.7%, 2.5 percentage points more than the 50% poorest citizens. The income disparity widened most in Burundi, Ethiopia and Somalia. Abject inequality in East Africa worsened partially due to COVID-19 effects, as by 2022, the richest 10% of East Africans have average earnings of 47% of pre-tax national income. Concurrently, the poorest 50% of citizens earn 13.3%, according to Oxfam. Furthermore, the pandemic has subjected many Africans to poverty with lagging economic activities. East Africa lost $15.7 billion in GDP in 2020 owing to unexpectedly low growth and working time reduced by 7.2%. This means 10 million full-time jobs disappeared, Oxfam reports. To make matters worse, locust infestations in 2020 took a heavy toll on food crops and livestock pastures. Given drought and flooding, East African citizens struggled with serious food insecurity, particularly rural and nomadic groups. East African governments were ill-prepared for COVID-19 and around the first half of 2021 access to health care was woefully inadequate. About 90% of the population lacked social protection and 80% barely enjoyed labor rights, according to Oxfam. Poverty in East Africa reached its peak as the authorities of many East African countries invested in service growing debts instead of the people, inducing massive debts and budget deficits (Oxfam Briefing Paper, 2020).

Uganda has one of the youngest population in the world with 78% below the age of 30 years, its GDP growth years before 2020 was 6.8% while in 2020 shrank to 3.1% due to the COVID-19 pandemic. Even as at this, years before COVID-19 young people accounted for 60% of the unemployed population (World Bank, 2020). Most Ugandans are self-employed with salaried workers accounting for only about 21.2% and of the total labor force and with close to a million people entering the labor force annually (ILO, 2019).

It's against the above background that entrepreneurial initiatives and programs become key to socioeconomic development of the region. Entrepreneurship has always been one of the techniques in solving financial and economic problems individuals and countries encounter on a daily basis. Countries have come up with ways to solve issues like unemployment, poverty, lack of education and others for economic growth through encouraging citizens and youth to embrace the advancement of technology and a culture of job creation and not job-seeking. As embracing new ways and products, knowledge on use and adoption is disseminated to societies through enhancing various forms of education. These forms can include but not limited to class learning or vocational/technical hands on learning of skills (Ayuo & Rono, 2012).

Most people have embraced entrepreneurship skills through experience and practice and its incorporation into the education system has recently been introduced. Skills are now being acquired and developed as students learn with the aim of being awarded an academic certificate. Once students graduate, it is assumed that the skills they have acquired sharpen their decision-making, problem-solving, risk determination, creativity and innovation. This in turn helps in contribution to economic growth and poverty reduction by contributing to reduction of unemployment (Jonah et al., 2016).

Countries worldwide have incorporated entrepreneurship in all levels of education with the hope of enhancing job creation and economic growth. (Charney & Liebegap, 2000; Thetsane, 2023) affirm that training in entrepreneurship aids improvement in technology, encouragement of innovation and production of successful businesses. Entrepreneurs with business experience have an impact on economic expansion and raise per capita income. New products and services that market the economy are championed through new trends and innovations as well as they are incorporated with digital tools, technological advancement, specialized skills and mobile businesses (Balaji, 2021).

In 2022 reported demographics show about 45% of the Ugandan population were 14 years and below, 53% were between 15 to 64 years and less than 2% being 65 years above (O'Neill, 2023). A 2013 Global Entrepreneurship Monitor report estimated 1.8 million informal firms house Uganda's budding youth entrepreneurs, well over two-thirds of young Ugandans (18–34) survive on less than USD 800 per year. On the other hand, a more recent United Nations Conference on Trade and Development (UNCTAD) report of 2022 states that Uganda's 1.1 million MSMEs account for 80% of the country's GDP and 90% of its private sector. A further 1.8 million informal businesses are run by women, youth and refugees. Through the National Development Plan III, over 75% of Ugandans aged 30 or below are youth and between 600,000 and 700,000 youth enter the job market annually, making job creation a big challenge and priority to the country.

Uganda's priorities change when new innovations, ideas and circumstances like pandemics threaten the economy. People get entrepreneurial visions where they discover ways of doing certain things irrespective of the hiccups ahead. Through innovation and risk taking, a vision to accomplish economic stability is developed. Uganda has come up with more than one vision which is known for their contribution to Sustainable Development Goals (SDGs), including SDG 1: Eradicating poverty; SDG 8: Promoting decent work and fostering economic growth and SDG 9: Industry, Innovation and Infrastructure: Generating employment and income through innovation. The introduction of several poverty alleviation programs, such as the *Rural Farmers Scheme* in the early 1990s, *Entandikwa* in the years leading up to 1996, *Bona Bagaggawale* in 2007, the *Youth Capital Venture*, which later evolved into the *Youth Livelihood Programme*, and the current *Emyooga*, which was introduced in October 2019 are just a few examples of initiatives to reduce poverty, and was known as Wealth and Job creation. It was one of the several government initiatives designed to move 68% of households from subsistence farming to market driven by outputs, all with the ultimate objective of promoting job creation and assisting households to raise their incomes. This project focuses on working with financially underprivileged Ugandans operating in particular business sectors, giving them both technical and financial support to increase the effectiveness of their projects and, as a result, increasing their revenues.

However, a Global Entrepreneurship Monitor report stated as at 2013, 6% of young business owners mention financial institutions as their source of funding, while another 89% of young entrepreneurs reported not receiving assistance from policies and programs intended to aid in the launch and expansion of their enterprises. This statistic has improved since then as Haider, 2018 asserts that as firms grow the less likely they are to perceive access to finance as their primary obstacle, an assertion supported by Njambi-Szlapka and Phiona in 2021. It's pertinent to note that cost of credit remains very high in Uganda with interest rates often over 30% and this has always been viewed as a deterrent to accessing credit (Mugume & Rubatsimbira, 2019). An update from The Global Entrepreneurship Monitor 2019/2020 report ranked Uganda as one of the most entrepreneurial countries in the world with 30% of Ugandans starting businesses annually. In the United States of America and Japan, that figure stands at 7% and 11%. This statistic shows that effort has been put into creating entrepreneurial awareness and support for new businesses to spring up. In addition, there is a focused effort in ensuring that young Ugandans who constitute a large part of the population are encouraged to become entrepreneurs. However, a number of issues and problems have come up as these programs are implemented and entrepreneurial initiatives developed to minimize economic loss and maximize income at household, village, community, district and country level, which has largely been the narrative over the last 20 years (Banga et al., 2021; Ministry of Finance, Planning & Economic Development, 2000; Balunywa, 2009).

Entrepreneurship and Innovation in Uganda

When one comes up with an idea and acts on it to provide a service to the public, then one is an entrepreneur. Entrepreneurship provides a diverse level of opportunities for innovation in businesses that improve wealth, deployment of human and social resources, skills and capabilities. Innovation in turn facilitates competitiveness and the growth of new opportunities and markets. The opportunities can be either or both internal and external with a distinction of perceptions of entrepreneurs. Over the years the adoption of the advancement of technology and relating it to the current market conditions triggers and impacts entrepreneurs to explore new and better opportunities for business growth (Cho & Linderman, 2020). Entrepreneurship is thus a combination of opportunity recognition, resource mobilization and risk taking as well as a heightened perception of opportunity that an entrepreneur has to execute one's goals (Foss & Klein, 2020).

A combination of new ways to come up with new products to attract new customers will entail the balance of organizational objectives with available resources, opportunities, market strategies skills and capabilities that gear toward future business viability. This kind of entrepreneurship is exploratory with characteristics like technical background, personality characteristics, academic qualifications and personal entrepreneur networks through collaborative efforts that contribute to sustained performance (Kabatunzi, 2022).

The culture of entrepreneurship creates an innovative culture that enables the development of new products, teamwork, creativity and open communication that enable an understanding of the importance of innovation. The process of generating new ideas, products and services through pro-activeness exposes an organization into taking a risk into investment with a likelihood of progress and success. Although risk is central to entrepreneurial performance, strategic orientation is very important in the decisions taken and driven by opportunity. This elevates strategic focus which in turn is associated with higher performance of innovations. It is important to relate the product with customer or consumer demands and expectations which involves knowledge sharing, adaptability to needs and collaborative networks aimed at improving the intended result. Leadership plays a crucial role in enhancing and transforming innovations by inspiring people, fostering a learning environment with divergent thinking that encourages innovation (Singh et al., 2021).

Through Uganda Government's Vision 2040 and the National Development Plan II, entrepreneurship and innovation have been supported with the theme "Growth, Employment, and Socio-economic Transformation for Prosperity." The National Development Plan III (NDP III 2020/21–2024/25) also focuses on private sector development and most importantly, the growth of innovations, micro, small and medium enterprises (MSMEs) accelerating Uganda's entrepreneurship and innovation culture. With the help of the named guiding policies, it is assumed that innovations in Uganda are more embraced not only among citizens but across the migrants and refugee groups (UNCTAD, 2023).

Digitalization and Entrepreneurial Practices in East Africa and Uganda

Employees are known to only continue to work in an environment that motivates them to perform at their best. Technology's usage of digital tools is now a requirement for every work environment to thrive because it provides a platform that enables carrying out a lot of tasks using minimal time and resources. Some of the clear examples include, like time spent moving from the work place to a bank for transactions vis a vie the use of a mobile applications; the use of communication not only by text but by social media (YouTube, TikTok), voice notes, blog podcasts and others Möbius and Wünsch (2020).

Entrepreneurs should be able to possess online competences like virtual assistance that can be used to perform tasks that are administrative and help digital marketing. This knowledge can then be used to focus on product positioning and marketing in order to serve consumers while maximizing profits (Balaji, 2021). This has however created a trend for entrepreneurs that work remotely and offering more professional and specialized services. Working remotely has also given other established business owners the option of employing some workers who do not need to be physically present thus saving money on utility bills like electricity and other overheads associated with office running. They can provide service at the convenience of the client by meeting them via digital tools (zoom, google meetings, etc.) and use of Machine Learning and Artificial

Intelligence. Artificial intelligence uses preset mode or sequential rules to perform simple tasks of knowing customers' preferences with the aim of improving on customer services (Balaji, 2021).

Although Balunwya (2009) says that many lowly developed countries have not benefitted from the advancement of technology due to sustainability aspects, citizens of the countries have tried to identify entrepreneurial opportunities that can be used to develop economically. Entrepreneurs have embraced competition and socialism with mixed economies to emphasize small businesses and informal sector where it is assumed that a number of entrepreneurs are.

Men and women have equally been motivated by entrepreneurship to band together and promote equity, fairness and organizational practices all around the world. Entrepreneurial education enhances people's lives by encouraging teamwork and the progress of the society, establishing good values and discouraging unethical behavior (Chowdhury et al., 2018). Uganda's poverty-reduction strategy highlighted that participation of various stakeholders is one of the strong ways entrepreneurs can embrace to achieve economic independence. They can rely on use of policy measures, sector plans and sustainable economic growth strategies as well as consultations with stakeholders (IMF, 2005) and this has remained and basically been the fulcrum for entrepreneurial engagement. The Ugandan entrepreneurship growth and developmental trajectory is largely based on the afore-mentioned and is based on its contribution to sustainable development goal 9 which is, "build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation." Through digital transformation, Uganda is assumed to grow a functioning and resilient digital infrastructure for every business to solve digital challenges, improve and promote innovative sustainable technologies and ensure access to digital information and financial markets even at grassroots level. This in turn creates jobs and ensures economically stable and prosperous societies.

The adoption of digitalization has led to tangible impact on economic growth across countries. The generation of information and communication products has directly contributed to increasing productivity and growth as well as support and adopt new environmental practices. In East

African countries, higher education institutions have embraced innovation and entrepreneurship as a mission and what communities use to encourage the integration of entrepreneurship into academic internship processes and engagement with businesses in those communities. A concentration and integration on the real business world scenarios outside of classrooms and university systems is proposed especially in Uganda (Amal et al., 2023).

Significance of Digitalization and Technology in Entrepreneurial Practice in Uganda

Businesses across the globe have been redefined by digital transformation through leveraging digital technologies that allow them to remain competitive in their respective markets. The incorporation of new human resource management practices and the upgrade of digital infrastructure have responded to the customer demands in new businesses, which means the human dimension has greatly contributed to any digitalization and transformation of businesses (Kraus et al., 2021). Authors like Verhoef et al. (2021) highlight that changing the role of managers and ensuring the adoption of new figures, like that of chief digital officers have demanded persons holding those positions to understand digitalization, set the formal context for a digital transformation and lead change.

The digital environments therefore redefine the responsibilities and activities of top managers, who need to be increasingly sensitive to digital technologies for proper managing of the changes brought about by their adoption. Understanding the critical role of digital managers in using the digital technologies and transforming the human resource into its adoption is a skill and talent demanded for its success. While many resource-based view studies assume that corporate resources will endure over time because of the acquired skill and talent, Fernandes et al. (2022) believe that the implementation of certain management best-practices can become a strategic resource that brings a real sustainable competitive advantage to firms. While these management best-practices are naturally context-specific, the identification of certain key activities in digital transformation processes has resulted in certain key managerial changes that fundamentally redefine the roles and responsibilities of digital leaders who include but not limited to chief technology officer, chief digital officer, chief transformation officer, digital innovation officer and head of digital strategy. These individuals, more than ever, take charge of driving real business change. They are expected to fully manage organizational structures and prioritize learning in a context where reskilling and upskilling have become strategically imperative.

Digital transformation creates a platform for organizations to transform their business models, organizational structure and operational processes with digital technologies where necessary but insufficient (Firk et al., 2021). The adoption of digital transformation does play a substantial and critical role in predicting the overall performance of a business. Specific aspects of digital tax adoption, such as perceived utility, information infrastructure, digital skills, and perceived usability, perceived usefulness and digital abilities are known to create a positive and significant influence on performance. It is therefore crucial to prioritize and promote digital adoption techniques, initiatives and training programs to improve the information infrastructure, digital skills and perceived usefulness among businesses. This is assumed to contribute to the increasing revenue for governments, which can be used to fund vital public services and infrastructure development, thus resulting in improved performance, improved tax compliance and fewer legal risks for businesses (Opiso et al., 2023).

In constrained business environments like those in Uganda, ICT, including digital platforms can help businesses overcome important barriers and grow. ICT fosters the growth of microenterprises by improving efficiency, coverage, reach and flexibility (Tang & Konde, 2020). ICTs can promote business growth by increasing efficiency and productivity through reduced needs for physical journeys to clients and customers (Foster et al., 2018). ICT enables information flows for enterprises and thus better management and monitoring of assets and workers. Agri-wallets, for instance, allow farmers to borrow and spend money digitally, saving on transport costs while improving security and efficiency (World Bank, 2021).

ICT tools help in building stronger networks between firms, hence enabling creative and innovative activities and thus, improving firms' interaction with the market by enhancing access, efficiency and coordination. Mobile phone use provides both access to market and information, enabling enterprises to select new markets, find customer bases and integrate businesses onto online platforms. It was observed in Uganda that real-time information on market prices allows business owners to make informed decisions about when to sell, limiting their risk of selling produce under value. Financial technologies like mobile money enhances these transactions by removing physical barriers such as distance. It also connects microenterprises with customers and coordinate value-chain activities, as well as improving operational efficiency in businesses and promoting development of cost-effective business models (Foster et al., 2018; Ilavarasan & Otieno, 2018).

ICT can assist in influencing behavioral and aspirational changes among microentrepreneurs as the use of ICT leads to a shift away from reactive, short-sighted and low-level aspirations about growing their business toward more information-based decision-making, planned coordination, skills learning with strategic thinking and business management and expansion (Tang & Konde, 2020). Digital platforms, in particular, remove previous gatekeepers and enable new types of businesses and innovations to form (Foster et al., 2018; World Bank, 2016). In Uganda and as observed in some other East African countries, the use of such platforms can improve access to resources, such as the leasing of equipment which young people cannot afford to buy, while also providing alternatives to credit scoring and facilitating access to better loan products for young people. The level of disruption through digital technologies and platforms, for traditional agricultural and other businesses, depends to a large extent on mobile access and level of internet penetration (World Bank, 2021).

Types of Digital Platforms Used by Entrepreneurs and Features

Broadcast media (TV and radio) helps with distribution of information and storytelling about the product and services. It's affordable but access requires a broadcast signal.

Feature phones are two-way communication which improves access to information and digital finance (i.e., mobile money). It has a low cost of acquisition but requires 2G cellular signal and mediated use through agents and brand ambassadors.

Internet-enabled devices are business tools which can be deployed through social media, serve as a sales system and provide interactive education. The cost of access may be a bit higher and requires 3G cellular service. Its availability is more in urban and peri-urban areas with higher literacy with mediated use through brand ambassadors, agents and extension officers (Mercy Corps & Mastercard Foundation, 2019).

Boosting Youth Entrepreneurship in East Africa

Over the past five years, The Youth to Youth Fund (Y2YF) has supported youth entrepreneurship at the community level across Tanzania, Uganda and Kenya. Local youth-led organizations have been awarded 149 grants to pilot and replicate innovative projects that help young people set up microenterprises in niche markets. The Fund is a scheme run by the Youth Employment Network, an interagency initiative of the International Labour Organization (ILO), the World Bank and the United Nations. Business leaders are far more positive than economists about the benefits of East African Community integration, its customs union as a first step in the process, as well as the wider integration under Common Market for Eastern and Southern Africa (COMESA). The larger economic players perceive long-term benefits in a progressively expanding regional market. Patterns of regional development are already emerging, including: Kenyan firms have successfully aligned to the lower protection afforded by the East African Community Common External Tariff (EAC CET) and fear that firms would not adjust to a 25% maximum CET, or would relocate to Tanzania or Uganda have not been realized (Ndukwe, 2023).

In addition, an intraregional division of labor is developing, which results in basic import-processing relocating to the coast to supply the hinterland. The final stages of import-processing (especially those bulky finished goods that involve high transportation costs) and natural resource-based activities are moving up-country and up-region, either within value chains of large companies or different segments located by firms in different countries. Trade in goods and services has already increased as service provision to Kenyans and Tanzanians is already important for Uganda (in education and in health). Kenya exports financial services, for example via the Kenya Commercial Bank and purchase and upgrading of local operators in Tanzania, Uganda and Sudan. Uganda hopes integration will help support its tourism potential through integration with established regional circuits. There are signs of a business culture oriented to making profits through economies of scale and not on protectionism (Ndukwe, 2023).

In 2020, the President of Uganda, H.E Yoweri Museveni in a bid to get youth to participate in entrepreneurial initiatives listed fish farming, shoe making, vegetable oil extraction and maize milling as the top areas for youth to engage in to get themselves out of poverty. He added that government has played its role of creating a number of initiatives aimed at giving youth loans and startup capital to get them out of poverty, but most of them are lazy and want free things. Thus, to transform and change this narrative the youth have to take more risks and be part of startup owners and new businesses. The president reemphasized that it is only with new businesses and youth participation in such initiatives that can lead to socioeconomic empowerment and development (Musinguzi, 2021).

Trends and Issues of Entrepreneurship in Uganda

Entrepreneurship programs have been identified and implemented in countries with the aim of empowering people economically. Training programs have been classified as those that can perverse unemployment especially among the youth for social and economic stability where not only governments but non-government organizations are working on. The success of entrepreneurship depends on the creation of business plans, communication, having managerial, financial skills and promoting interpersonal abilities. For entrepreneurship to succeed, having a business idea and materializing it into a business venture is one of the approaches that leads to success of a business. The idea is promoted by introducing new products into the market for social acceptance, creation of even better ideas and encouraging the youth to embrace them. This enhances job creation instead of job searching youth (Jonah et al, 2016).

Although Cordelia (2011) believes that entrepreneurs are made through experience, learning basic skills, being creative and using applications to start and having competent awareness, they can also be born entrepreneurs based on the current developments. For example, employing people with the right innovative ideas guarantees efficiency and productivity as well as growth and productivity.

In 2004, Biobele (2010) reported that Uganda was ranked the second-most entrepreneurial country in the world among the global entrepreneurship monitor (GEM) countries with a total entrepreneurial activity (TEA) index (31.6%) signifying that approximately 32 out of 100 Ugandan are engaged in some kind of entrepreneurial activity. This means that the citizens own various types of businesses and with some encouragement by the government, economic development is assumed to be guaranteed. It is unfortunate that more foreign investments are prioritized not only in Uganda but among many low developing countries instead of the citizens which weakens the local market. The reason as to why foreign investors are considered more is because most Ugandan entrepreneurs lack prerequisite traits for successful entrepreneurship which include risk taking, goal setting, accountability, leadership and financial skills. Other hindrances include lack of vital entrepreneurial traits and skills, environmental factors like manpower problems, organizational problems, technological problems, competition from expatriate and foreign made product and infrastructural problems (Biobele, 2010).

Silvio Manuel da Rocha (2018) suggests that entrepreneurship does not start at the stage of business development but rather at the positioning they put learners and opportunities given to both men and women. Opportunities can be through education where society is encouraged to help each other to acquire entrepreneur values and skills as they embrace technological advancement. The learners can also engage the community through games outside the education institutions that allow them to negotiate and acquire decision-making skills.

Over the past two decades, Uganda has been manifesting some of its agenda to fighting youth unemployment as one of the major development challenges. This has put emphasis on the policy environment surrounding youth entrepreneurship. Suggestions from both the World Bank and International Monetary Fund (IMF) included the re-aligning of exchange rates, liberalizing the market and downsizing public services which left many unemployed thus forcing them to become entrepreneurs especially in the agricultural sector. The levels of entrepreneurial activity (TEA) in the agricultural sector were better in the Western Region because of the relatively better infrastructure followed by the central region and less in the eastern region. Many youth were not involved in that sector but more in entrepreneurial dynamism and this channeled the growing policy focus on youth entrepreneurship. The alternate credit scoring, where agricultural entrepreneurs can record financial transactions and performance data, has also allowed young people build credit profiles without the need for collateral. Crowdfunding can also provide alternative sources of finance through connecting young business owners with potential investors, greater access to resources and knowledge, including awareness of government support, tools and customer knowledge, which improves market participation (Blattman et al., 2014).

Entrepreneurial Policies and Frameworks in Uganda

Uganda has a variety of well-developed policies and plans that specify actions to be taken to encourage the expansion of entrepreneurship and Micro, Small and Medium-sized Enterprises (MSMEs). The 2001 National Youth Policy emphasizes employment creation and highlights the importance of entrepreneurship (IYF, 2011). The Peace, Recovery and Development Plan for Northern Uganda (2007–2010) included a youth entrepreneurship component through the Northern Ugandan Social Action Fund provided cash transfers to young people. They were encouraged to organize themselves into groups of 15–25 and submit grant proposals for purchasing skills training, tools and other materials required to start a business. Successful groups received a lump-sum cash transfer and were not subject to supervision. Follow-up surveys of the participants two and four years later found that their incomes had increased significantly (Blattman et al., 2014).

The Youth Entrepreneurship Facility by the Africa Commission, implemented by the Youth Employment Network and the International Labour Organization (ILO) between 2010 and 2014 in Uganda and Kenya provided a competitive grant scheme where groups came up with project ideas and the most innovative ones received a grant and basic business training to help them implement their project and test the viability of their ideas. The National Development Plan of Uganda (2010–2015), as one of the policies emphasizes the need for quality education and entrepreneurial skills which creates a foundation for the establishment of startup businesses, developing incubation programs, providing seed capital and motivation to startup businesses (Uganda National Planning Authority, 2010). The 2011 National Employment Policy also highlights youth employment as a policy priority area. The Skilling Uganda Programme (2011–2020) emphasizes the use of the existing technical and vocational education courses to equip young people with employable skills. The Youth Venture Capital Fund launched in 2012 to support youth livelihood activities provided interest-free loans to youth groups of about 10–15 members, but was rejected by public criticism from its inception. The 2013 Youth

Livelihood Programme targeted out-of-school unemployed youth aged 18–30 by requesting a beneficiary to present a three-year work plan, have a permanent address and group membership of 10–15 members of which 30% must be female. Most of the policies and programs had an element of starting a business, acquiring financial aid and working in groups. The very many different programs had a relatively small scope with isolated interventions which the policies could not measure in terms of progress at a country-wide level. Some programs needed intense education and training which the government could not sustain (Namatovu et al., 2017).

The National Entrepreneurship and MSMEs Strategy (NES) takes a comprehensive approach, looking at various ways to create and foster synergies between the various parts of the National MSMEs Strategic Plan for the years 2016–2020, the 2015 MSMEs Policy of Uganda and the Entrepreneurship Policy Framework (EPF) of the United Nations Conference on Trade and Development (UNCTAD). This strategy corresponds with the National Development Plan for Uganda for 2020/21–2024/25 (NDP III), among other references, and integrates crucial aspects of entrepreneurship into the pre-existing papers intended to support private sector progress (UNCTAD, 2023).

Issues on Regulatory Reforms

Existing regulatory frameworks are often not appropriate for microentrepreneurs, and do not clearly benefit the smallest enterprises. However, there is a need to address some of the issues which arise from these frameworks: (1) Need to develop separate registration procedures for MSMEs and microenterprises with simplified procedures, lower fees and concrete benefits. (2) Include incentives and/or additional components to address barriers to growth, e.g., linkages to finance, government programs, contracts and land. (3) Associations of Informal Entrepreneurs: Associations have promised to provide representation, validity and increased engagement with the formal economy to even subsistence entrepreneurs. (4) Infrastructure Development/Market Formalization: Infrastructure projects are most successful when informal entrepreneurs, are included, through their organizations, in planning and management. (5) Include informal and women entrepreneurs in planning and management of market infrastructure programs (UNCTAD, 2023).

Other issues that arise may be viewed from different angles:

(1) National level: Ensure laws that do not discourage formation of associations of informal entrepreneurs or disadvantage them in representing their members and accessing finance or contracts. (2) Meso-level: Support umbrella organizations of informal entrepreneurs via linkages and dialogue with the formal sector and organizational development support. (3) Group-level: Provide associations with organizational development, management training, linkages to government and formal sector finance and contracts. (4) Individual level: Work through associations where relevant in programming for entrepreneurs.

In addition, the system has to develop management systems and institutions (not only physical infrastructure), promote Fair Trade: Fair Trade provides markets and better terms of trade to some, but demand in developing markets is irregular and has been declining for many products. Governments must advocate for lowering of tariffs in developed country markets on value-added products, develop domestic support and markets for Fair Trade and for Fair Trade products and support business development and leadership training for women in Fair Trade cooperatives. There is a need for the support for women engaged in Fair Trade to diversify economic activities and develop value-added products.

Policy guidelines and regulatory frameworks must assist in increasing productivity through providing enhanced business and technical training, mentoring, information and linkages to finance and government improves outcomes. Programs can be used to promote registration, support programs designed as growth-oriented. They must integrate linkages to government programs, other resources and access to finance into training and promote flexible programs which meet the schedules of adult working participants. Also, collaborate with local governments to ensure training fits local development needs, and with informal women entrepreneurs to ensure it is relevant. More so, they must support Local Economic Development and Dialogue: Local governments are key to implementation of policy toward informal enterprise, but are often not able to effectively engage informal enterprises. It must provide opportunities for municipal leaders to meet to share experience about the informal sector and create avenues for dialogue between local governments, associations of informal entrepreneurs and civil societies (UNCTAD, 2023).

Non-governmental Efforts in Entrepreneurial Development in East Africa

This is crystal clear in East Africa through the works of many NGOs but of particular reference here is that of Village Enterprise, a nonprofit utilizing entrepreneurship to fight poverty and helping to achieve the goal of entrepreneurship reducing poverty in East Africa. Village Enterprise has been working in East Africa and is expanding throughout sub-Saharan Africa. By 2030, the organization aims to have more than 20 million people on a sustainable path out of poverty. According to Village Enterprise a nonprofit organization which targets fighting extreme poverty in rural Africa through entrepreneurial programs. They see entrepreneurship as a cost-efficient and sustainable poverty-reduction method, which aims at arming Africans with skills to run their own business and form savings groups; the people can earn higher income and thus drive themselves out of poverty (Ajide & Dada, 2023).

To buttress part of the success story across East Africa, Uganda inclusive, the Borgen Project spoke with Nancy Chumo, Village Enterprise's Kenya country director, about the entrepreneurship-related programs regarding poverty alleviation. She said "*We have a proven solution – a model with five components*," she noted. "*First is defining the output and starting business savings groups. Then, participants take a three-month training before receiving seed capital from us for their business. After six months of mentorship, our participants graduate out of poverty.*" Furthermore, "*we have noticed the entrepreneurs lead a happier and healthier life because we not only provide those living on less than $1.90 each day cash transfers, training and mentorship but savings groups as a safety net against financial shocks*," Nancy added. "*The ultra-poor have nothing to offer as collateral, but with savings groups, they could guarantee loans using their savings and thrive in their enterprises.*" "COVID-19 and the Ukraine crisis have made our work even more important than ever," said Nancy. Village Enterprise Development Impact Bond, a funding program partnered with various private sectors to improve low-income communities, surpassed its targets despite the pandemic (Ajide & Dada, 2023).

With the outcomes calculated by ID insight from 2017 to 2021, the impact bond had positive and sustained growths in household expenses and net wealth—more than $21 million in projected lifetime household income. In total, the development impact bond transformed the lives of 95,000 East Africans (70,000 women and children) and saved them from COVID-19's economic effects. "*Our entrepreneurs can adjust to the negative impacts of COVID-19, the Ukraine crisis, climate change and even future crises. They have overcome adversity through bouncing back from the loans they take from their savings groups and the skills adopted in our programs. For example, if there is a drought, they will discard livestock to mitigate risks. Or they will take loans and restock products if they foresee scarcity. Thus, they have progressed amid crises*" (Ajide & Dada, 2023).

Various governments have new strategies to remedy debts and deficits, with nine East African nations aiming to minimize public expenses by $4.7 billion from 2022 to 2026. The plans promise a reduction in inequality and poverty in East Africa. However, there are several programs that have been initiated in Uganda aimed at improving entrepreneurial participation and accelerating entrepreneurship growth and funding. One of such is the Next Innovation with Japan (NINJA) Accelerator Uganda program, meant to take existing high growth startups to the next level of business growth. The program was to attract investment worth US$0.5 m that will be implemented by The Innovation Village, Hive Collab and Outbox consortium, the program was launched on August 6, 2021 and has since attracted a few high-profile startups in Uganda (UNCDF, 2021).

The Ukraine crisis is extending inequality and poverty in East Africa and Africa. The war has threatened global food security and the supply chain. Nations in East, West, Middle and Southern Africa heavily rely on Russia and Ukraine for an enormous proportion of staples like wheat, vegetable and oil imports. Consequently, the conflict has disrupted trade flows to Africa, increasing already high food and fuel prices in the region. *"Many countries in Africa were already in a food crisis," noted Lena Simet,* *a senior researcher into inequality and poverty for Human Rights Watch, talking to Vatican Radio on May 2, 2022. "Rising prices are compounding the plight of millions of people thrown into poverty by the COVID-19 pandemic, requiring urgent action by governments and the international community."* African countries were recovering from COVID-19, yet the Ukraine crisis got in the way. It is statements like this that has made many NGOs continue to target their programs and focus on entrepreneurship as a means of improving lives and livelihoods on the African continent.

Challenges of Entrepreneurship in Uganda

Given the absence of a national social security system which works for many indigents across Africa, many wealthy Africans have a social duty and a times seen as a moral obligation to support their less fortunate relatives financially through cash transfers and inefficient family employment arrangements. We create an entrepreneurial decision-making model that takes into account this restriction on social redistribution. Using this approach, we can predict how enterprises run by entrepreneurs of African descent will fare in terms of hiring practices, productivity and profitability when compared to those run by entrepreneurs of non-African descent. Everything else is equal, local firms usually have more staff than needed and less productive than firms owned by foreigners, which has been a discouraging factor for local entrepreneurship. The Ugandan scenario is not much different from what has been highlighted above and represents the general trend across Africa where small businesses are unable to be as disciplined in staffing and financial prudence due to social and societal pressures (Alby et al., 2020).

It is important to understand the challenges faced by entrepreneurs at the different stages and levels of economic development. As much as entrepreneurship is used as a pathway to improve economic independence, it has been known to have or create some challenges. New technology is sometimes quite hard for people to catch up with when new ways and techniques are being developed by competitors especially in businesses. Sometimes it gets hard to innovate when rules and regulations set up by governing bodies are quite many and bureaucratic red tapes keep emerging. Many keep hiring consultants to have a job done without learning the concepts thus making skills adoption hard to monitor. Numerous startups are opting to enlist the expertise of a consultant to address these aspects, rather than attempting to comprehend the intricacies on their own and develop inbuilt solutions. Maintaining a reputation is tough when end users of a product can air out their views and opinions anytime openly, understanding that misinterpretations can actually cause an economic meltdown (Balaji, 2021).

Searching for and creatively developing an idea as a challenge has slowed down entrepreneurs from being able to come up with opportunities; it often appears as disrupt innovation is easy but reality has shown that sustaining an innovative idea is easier said than done. It requires a novice entrepreneur to have both artistic sensitivity and innovative capabilities in the right environment. For instance, business people are expected to foresee and forecast the future since it is crucial for them to do so in order to avoid becoming obsolete. Raising capital and finding the right business location as a challenge can limit collaborations and external investments especially if the entrepreneur is new on market. Investors are skeptical and wouldn't want to gamble with investing in one whose work isn't tried and tested in the market. This makes dealing with competition an obvious problem where an entrepreneur should ensure that they are market relevant by finding consistent customers (Yi et al., 2019).

A study carried out by Biobele (2009) highlights that in Uganda entrepreneurs face a lot of challenges some of which include: the lack of sincerity, innovativeness, business acumen, a predisposition for taking risks and efficient management are classical examples of entrepreneurial attributes lacked by Ugandan business owners. Lack of trustworthy business connections, a lack of cash, poor market patronage, competition and insufficient government backing are further issues that hinder Ugandan businesses. Even when the government of Uganda initiates programs to encourage entrepreneurs to develop economically, this is a challenge. The poverty alleviation programs have encountered problems like bad management, poor accountability, high levels of dishonesty and corruption, parochial attitudes, inadequate staffing, competency and dedication, among others. These have slowed down the progress of the people at grassroots level thus slow or no economic acceleration. The above scenario has not improved much over years in Uganda even though the number of those in entrepreneurial initiatives has gone up significantly (Banga et al., 2021).

Turyahikayo in 2015 opined that SMEs in Uganda face serious detriments in their abilities to raise and access capital. Such challenges include collateral issues leading to difficulties in securing loans; dearth and understanding of information available; poor technical and management skills; lack of prerequisite competence; competition; inability to afford long-term financing options among others. Friederike (2005) stated on one hand that one of the ways to reduce the effect of these challenges is to create a forum that enables all old and new entrepreneurs to share knowledge and experiences on their journey to economic development, here IT plays a critical role in creating a "digital virtual talk room". While on the other hand Turyahikayo (2015) suggests the development of social capital through networking; friendly policies on SME framework; efficient information management structures; and capacity building to improve management competencies as ways to coping with the challenges of entrepreneurship. In addition, entrepreneurs were encouraged to seek alternative sources of funding for businesses that are available to MSMEs which include; financial markets, long-term loan options, leasing and other distribution options.

Conclusion

Over the last two decades, there has been a reduction in poverty in East Africa thanks to strong economic growth. Nonetheless, few Africans gain financial stability, whereas many, specifically in rural areas, sorely lack necessities such as food and health care. Moreover, the economy in East Africa and Africa generally has yet to fully recover from COVID-19. Unfortunately, however, the Ukraine crisis is affecting it even more and this is compounding poverty among Africans. In this sense, entrepreneurship has manifested itself as a sustainable solution to poverty (UNCDF, 2021).

Being an entrepreneur in Uganda entails having a goal that aims at causing change or disruptive innovation to satisfy an end user whose satisfaction will help expand the need of the service or product to a wider audience. This means always having to come up with many innovative ways to improve the future. However, with the use of advancing technology, entrepreneurship can be used to improve economic independence. It is pertinent for entrepreneurs to have a fora where they can share knowledge and experiences on their journey to economic development and the sustenance of a functional “digital virtual talk room and entrepreneurship call center” becomes key for enquiries and sharing necessary information to startups and other ongoing ventures.

One of the obstacles faced by entrepreneurs, especially new ones, is developing viable business ideas and possessing the right focus and vision which can be addressed partly through organizing entrepreneurial fairs and capacity-building programs. In addition, many new businesses have challenges in raising funds for startup and locating the ideal site for a firm. Critical as it is, business owners must possess the right entrepreneurial orientation and capacity to navigate business successfully. Entrepreneurs in Uganda should consider being optimistic toward challenges faced and expand their ideas to as many potential investors as they possibly can, making crowdfunding a viable option for raising funds for a good business idea. The development of social networks remains a key mechanism that can assist and help SMEs to develop financing opportunities. Carrying out a simple baseline research to ascertain the target market and their expectations will help to analyze competitive products. Also, SME framework aimed at efficient information management structures and capacity building to improve management competencies are important areas that must be addressed.

Ugandans are positively aggressive and have a determined nature for entrepreneurship. With the right investment and partnership opportunities, we strongly believe Ugandans will be able to grow and scale up their businesses. Knowing the struggles these startups face, we must collaborate with one another and work together with the government, private sector, investors and customers for whom we are innovating. Let’s put in place incentives for startups to thrive, good regulatory frameworks, encouraging policies that are gender-sensitive, facilitate one another to refine their business model, tackle the actual market challenges, put in place the right teams of expertise to grow cash flow and raise capital.

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15

The State of Sustainable Entrepreneurship in Nigeria

Oluwatimileyin Helen Adigun, Johnson Laosebikan, and Seun Oladele

Introduction

Nigeria, the most populous country in Africa with the largest economy, suffers from severe socio-economic and environmental issues (Olateju et al., 2020). Pursuing sustainable entrepreneurship is crucial to dealing with these challenges and issues. Sustainable entrepreneurship addresses economic, social and environmental objectives through solutions provided by creating and managing businesses that prioritize these objectives (Lotfi et al., 2018). The value of sustainable entrepreneurship in Nigeria cannot be overstated as the nation grapples with challenges such as inequality, unemployment, poverty, environmental

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degradation and inadequate infrastructure (Iheanachor, 2021). Traditional entrepreneurship in Nigeria has been solely driven by financial gain, disregarding the larger environmental and societal impact. Due to this, unsustainable practices have prevailed, escalating the difficulties in sustainable development.

Sustainable entrepreneurship addresses these challenges by incorporating environmental and social concerns into entrepreneurial activities and practices (Aghelie et al., 2016). Nigeria presents a unique setting for analyzing sustainable entrepreneurship due to its diversified economic sectors and vibrant entrepreneurial culture. Government regulations, cultural norms, resource accessibility, technology breakthroughs and the socio-economic status of the nation's population all impact this setting. By fostering innovation and the promotion of more responsible business practices, sustainable entrepreneurship has the potential to drive sustainable development (Muñoz & Cohen, 2018).

Despite the established importance and growing recognition of the significance of sustainable entrepreneurship, there is still much to explore about its specific status and dynamics in Nigeria (Olateju et al., 2020). While previous research has delved into entrepreneurship and sustainable development, a research gap exists concerning Nigeria's landscape of sustainable entrepreneurship. This gap includes understanding Nigeria's challenges, opportunities and potential contributions to development (Lawal et al., 2016). It is essential for policymakers, entrepreneurs, investors and other stakeholders involved in fostering development to comprehend the state of sustainable entrepreneurship in Nigeria. By identifying gaps and areas for improvement, this research aims to enhance the knowledge base and provide guidance for interventions and policies that can bolster the role of sustainable entrepreneurship on Nigeria's development agenda.

Nigeria is an intriguing case for examining sustainable entrepreneurship due to its economic sectors and flourishing entrepreneurial culture (Osho & Adishi, 2019). This context is shaped by factors such as government policies, cultural norms, access to resources, technological advancements and socio-economic conditions within the population. The present study aims to bridge this research gap by conducting a literature review on the status of entrepreneurship in Nigeria. This research will shed light on the challenges and opportunities associated with entrepreneurship in Nigeria by synthesizing existing literature. Moreover, this study aims to learn from the experiences of established nations in promoting entrepreneurship. The ultimate goal is to offer suggestions for Nigeria's journey in cultivating an influential sustainable entrepreneurship ecosystem and contribute to the conversation on development and entrepreneurship within the country.

Methods

This section describes how the literature review was conducted. A literature review can be carried out as a narrative, descriptive/mapping or scoping review. This study, however, adopts the descriptive method. A descriptive review is a methodical way to locate, gather and assess a body of literature on a certain phenomenon to uncover any observable patterns or trends (Etim & Iwu, 2019). The writers' ability to meticulously collect information from a body of literature representing a diversity of opinions is the strength of this type of review (Paré et al., 2015).

The review began by collecting documents, mainly journal articles, book sections and conference papers. Due to its comprehensive coverage, Google Scholar served as the primary database, as local databases might lack substantial coverage of sustainable entrepreneurship in Nigeria. The review emphasized sourcing articles directly relevant to sustainable entrepreneurship, employing keywords like 'sustainable entrepreneurship,' 'sustainable entrepreneurship in Nigeria' and 'sustainable development.' The documents were then categorized based on the study's focus: the state of sustainable entrepreneurship in Nigeria and sustainable entrepreneurship challenges and opportunities in Nigeria according to the study objectives. Screening methods involved evaluating titles, abstracts and full texts against the study focus. Data encompassed key findings, methodologies and theoretical frameworks from these sources. Therefore, this review will encompass the following sections: sustainable entrepreneurship, sustainable development goals, the current state of entrepreneurship in Nigeria, best practices from developed countries, recommendations, implications and a conclusion.

Concepts

Sustainable Entrepreneurship

The issues surrounding businesses' environmental and social roles are not new and have been debated since the last century. Many scientists, for example, believe that the planet's current economic activity cannot be physically sustained for much longer (World Resources Institute, 2005). However, in the last decade, there has been an exponential increase in the desire to understand the true impact and value of businesses on society. Some authors speak of an economic paradigm shift (Pigou, 1932). The traditional definition of value creation in terms of economic profit has been expanded to include non-economic gains (Norton, 1993). Following this line of thought, many researchers have focused on the relationship between sustainable development and entrepreneurship (Cohen & Winn, 2007; Gibbs, 2009; O'Neill Jr et al., 2009). Sustainable entrepreneurship is now a mainstream concept that began with sustainable management and entrepreneurial initiative and has attracted the attention of researchers from a wide range of academic backgrounds and perspectives in recent years (Binder & Belz, 2015; Thompson et al., 2011).

Entrepreneurship is an important aspect of the economy, particularly in developing countries that this new economic trend, the green economy, will impact. As a result of environmental degradation and harmful pollutant emissions into the environment, which frequently has an impact on ecosystems and biodiversity, in its conferences and events on environmental issues, the United Nations has emphasized the importance of countries being environmentally conscious through the green economy (United Nations, 2017). In response to these concerns, sustainable entrepreneurship was coined. As a result of environmental degradation, harmful pollutants emitted into the environment, which frequently affects ecosystems and biodiversity and the need for business enterprises to be environmentally conscious, sustainable entrepreneurship arose. (Olateju et al., 2020). Sustainable entrepreneurship seeks to address the need for long-term development. It entails the act of conducting business with the goal of not only making a profit but also positively impacting the environment and people. It addresses economic, social and environmental needs in contrast to conventional/traditional entrepreneurship based on economic needs (Olateju et al., 2020).

Initially, research on sustainable entrepreneurship focused primarily on entrepreneurial activity and its relationship to environmental problems and solutions (Robin & Elkington, 1999). Gradually, the term evolved to a broader approach more akin to the triple-bottom-line perspective discussed by Elkington in 1997 (Hall et al., 2012). Companies needed to be aware of their activity impact from an environmental and social point of view, not only using an economic lens. As a result, sustainable entrepreneurship has received a great deal of attention from various research domains, such as social entrepreneurship (Giones et al., 2020) and environmental management research (Giones et al., 2020), resulting in a wide range of definitions (Table 15.1).

According to Sarango-Lalangui et al. (2018), two major perspectives exist on sustainable entrepreneurship. On the one hand, academics believe any entrepreneurial activity should be subordinated to the relationship between sustainable entrepreneurship and the triple bottom line. Their findings are primarily published in journals of sustainable management (Parrish & Foxon, 2010). These authors emphasize the link between sustainable development and entrepreneurship, stating that the main activities performed in their environments, impact evaluation, goal achievement, transparent communication of results, and they must be oriented to the satisfaction of people's vital needs by applying the concept of creative destruction (Olateju et al., 2020).

Supporters of the concept of the triple bottom line with a perspective of entrepreneurial processes (Pacheco et al., 2010; Patzelt & Shepherd, 2011) emphasize the relationship that must exist between individuals and opportunities. As a result, entrepreneurs are acutely aware of their businesses' environmental impact, directly or indirectly (Anggadwita & Mustafid, 2014). This concept defines sustainable entrepreneurship as "the investigation of how future goods and services will be discovered, created, and exploited, by whom, and with what economic, psychological, social, and environmental consequence" (Cohen & Winn, 2007). This approach recognizes that long-term sustainable development is

Table 15.1 Selected definitions of sustainable entrepreneurship

Authors	Definitions
Watson et al. (2023)	"Contribution to sustainable development by seeking synergies between social, environmental and economic outcomes, turning market failures into commercial opportunities."
Shahid et al. (2023)	"The reconceptualization of entrepreneurship from merely being a wealth-generating activity to an endeavour that must also incorporate elements of social and environmental goodness in its mission."
Rosário et al. (2022, p. 9)	"The process of discovering, creating, and exploiting opportunities to produce goods and services while considering the potential environmental, social, economic, and psychological consequences."
Bischoff and Volkmann (2018)	"Venturing into business with a sustainability purpose by embedding sustainability into the firm's core business strategy and model to align ecological, social, and economic goals."
Muñoz and Cohen (2018, p. 6)	"Sustainable entrepreneurship contributes to solving societal and environmental problems through the realization of a successful business; uses economic goals as both means and ends; and integrates sustainable development into goal setting and organizational processes."
Urbaniec (2018, p. 1778)	"The types of business development practices that provide new opportunities for innovative corporate activities at the nexus of ecological and social issues."

(continued)

Table 15.1 (continued)

Authors	Definitions
Belz and Binder (2017)	"The recognition, development and exploitation of opportunities by individuals to bring into existence future goods and services with economic, social and ecological gains."
Lans et al. (2014, p. 37)	"A way of generating competitive advantage by identifying sustainability as new business opportunities, resulting in new and sustainable products, methods of production or ways of organizing business processes in a sustainable way."
Atiq and Karatas-Ozkan (2013)	"The procedure of immersing sustainability into an organization's operational strategy by adopting an opportunity-centred entrepreneurial approach."
Shepherd and Patzelt (2011, p. 137)	"Preservation of nature, life support, and community in the pursuit of perceived opportunities to bring into existence future products, processes, and services for gain, where gain is broadly construed to include economic and non-economic gains to individuals, the economy, and society."
Schaltegger and Wagner (2011, p. 38)	"An innovative, market-oriented and personality-driven form of creating economic and societal value through the breakthrough of environmentally or socially beneficial market or institutional innovations."
Patzelt and Shepherd (2011, p. 632)	"The discovery, creation, and exploitation of opportunities to create future goods and services that sustain the natural and social environment and provide development gain for others."

(continued)

Table 15.1 (continued)

Authors	Definitions
Hockerts and Wüstenhagen (2010, p. 482)	"The discovery and exploitation of economic opportunities through the generation of market disequilibria that initiate the transformation of a sector towards an environmentally and socially more sustainable state."
Pacheco et al. (2010, p. 58)	"The discovery, creation, evaluation, and exploitation of opportunities to create future goods and services consistent with sustainable development goals."
Kuckertz and Wagner (2010, p. 527)	"Entrepreneurial intentions towards an aim to manage a triple bottom line."
Parrish and Foxon (2010, p. 48)	"Entrepreneurial activities in which the central guiding purpose is to make a substantial contribution to sustainable development with the primary intention of contributing to improved environmental quality and social well-being in mutually supportive ways."
Tilley and Young (2009, p. 88)	"A holistic integration of economic, social and environmental entrepreneurship goals into an organization that is sustainable in its goal and sustainable in its form of wealth generation."
Dean and Mcmullen (2007, p. 58)	"The process of discovering, evaluating, and exploiting economic opportunities present in market failures which detract from sustainability, including those that are environmentally relevant."
Cohen and Winn (2007, p. 35)	"The examination of how opportunities to bring into existence 'future' goods and services are discovered, created, and exploited, by whom, and with what economic, psychological, social, and environmental consequences."

(continued)

Table 15.1 (continued)

Authors	Definitions
Katsikis and Kyrgidou (2007, p. 2)	"The teleological process aiming at achieving sustainable development by discovering, evaluating and exploiting opportunities and creating value that produces economic prosperity, social cohesion and environmental protection."
Crals and Vereeck (2005, p. 2)	"The continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce, their families, the local and global community as well as future generations."

Source Author's Compilation (2022)

the most important source of business opportunities and where potential entrepreneurs can find long-term business models. But across these approaches, the attention to the various stages of entrepreneurial opportunity: discovery, creation, evaluation and exploitation is a common feature (Hockerts & Wüstenhagen, 2010; Pacheco et al., 2010).

The first perspective appears to be more applicable in the Nigerian setting. Nigeria faces several environmental and social challenges that necessitate the need for sustainable development. As a result, emphasizing sustainability as an important aspect of business operations corresponds to solving these difficulties. This perspective recognizes that, even with minimal resources, these entrepreneurial businesses can significantly contribute to sustainability efforts. As a result, by prioritizing sustainable practices and innovations, businesses in Nigeria can generate positive social and environmental change while also pursuing economic success.

Sustainable entrepreneurship can create jobs, improve products and processes, establish new businesses, and change people's lives. It is about identifying opportunities and threats in the market and consciously analyzing corporate performance's social, economic and environmental impact on territories (Sarango-Lalangui et al., 2018). Sustainable entrepreneurship research is regarded as a distinct viewpoint that combines the creation of economic, social and environmental value with a general concern for the welfare of future generations. Many researchers consider an entrepreneurial activity sustainable when it integrates holistic economic, social and environmental goals that last over time and generate wealth for an organization to consider itself a sustainable development company (Gibbs, 2009; Schlage, 2006; Tilley & Young, 2009).

Sustainable Development Goals and Their Relevance to Entrepreneurship in Nigeria

The entrepreneurship and sustainable development goal relationship has become a pressing issue over recent years. This is because of entrepreneurship's potential solutions to address current challenges and contribute toward achieving sustainability (Lotfi et al., 2018). These challenges result from the abuse of natural resources, inadequate environmental protection and the detrimental effect of unsustainable practices (Gast et al., 2017). The 2030 agenda was created to address these concerns, encompassing 17 sustainable development goals aimed toward advancing different economic, social and environmental aspects (UN General Assembly, 2015).

The central theme of the SDGs is the need to shift the recent course of unsustainable development and move the world toward resilience and a more sustainable environment. To achieve this, the SDGs call for revolutionary and radical measures (UN General Assembly, 2015). Entrepreneurship plays a critical role in driving this shift (Giones et al., 2020; Klewitz & Hansen, 2014; Tilley & Young, 2009) as entrepreneurs can create and catalyze necessary changes through their impactful initiatives and innovative solutions. Entrepreneurship contributes to improved work environments, job prospects, compensations and incomes, which are all important elements toward achieving sustainable development goals (Schaltegger et al., 2018).

In the context of Nigeria, the SDGs are crucial. The SDGs provide a framework for aligning entrepreneurship activities with sustainability objectives. Therefore, achieving sustainable entrepreneurship in Nigeria can significantly contribute toward achieving sustainable development goals through the attainment of a balance between social, environmental and economic objectives (Binder & Belz, 2015). Focusing on improving sustainable entrepreneurship in Nigeria, particularly through small and medium-sized businesses (SMEs), can significantly improve the socio-economic position of the nation (Yakubu et al., 2022).

Entrepreneurs can address pressing social, environmental and economic challenges by incorporating sustainability principles into their business models. For instance, SDGs 1 and 8 can be pursued through projects that enhance working conditions, give people fair wages and open up possibilities through sustainable entrepreneurship activities (Schaltegger et al., 2018). SDG 7- Affordable and Clean energy can be pursued through entrepreneurial businesses focusing on renewable energy solutions such as solar or biomass energy. This provides gradual access to more clean, affordable and sustainable energy sources and contributes toward reducing the country's heavy reliance on fossil fuels (Binder & Belz, 2015).

In addition, sustainable entrepreneurship can address SDG 12—Responsible production and consumption by promoting creative business activities that promote recycling and minimize waste, encouraging sustainable production processes (Yakubu et al., 2022). Aligning entrepreneurial activities with SDG 13- Climate action can also aid the mitigation of the impacts of climate change in Nigeria through entrepreneurs' development of climate-friendly technologies, implementation of agricultural practices and engagement in initiatives to reduce greenhouse gas emissions (Binder & Belz, 2015). Through adopting circular economy principles, Nigerian entrepreneurs can contribute toward fostering more sustainable consumption patterns, reducing resource depletion and minimizing environmental pollution.

Therefore, the SDGs act as a comprehensive framework for entrepreneurship in Nigeria toward addressing unsustainability challenges. By embracing sustainable entrepreneurship practices, entrepreneurs can help to achieve the SDGs that support social advancement, economic development and the preservation of the environment. The alignment of entrepreneurship and the SDGs can pave the way for revolutionary change and a more sustainable future for Nigeria.

Overview of the Current State of Entrepreneurship in Nigeria

The current state of entrepreneurship in Nigeria, especially concerning entrepreneurship, is a fascinating and researched topic. Many studies have explored aspects of entrepreneurship in the country, shedding light on key factors driving its growth and challenges. The major themes used in this study, which were predetermined based on the objectives, are sustainable entrepreneurship in Nigeria, barriers to sustainable entrepreneurship and Opportunities for its adoption. Each of these major themes will be explored in the sections below, considering subthemes where applicable. Lastly, the last section will provide some successful case illustrations of sustainable entrepreneurship in Nigeria.

Sustainable Entrepreneurship in Nigeria

Under the first major theme, sustainable entrepreneurship, the subthemes identified focus on the educational perspective, and the role of government, media and access to information in sustainable entrepreneurship.

Education and Sustainable Entrepreneurship

Most of the studies found have focused on the educational perspective, looking at the role of education in sustainable entrepreneurship. For instance, a recent study conducted by Agu (2021) delved into what motivates university students in Nigeria to pursue sustainability endeavors. They found that attitudes and a willingness to take action significantly influence students' inclination toward entrepreneurship, emphasizing the importance of fostering a mindset and encouraging behavior to promote sustainable business ventures' development.

In support of this stance, from one aspect of the sustainable entrepreneurial dimensions: social, environmental and economic, Adewumi and Naidoo (2022) highlighted the significance of incorporating social entrepreneurship education into students' learning experiences to develop their skills and mindset, stating that education plays a role in nurturing entrepreneurship. They emphasized the importance of integrating entrepreneurship education across all levels of schooling, from primary to tertiary, so that future generations of entrepreneurs are equipped with the knowledge and tools to establish businesses.

The Role of Government, Media and Access to Information and Sustainable Entrepreneurship

Another perspective has explored the role of government, media and access to information in encouraging sustainable entrepreneurship. Omeje et al. (2020) emphasized the need for assistance with streamlined licensing processes and tax incentives to encourage entrepreneurship in the country, as the role of government support in fostering entrepreneurship within Nigeria cannot be underestimated. Yakubu et al. (2022) also highlighted the importance of having access to media and the Internet for developing entrepreneurship in Nigeria's food industry. It was stated that it is essential for aspiring entrepreneurs to have access to information and digital resources that keep them updated on practices, market trends and innovative opportunities.

This presents a nascent field for the study of sustainable entrepreneurship with limited empirical studies (Olateju et al., 2020). Nevertheless, Nigeria has made some progress in incorporating entrepreneurship, but there are still challenges to overcome. The limited availability of literature on entrepreneurship education (Atiase et al., 2018) and the lower adoption of sustainable entrepreneurship compared to more advanced countries present obstacles. Additional factors are barriers to the adoption of sustainable entrepreneurship. Nevertheless, Nigeria's current state of entrepreneurship shows promise as researchers and policymakers actively explore ways to encourage individuals' intentions toward entrepreneurial endeavors while creating an environment conducive to such ventures.

Barriers to the Adoption of Sustainable Entrepreneurship

This theme stands alone with no subthemes. This seems nascent, with very few studies addressing this area within the Nigerian context. Hence, a brief review from other contexts is presented first and then narrowed down to Nigeria.

When pursuing entrepreneurship, some obstacles impede progress and hinder success (D'Amato et al., 2022). These obstacles encompass structural aspects, including policies, behaviors, regulations, market issues and financial concerns. Audretsch et al. (2021) have categorized these barriers as external factors. Internal barriers may arise from the beliefs and actions of management or individuals within the company itself. On the other hand, external factors involve competitors, customers and governmental entities. As such, overcoming these barriers requires an approach that addresses policy frameworks and societal norms to create an environment that fosters entrepreneurship (Efobi et al., 2018).

Additionally, transitioning from entrepreneurship to conscious practices often demands additional investments in eco-friendly technologies and processes, posing a cost challenge for entrepreneurs (Veleva, 2021). While these investments offer long-term benefits such as reduced impact and cost savings, the initial hurdles they present can be overwhelming for entrepreneurs (Veleva, 2021). Therefore, securing funding and gaining access to capital is crucial in overcoming this challenge while promoting business practices.

Within the Nigerian context, a major barrier entrepreneurs face is customer and business owners' awareness of green/sustainable products and practices. Other barriers identified include cultural and structural barriers and the potential cost of incorporating sustainability (Olateju et al., 2020; Veleva, 2021). Promoting education and awareness was recognized as crucial to bridging the knowledge gap and creating demand for products and services. As entrepreneurs shift from conventional to sustainable entrepreneurship, training and building capacity to effectively implement eco-friendly solutions might be required. Education might be required to provide training and skill development for sustainable, successful ventures that positively impact society and the environment

(Lawal et al., 2016). Therefore, a working system of collaboration among necessary stakeholders to address these challenges will foster an ecosystem that supports entrepreneurship and leads to social and environmental outcomes in the region.

Opportunities for Sustainable Entrepreneurship

Similar to Sect. 4.2, this theme reviews opportunities for sustainable entrepreneurship generally and then presents its application to Nigeria.

Sustainable entrepreneurship offers opportunities that align with the need to combat environmental degradation and pollution and enhance overall well-being. These prospects provide reasons for entrepreneurs in Nigeria to embrace business practices. One such opportunity is the ability to significantly reduce harmful emissions (Akpan & Akpan, 2012) and mitigate the environmental impact by adopting practices such as utilizing energy sources and implementing efficient waste management systems (Mahajan & Bandyopadhyay, 2021). Sustainable entrepreneurship enables businesses to be environmentally friendly by minimizing their carbon footprint and reducing pollution (Iheanachor, 2021; Veleva, 2021), benefitting the planet and enhancing the organization's reputation as a responsible and conscientious entity.

Secondly, sustainable entrepreneurship can prove cost-effective (Majid & Koe, 2012) through the recycling and upcycling of by-products and waste materials. The essence of upcycling is to repurpose waste into resources businesses can utilize for new products. As such, production costs can be reduced while decreasing the business's reliance on resources. This circular economy approach promotes resource efficiency and fosters long-term sustainability. Additionally, sustainable entrepreneurship presents the opportunity for competitive advantage (Hassan, 2021), as the distinctiveness of products and services can offer an advantage in the market. For instance, catering to environmentally conscious consumers by offering organic and eco-friendly products. Entrepreneurs who capitalize on this trend can establish a market presence while cultivating brand loyalty among eco-customers.

Another important prospect of sustainable entrepreneurship is the additional contribution of environmental and social benefits and financial gains compared to entrepreneurs solely focused on profit-making (Cortes & Lee, 2021; Veleva, 2021). This presents a greater impact of business operations on the environment, stakeholders and society, strengthening the organization's brand image, tending to environmentally conscious consumers and propelling change. Lastly, sustainable entrepreneurship promotes innovation and creativity (Shen et al., 2020). Sustainability entrepreneurs are more likely to discover business opportunities that result in developing innovative products and services due to their ability to adapt and innovate, giving them an edge over competitors and leading to long-term success and growth.

From this review, a major gap exists that could be addressed in future studies with very few studies looking in-depth at this aspect of sustainable entrepreneurship currently in Nigeria. Hence, sustainable entrepreneurship holds promise for entrepreneurs as it drives positive change, contributes to environmental preservation and improves the well-being of people and the planet. Embracing sustainability practices doesn't just benefit businesses; it also sets the stage for a sustainable and prosperous future for both Nigeria and the global community.

Successful Case Illustrations of Sustainable Entrepreneurship in Nigeria

Entrepreneurs are increasingly realizing the importance of addressing social challenges while also building impactful ventures. This section presents three entrepreneurial businesses in Nigeria that exemplify how innovative companies can contribute to environmental preservation, social development and economic growth. These businesses represent a range of industries, demonstrating the immense potential of sustainable entrepreneurship in driving meaningful change. We will delve into the success stories of three companies: Wecyclers, Rensource and SustyVibes, that have shown unwavering commitment to sustainability, creativity and social responsibility.

Wecyclers, a Lagos-based enterprise, has completely transformed waste management in communities by combining recycling practices with technology-driven solutions and active community involvement (Wecyclers, 2023). Wecyclers' sustainability practices include waste collection toward achieving SDG 11- Sustainable communities and cities. Wecyclers employs affordable cargo bikes to collect materials from households residing in low-income neighborhoods. Residents are encouraged to separate their recyclables from waste, and Wecyclers representatives visit assigned collection points to collect the materials. There is also an Incentive Program to encourage participation and foster behavioral change. Wecyclers rewards households with points based on the weight of the recyclables they contribute. These points can be exchanged for goods and services that benefit the participating communities. Lastly, Segregation and Recycling of Waste. Once collected, the recyclable materials are sorted, processed and sold to recycling companies. This contributes to the economy and helps alleviate pressure on natural resources. Through its model, Wecyclers has aided waste reduction and employed residents, leading toward achieving SDG goal 8- decent work and economic growth (Wecyclers, 2023).

Rensource is another organization that provides affordable electricity to small-scale businesses and households across Nigeria through its renewable energy initiatives (Rensource, 2023). Rensource installs and operates powered micro utilities in areas with limited access to the grid. These micro utilities provide customers with clean electricity, reducing their reliance on polluting diesel generators, leading toward achieving SDG 7- affordable and clean energy. Rensource also adopts an Energy-as-a-service model, which allows customers to pay for the electricity they use without investing upfront in panels or batteries. Thirdly, this organization assists its customers in optimizing energy usage through energy audits and efficiency measures, promoting energy consumption further, providing local businesses access to reliable electricity and reducing their dependence on expensive and environmentally harmful generators toward achieving the SDG goal 10- Reduced inequalities. These business owners can also make payments more suited to their convenience.

Lastly, SustyVibes is a media platform and social enterprise that has raised awareness among Nigerian youth and the wider public about sustainable living practices while driving positive behavioral changes (SustyVibes, 2023). SustyVibes' specific sustainability practices include Online Campaigns. SustyVibes harnesses its website, social media platforms and email newsletters to increase awareness about social issues. The platform engages its audience through campaigns that leave a lasting impact while motivating individuals to take action toward adopting practices. Secondly, Events. SustyVibes is dedicated to educating and empowering individuals through workshops, seminars and community events, contributing to achieving SDG 4- Quality Education. Their focus is on promoting choices in life. They collaborate with organizations, businesses and individuals to advocate for policy changes and collective action on sustainability issues. Through this, SustyVibes stimulates behavioral change through its campaigns and workshops by inspiring people to adopt sustainable practices, reduce waste and support environmentally friendly initiatives toward achieving SDG goal 13- Climate Action. They actively involve people in sustainability efforts, empowering them to make a difference in their communities and shaping policies prioritizing sustainability and environmental protection.

These businesses serve as examples that highlight how achievable sustainable entrepreneurship is and its significance in shaping a prosperous future for Nigeria.

Best Practices and Lessons Learned from Developed Countries

Sustainable entrepreneurship in developed nations has lessons and best practices that can guide countries, including Nigeria. Developed nations recognize the importance of commercial and social entrepreneurship in achieving development (Austin et al., 2006), which can be leveraged in Nigeria. Nigeria can promote entrepreneurship to foster progress at all levels by prioritizing profit-making ventures and positive environmental and societal impact.

According to Wagner and Schaltegger (2011), a framework positioning entrepreneurship within sustainability innovation can be helpful. This framework emphasizes using approaches to address goals and adapt to changing market conditions encompassing social and institutional entrepreneurship (Veleva, 2021; Wagner & Schaltegger, 2011). Implementing such a framework in Nigeria implies that managers can introduce sustainability innovation and drive entrepreneurship across different sectors. Another perspective explains that to implement entrepreneurship effectively, it is essential to understand its motivations (Hema & Venkatesh, 2019). Although, as Wagner and Schaltegger (2011) suggested, further research is necessary to expand existing models and refine our understanding of motivations in this field. But by uncovering the driving forces behind sustainable entrepreneurship (Neumann, 2020), practitioners and researchers can identify strategies that encourage sustainable practices in businesses and start-ups, ensuring their sustainability.

Incorporating social responsibility into the core business strategy is a lesson we've learned from developed nations (Hoi et al., 2018). Companies prioritizing sustainability establish environmental and societal goals, implement management systems and openly communicate their efforts to stakeholders (Wagner & Schaltegger, 2011). In Nigeria, businesses can adopt these practices to embed sustainability into their culture. This will create long-term value and contribute to the country's development agenda. In addition, collaboration and partnerships play a role in sustainable entrepreneurship in developed countries (Bischoff, 2021; Maroufkhani et al., 2018). Networking and ecosystems that bring together stakeholders such as businesses, government agencies, nonprofit organizations and academia encourage action toward sustainability objectives. These collaborations facilitate the sharing of knowledge and resource pooling, amplifying the impact and scalability of entrepreneurship initiatives (Bischoff, 2021). Nigeria can follow this approach by building partnerships and networks to address its sustainability challenges effectively.

Overall, developed countries have set an example for entrepreneurship by showcasing practices and lessons learned. Nigeria can draw inspiration from these experiences to shape its strategies and approaches by integrating sustainability into entrepreneurship and fostering collaborations toward sustainable development.

Recommendations: Adapting Best Practices from Developed Countries to the Nigerian Context

Adapting entrepreneurship practices from developed countries to the Nigerian context requires careful consideration of the unique socio-economic and cultural factors at play. While there are lessons to learn from developed countries, it is crucial to customize these practices according to Nigeria's needs and challenges. According to Audretsch and Keilbach (2004), there has been a shift in OECD countries from a managed economy to an entrepreneurial economy. This shift highlights the importance of small enterprises in driving growth and innovation. In Nigeria, this shift can be seen as an opportunity to promote entrepreneurship that addresses environmental challenges while fostering economic development.

To adapt entrepreneurship practices effectively, it is essential to compare the elements of the entrepreneurial economy with those of the managed economy (Audretsch & Keilbach, 2004). This analysis will help identify the trade-offs and challenges that need attention in Nigeria. For instance, Nigeria faces obstacles to access to finance, infrastructure and regulatory frameworks (Olateju et al., 2020). Adapting entrepreneurship practices should consider these challenges and develop strategies for overcoming them. For instance, a best practice recommendation is incorporating social and environmental aspects into the business strategy. Businesses can start small and incorporate sustainability through small additional acts such as contribution to society, proper recycling or emphasizing waste reduction, while openly communicating their efforts to necessary stakeholders.

Another crucial aspect is recognizing the role of government policies and support in nurturing entrepreneurship. The Nigerian government has much to gain by examining how developed countries create a regulatory environment and promote entrepreneurship education (Audretsch et al., 2021). By aligning its policies with development goals, Nigeria can establish an atmosphere for sustainable entrepreneurship to thrive.

Additionally, collaboration and partnerships are vital for the success of entrepreneurship initiatives. Nigeria can take inspiration from developed countries in terms of building networks and ecosystems that bring together stakeholders such as businesses, government agencies, non-profit organizations and academia (Arabi & Abdalla, 2020; Raimi & Yusuf, 2020; Veleva, 2021). These collaborations can facilitate sharing knowledge, pooling resources and collective action toward sustainability objectives. It is crucial, however, to consider the cultural aspects when adopting these entrepreneurship practices (Fellnhofer, 2017). Nigeria possesses a heritage and entrepreneurial spirit that can be utilized to drive sustainable entrepreneurship. Capitalizing on this to incorporate knowledge, traditions and values into entrepreneurship practices can enhance their relevance and acceptance within the Nigerian context.

Adapting entrepreneurship practices from developed countries to suit the Nigerian context necessitates an analysis of the unique challenges and opportunities. By considering the elements of an economy, addressing trade-offs, effectively aligning government policies accordingly, fostering collaboration among stakeholders and incorporating cultural factors into their strategies, Nigeria can develop its distinctive approaches to promote sustainable entrepreneurship while contributing to overall sustainable development.

Study Implications

The potential impact of entrepreneurship in Nigeria and its implications are significant due to its potential to positively influence practices and policy development. Firstly, entrepreneurs can use the insights from this study to make informed decisions about business models. By integrating social responsibility into their core business strategies, they can set goals for sustainability, adopt eco-friendly practices and report on their environmental and social impact. Additionally, understanding the motivations behind entrepreneurship can help entrepreneurs align their values and aspirations with sustainability objectives, resulting in businesses that contribute to the environment and society.

The implications of this study also extend to policymakers and regulatory bodies. The policy recommendations provided in this research offer a roadmap for creating frameworks that encourage entrepreneurship. Through implementing incentive programs, procurement policies and reporting requirements, the government can establish an environment that rewards businesses practicing sustainability while encouraging them to adopt responsible strategies. Collaboration with industry experts through partnerships can facilitate the sharing knowledge and resources, promoting innovative and sustainable entrepreneurial practices across various sectors.

Conclusion

This research on sustainable entrepreneurship in Nigeria has shed light on several important factors and trends. The country is witnessing a growing interest in sustainable entrepreneurship as entrepreneurs and stakeholders increasingly recognize the significance of taking social and environmental responsibility into account. It has also been found that to encourage sustainability practices, certain factors need to be paid attention such as what motivates individuals to engage in activities, the role of education in promoting such endeavors, as well as the main factors influencing sustainable entrepreneurship within specific industries. Furthermore, valuable lessons can be learned from developed nations that offer insights into practices and strategies which could be adapted or considered to suit Nigeria's circumstances.

Encouraging entrepreneurship in Nigeria holds immense potential for far-reaching implications and a significant impact on the country's development trajectory. Embracing sustainable business practices can contribute to preserving our natural surroundings by reducing pollution levels and preventing resource depletion. Sustainable entrepreneurship also presents opportunities for impacting by addressing societal challenges and contributing to inclusive economic growth. By incorporating sustainability into their business strategies, companies can enhance their reputation, attract consumers, gain an edge in global markets, stimulate job creation, empower local communities and foster innovation across various sectors.

The current state of entrepreneurship in Nigeria reflects an increasing recognition of the significance of social responsibility within business practices. However, policymakers need to prioritize creating an enabling environment. Equally important are collaboration and building networks among stakeholders, which will also encourage efforts and resource sharing, enhancing sustainable entrepreneurship's influence. Lastly, Nigeria can tap into the potential of sustainable entrepreneurship through further research and embracing successful approaches from developed nations, aiding a more sustainable and inclusive environment.

Suggestions for Further Research

Despite the progress in understanding sustainable entrepreneurship in Nigeria, there are still opportunities for further exploration. Future studies could delve into the challenges entrepreneurs face across various industries, especially those in emerging sectors. Examining the motivations and obstacles encountered by entrepreneurs who have transitioned to sustainable entrepreneurship practices would provide valuable insights for aspiring sustainable entrepreneurs. Moreover, research could focus on opportunities for sustainable entrepreneurship within Nigeria while exploring how sustainable entrepreneurship impacts communities and the environment through these opportunities. Thirdly, more studies need to examine the role of education, information and awareness of sustainable entrepreneurship toward expanding research in this area. Additionally, conducting studies that look in depth at case studies of existing sustainable entrepreneurship businesses would offer a deeper understanding of how they have combined the economic, social and environmental perspectives in Nigeria. Research conducted in these areas can inform policymakers, entrepreneurs and stakeholders alike, enabling them to develop strategies for promoting sustainable entrepreneurship throughout Nigeria.

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16

The Contemporary Constraints and Opportunities for Social Entrepreneurship in Sudan

Rola Al-Massalkhi

Introduction

The interest and enthusiasm for social entrepreneurship have reached a global spectrum due to its potential for meaningful change and sustainable impact (Mair, 2020). Social Entrepreneurship emerged as a global movement that inspires individuals and organisations to address social problems with entrepreneurial approaches (Alexander, 2023; Amariah & Murei, 2022; Roundy, 2019). It combines the resourcefulness of traditional enterprise with a boundless passion for a social purpose, effectively bridging the gap between financial sustainability and social impact. Social entrepreneurship blends elements of traditional commercial entrepreneurship with a focus on developing solutions to solve societal problems (Weerawardena & Mort, 2019). Therefore, social

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entrepreneurs' role in the Sudanese context transcends business profit, connecting intimately with societal gains.

Like many other developing countries, Sudan faces significant social entrepreneurship constraints, rooted in socio-political, economic, and infrastructural challenges. However, alongside these challenges lie untapped opportunities in demographics, cultural heritage, natural resources, and digital technology. The path towards exploiting these opportunities will remain difficult without the necessary socio-political reforms, economic support, and infrastructure development. However, the rewards that come with overcoming these challenges would greatly impact Sudan's socio-economic development and align with the global sustainable development goals (UNDP, 2019).

A considerable constraint faced by social entrepreneurs in Sudan is limited access to finance. With the Sudanese economic instability, funding is a critical component of sustainable entrepreneurial activities (Saebi et al., 2019). Scarce financial resources directly impact the initiation, scaling, and overall impact of social businesses. Socio-political instability presents another key constraint. Sudan, according to Paul and Wang (2021), has lived through decades of political turmoil that have impacted economic and infrastructural development, further affecting social entrepreneurship. This instability heavily influences the entrepreneurial ecosystem, impeding the growth of social enterprises. In addition, regulatory frameworks are inadequate and often hinder entrepreneurial activities (Islam & Nabi, 2019). The absence of clear policies supporting social entrepreneurship can hinder the evolution of such initiatives, leading to a lack of progress and impact.

Despite these constraints, Sudan presents several opportunities for social entrepreneurship. A key opportunity lies in its demographic landscape. Sudan, with a youthful population poised for a massive labour market explosion, has immense potential for social entrepreneurship (Chliova et al., 2021). Moreover, given Sudan's numerous societal and economic problems, there is a need for social entrepreneurial solutions. Bhattacharya (2022) argues that conditions of socio-economic disparity, educational gaps, and environmental issues stimulate social entrepreneurs to take the helm and generate beneficial solutions. Furthermore, initiatives on socio-economic inclusivity, good governance, and sustainability form international development agendas, especially within the UN Sustainable Development Goals, provide potential support platforms for social entrepreneurship in Sudan (Ahmed, 2021; Amariah & Murei, 2022; Arabi & Abdalla, 2020).

Against the above backdrop, this chapter examines the contemporary issues, challenges, and opportunities of social entrepreneurship. By exploring the various constraints across political, legal, social, economic, and environmental dimensions, the chapter sheds light on the impact each of these dimensions has on the enterprises and the success of social entrepreneurship. This chapter explains the current state of social entrepreneurship in Sudan. This chapter explores the various social entrepreneurship challenges in Sudan such as political instability, cultural factor, educational gap, and inadequate resources. Additionally, this chapter seeks to make a valuable contribution by presenting strategies for overcoming social entrepreneurship challenges and managerial implications in Sudan derived from a diverse range of scholarly sources.

Concept of Social Entrepreneurship

The fundamental premise of social entrepreneurship lies in launching enterprises whose primary objective is to ameliorate social problems. Nicholls and Collavo (2019) states that social entrepreneurship involves manufacturing innovative solutions for the betterment of society, rather than prioritising profitability. This idealistic notion of combining monetary gain and substantial societal contributions reflects a notable paradigm shift in the traditional business perspective (Amariah & Murei, 2022).

Besides, recent research has concentrated extensively on the multifarious drivers that motivate social entrepreneurs (Ahmed, 2021; Aladdin, 2020; Alexander, 2023; Amariah & Murei, 2022). Fauchart and Gruber (2020) classify entrepreneurs according to whether they are motivated by a desire for self-expression, utilitarian aims, or moral goals. The critical role of innovation in social entrepreneurship is also argued by Chandna (2022). Social entrepreneurs regularly utilise innovative approaches, such as leveraging technological breakthroughs, to address intricate social issues. However, the authors argue that this frequently involves heightening systemic complexities and can lead to unsustainable practices due to excessive reliance on innovation. Conscious of this critique, it is essential to balance innovative approaches with sustainability considerations to ensure the longevity of enterprises.

Additionally, social entrepreneurship's relationship with policy planning has become a focal point. The findings of Dacin et al. (2020) advocate for greater government intervention and incorporation of social entrepreneurship in policy decision-making. This would ensure that social entrepreneurial practices align with larger national and global developmental goals.

However, Roundy and Lyons (2023) critique of this point alludes to issues of dependency and compromise, suggesting that excessive policy intervention can detract from the flexibility and innovation that is central to social entrepreneurship. Social entrepreneurship appears to be a powerful stimulus for social change. Although it offers promise for societal empowerment, it is essential to remain aware of critiques and challenges, some reflected in the recent academic discourse. Social entrepreneurship's potential can be best realised when the enterprises themselves remain innovative, people-oriented, and ethical, and when they operate within socio-political structures that foster their growth rather than constrain their creativity.

Pioneers of social entrepreneurship, as stated by Santos et al. (2020), often espouse a multi-dimensional outlook, balancing the quest for financial gain while addressing societal needs. Many are characterised by their innovative approaches to addressing societal problems. They break traditional moulds and boundaries, leveraging creativity and enterprise to induce positive social change. For instance, microfinance institutions, which aim to alleviate poverty by providing financial services to the disadvantaged, are conventional examples of social entrepreneurship.

However, the concept also finds itself steeped in an ongoing debate and academic discourse. The question of what precisely constitutes social entrepreneurship remains a contested issue. Austin et al. (2021) argue for a broader notion of social entrepreneurship that includes all organisations pursuing a social mission using entrepreneurial methods. Conversely, Dacin et al. (2020) promote a more restricted definition, considering only those organisations that reinvest the majority of their profits for social benefit as social entrepreneurs.

The concept of social entrepreneurship also faces criticism for potentially commodifying social justice. Critics point out that in aligning social causes with market mechanisms, there exists the danger of prioritising profitability over social outcomes (Eikenberry, 2018). This criticism suggests that the quest for financial sustainability, a crucial aspect of social entrepreneurship, might overshadow the social mission, leading to mission drift.

However, the counter-narrative, as presented by Zahra et al. (2023), suggests that social entrepreneurship could contribute to a more inclusive and sustainable economy. It may also trigger systemic changes by fostering social innovation and stirring individual and collective action for positive social transformation. Therefore, the risk of potential commodification should not negate the fact that social entrepreneurship holds a strong promise of creating social impact when approached with balance and integrity. In terms of societal implications, social entrepreneurship represents a promising avenue to grapple with prevalent and emerging societal issues. It propels the unlocking of solutions for problems such as environmental degradation, inequality, and poverty (Amariah & Murei, 2022; Pedersen et al., 2022). It also fosters the development of inclusive markets, promoting social equity and environmental sustainability.

However, Sahasranamam et al. (2020) posit that for social entrepreneurship to effectively address societal problems, it must be supported by appropriate structures and frameworks. This includes having an enabling policy environment, access to patient capital, and robust impact assessment mechanisms. Without such support, social entrepreneurship's effectiveness in addressing societal problems may be significantly reduced.

A Critical Analysis of the Current State of Social Entrepreneurship in Sudan

According to Williams et al. (2023), social entrepreneurship has developed as a compelling response to social issues, utilising entrepreneurial principles to organise, create, and manage a venture that brings about societal change. Like in many developing countries, social entrepreneurship in Sudan is seen as a panacea for various socio-economic quandaries, providing opportunities for revenue growth, innovation, employment, and social impact (Arabi & Abdalla, 2020; Mair, 2020). The current state of social entrepreneurship in Sudan, caught in the complex interplay of socio-economic and political constraints, offers both challenges and opportunities. Sudan, a country experiencing multiple socio-economic challenges such as political instability, inequality, and poverty, presents an intriguing case study. Amariah and Murei (2022) argued that despite these issues, social entrepreneurship has been steadily unfolding as a critical development tool in Sudan. However, the journey towards a vibrant social entrepreneurship ecosystem in Sudan has been far from smooth. The inconsistent political climate, limited access to finance, inadequate infrastructure, and a lack of structured legal and regulatory frameworks continue to impede the progress and potential of social entrepreneurship (Steel, 2021).

Notwithstanding the constraints, numerous social enterprises have emerged, carving out successful models that address societal needs. For instance, Sudan's Dal Group has developed a social innovation lab that incorporates social entrepreneurship as a strategic approach towards corporate social responsibility, creating shared value in the agricultural sector (Brieger and De Clercq, 2019).

The socio-economic landscape of Sudan is characterised by multiple complexities stemming from decades-long political turmoils, economic sanctions, and civil wars. Yet, amidst these adversities, resiliency is observed in the country's entrepreneurial sector. The Centre for the Study of African Economies (CSAE) reported that Sudan has one of the largest numbers of start-ups in Africa (CSAE, 2020). Central to this growth is the burgeoning field of social entrepreneurship.

Understanding social entrepreneurship in Sudan requires a multi-level analysis which spans individual motivations, institutional interests, and governmental policy (Devine & Kiggundu, 2019; Semenova & Dowding, 2023). These components are interwoven to constitute Sudan's entrepreneurship ecosystem, highlighting the role of social innovation in fostering economic growth and social change.

At the individual level, social entrepreneurs in Sudan bridge the economic and social gap by innovating solutions to chronic issues such as poverty, education, health, and displacement. For instance, start-ups are leveraging local resources and digital technology to empower disadvantaged communities and youth, respectively (Krishnan et al., 2020). While other grassroots organisations are addressing the gender-entrepreneurship gap and transforming agriculture through e-commerce (Barnaba, 2023).

Institutionally, academic sources pinpoint an increasing interest in Sudanese social entrepreneurship among international organisations and donors. For instance, The United Nations Development Programme (UNDP) has provided funding and training platforms for local social enterprises (Citaristi, 2022a, 2022b). Moreover, the role of non-governmental organisations (NGOs) is pivotal, as they channel international funding into local entrepreneurial ventures, e.g. The Social Enterprise Project (SEP), supported by Save the Children-Sudan (Ismail & Kamariah, 2020). Macro-trends reveal an ongoing shift from sole reliance on traditional industries such as agriculture, oil, and gold to a more diversified economy emphasising entrepreneurship. This evolution is prominent in recent national policies. The National Entrepreneurship Strategy (2021–2027), as reported by the African Development Bank (AfDB), includes strengthening social entrepreneurship and promoting an innovative entrepreneurial ecosystem as its core objectives (Citaristi, 2022a, 2022b).

In the education sector, social enterprise 'Educate for Sudan' has hurdled socio-economic barriers to offer children, particularly girls, access to education, demonstrating the promising potential of social entrepreneurs to enact positive change in Sudanese society (Alexander, 2023; Etang et al., 2021). Nonetheless, for social entrepreneurship to unlock its full potential in Sudan, several systemic changes need to be made. Policymakers need to introduce and implement policies that create an enabling environment for social enterprises. This includes providing robust regulatory frameworks, nurturing entrepreneurial skills, constructing supportive infrastructure, and facilitating access to finance for socially inclined businesses (Suliman, 2023). Furthermore, fostering alliances among social enterprises, government bodies, donors, and the private sector can boost the sector's resilience and sustainability (Ahmad, 2020; Guma et al., 2019). Capacity-building institutions, such as incubators and accelerators, will also play a crucial role in nurturing the social entrepreneurial ecosystem in Sudan. Although social entrepreneurship has shown the potential to address societal issues, there is an urgent need to foster a more conducive environment for its growth and development. If adequately nurtured, social entrepreneurship can serve as a catalyst for positive, sustainable change, transforming Sudan's socio-economic landscape and aiding its journey towards long-term development.

Benefits of Social Entrepreneurship in Sudan

In the global context, social entrepreneurship has emerged as a pivotal instrument towards economic and social development (Chandna, 2022). Social entrepreneurship predominantly involves using business models and innovative strategies to solve pressing societal challenges (Klarin & Suseno, 2023). In Sudan, social entrepreneurship has been instrumental to the development of multiple sectors, with a particular focus on addressing societal challenges such as poverty, unemployment, and inequality. It is essential, though, to critically evaluate its effectiveness and to orient towards sources post-2019, thus ensuring that this perspective is current and relevant (Porter & Kramer, 2021).

One significant impact of social entrepreneurship in Sudan is its ability to promote economic inclusion, especially among marginalised sectors of society. Arabi and Abdalla (2020) acknowledged the contributions of social enterprises in Sudan, notably those focused on empowering women and youth, by providing them with resources and training to engage gainfully within the local economy. The social enterprise 'Project Sudan', launched in 2020, integrated hundreds of Sudanese women into the textile industry, amplifying the entrepreneurial spirit and economic productivity within this disenfranchised group (Arabi & Abdalla, 2020).

In terms of poverty alleviation, social entrepreneurship in Sudan has demonstrated considerable efficacy. The 'Sudan Social Development Organisation' (SUDO), with a focus on sustainable livelihood projects, has reportedly benefited many low-income Sudanese families (Frazzoli et al., 2023; Imarhiagbe et al., 2022). These projects involve capacity-building and vocational skills training, promoting self-sustainability, which ultimately supports poverty reduction in communities.

Moreover, social entrepreneurship in Sudan has spurred innovative solutions to numerous societal dilemmas, from education deficit to environmental degradation. For instance, Ummah Welfare Trust's digital teaching initiative has enhanced the quality of education in rural territories, while Green Belt Workshops and Recycling Works have embarked on ambitious reforestation tasks and waste recycling, respectively (Orlando et al., 2022; Schmiedeknecht, 2019).

Critics, however, raise valid concerns about the efficacy of social entrepreneurship in tackling systemic issues in their entirety. In a recent critique, Kamel (2021) emphasises that though social entrepreneurship has had a positive impact in Sudan, it is not a panacea for the deep-seated socio-economic problems and suggests that a combined effort of government reform, bigger business investment, and international aid is also needed to supplement the work of social enterprises. Moreover, the lack of financial services and supportive legislation, coupled with Sudan's unstable political environment, has imposed severe constraints on the scalability and sustainability of social entrepreneurship (Alabass et al., 2022).

Challenges of Social Entrepreneurships in Sudan

Sudan, despite its abundant resources and potential, is embroiled in several apparent difficulties that curb the growth of social entrepreneurship. An initial obstacle is an underdeveloped entrepreneurial ecosystem characterised by restrictions on business growth and innovation

(Hitayezu, 2021). This environment inadvertently discourages the pursuit of social entrepreneurship by making it an uphill battle for prospective entrepreneurs to successfully bring their ideas to fruition. According to Abdellatif and Elsheikh (2019), the principal barriers encompass political and economic instability, lack of access to financial resources, inadequate institutional support, restricted and cultural inhibitions.

Political Instability

The economic instability and high rates of inflation in Sudan further exacerbate the situation (Aladdin, 2020). As Sudan ranks among the countries with the world's highest inflation rates, this creates a volatile and precarious economic condition, thereby inhibiting sufficient capital accumulation necessary for entrepreneurial investing and risk-taking (World Bank, 2022).

Inadequate infrastructure is another significant hurdle social entrepreneurs in Sudan have to overcome. With limited access to stable electricity, reliable internet connectivity, and logistic infrastructures, entrepreneurs are often hard-pressed to effectively operate and scale their social venture (Abbas, 2019).

Entrepreneurs in Sudan also grapple with an intricate web of regulatory barriers, complicated by the lack of clearly defined and implemented policies related to business operations and entrepreneurship (Omer, 2022). The absence of favourable government policies and regulations is indicative of a lack of institutional commitment towards entrepreneurship in Sudan. This is coupled with widespread corruption that further obstructs entrepreneurial progress (Transparency International, 2023).

Access to Finance

Access to financial capital is a common barrier facing social entrepreneurs worldwide (Abdelkafi & Taupier, 2021). In Sudan's case, this is further exacerbated by the country's fragile banking system that offers limited resources and high interest rates, significantly impeding the funding of social entrepreneurial projects. In Sudan, access to finance for entrepreneurs, particularly social entrepreneurs, is a lingering concern. Banks and financial institutions traditionally exhibit reluctance in providing loans and financial services for start-ups due to inherent risks associated with new businesses (Ebrahim et al., 2020). As a result, this has created an environment where entrepreneurs are dissuaded from pursuing their innovative ideas due to lack of crucial funding.

Cultural Factor

Cultural factors also exert an enormous influence on social entrepreneurship in developing countries like Sudan. Ahmed and Altayab (2022) argue that Sudan's societal values and norms, being relatively traditional, can stifle innovation and risk-taking, both of which are fundamental to social entrepreneurship development. Social stigma and lack of societal support for entrepreneurship also pose significant obstacles. This is evident in Sudan, where societal norms lean towards secure government or private sector jobs, and entrepreneurial activities are often viewed as uncertain ventures and are hence less favoured (Mohamed, 2023).

Lack of Institutional Support

Institutional support is yet another crucial element in shaping and promoting social entrepreneurship. Irada and Khalil (2020) articulate that Sudan lacks institutional structures and resources to promote and support the social entrepreneurship sector. This lack of support manifests in the absence of a legal framework for social entrepreneurship, inadequate training and development programmes, and lack of transparent and objective procedures for funding and financial support.

Opportunities of Social Entrepreneurship in Sudan

Social entrepreneurship has evidently emerged as an essential facet of economic development in African societies, notably in Sudan. Due to a variety of societal challenges, Sudan's economic structure has necessitated the evolution and adoption of innovative business strategies, where social entrepreneurship plays a key role (UNDP, 2019). Despite the economic and political tumult, Sudan showcases significant potential for social entrepreneurship (World Bank, 2022). Sudan is endowed with numerous opportunities that present a favourable ground for social entrepreneurship. The first one lies in Sudan's demographic dividend. The country's young population forms a significant asset. The youth are typically innovative, and their potential could be harnessed for social entrepreneurship (Abdalla, 2020).

Cultural Heritage

Sudan's rich cultural heritage also offers opportunities for social entrepreneurship. Traditional arts and crafts, native to different regions of Sudan, could create social ventures rooted in preserving cultural heritage while providing income for communities (Bakhiet et al., 2023). Another opportunity is Sudan's fertile agricultural land and water resources that provide a foundation for social enterprises in organic farming, sustainable agriculture, and food production initiatives.

Combating Unemployment

One leading manifestation of social entrepreneurship in Sudan is in job creation. Witte (2020) posits that leveraging social entrepreneurial approaches could generate employment opportunities in local communities. This is particularly meaningful given the prevalent unemployment rates in Sudan (World Bank, 2022), underscoring the potential that social entrepreneurship has in stimulating the labour market and indirectly alleviating poverty. Sudan has an unemployment rate of 22.1%

(World Bank, 2022). By creating a new paradigm for business, social entrepreneurship fosters job creation, especially for marginalised populations, thus addressing this unemployment crisis (UNDP, 2019).

Also, social entrepreneurs target addressing societal problems and improving the quality of life in the process. Sudan has a particularly high incidence of poverty, with about 46.5% of the population living below the poverty line (World Bank, 2019). Social entrepreneurship ideologies place a goal to create value above profit-making and thus demonstrably contribute to poverty reduction (Mair & Marti, 2020).

Fostering Social Innovation Through Digital Technology

Another opportunity for social entrepreneurship in Sudan lies in fostering social innovation. Jacocks and Bell (2020) argue that social entrepreneurship can spur the development of unique products, services, and models that address complex social issues effectively. Sudan, grappling with challenges in healthcare, education, and water access (World Bank, 2023), presents a fertile ground for these potential interventions. Furthermore, digital technology, despite the mentioned constraints, still holds a great deal of untapped potential. Potential areas include e-commerce, digital marketing, mobile technology, apps for health, education and agriculture (Osman, 2022); these can provide powerful tools for social entrepreneurs in Sudan to innovate, reach their audience and make an impact. Lastly, social entrepreneurship allows for disruptive innovation in Sudan. Amidst a multitude of societal problems, it fosters creative thinking and innovation to solve the issues and offer value to society (Junjie et al., 2022).

With the advancement in the Artificial Intelligence (AI), the fusion of AI with social entrepreneurship has the potential to be a transformative force in fostering social innovation (Al Najem et al., 2023). The unique challenges faced by Sudan, ranging from economic disparities to access to essential services, can be addressed through AI-driven solutions. Social entrepreneurs can leverage AI technologies to gain insights into the specific needs of diverse communities, facilitating the creation of targeted and adaptive interventions (Soni et al., 2021). By deploying machine learning algorithms, social innovators in Sudan can analyse local data to identify emerging trends and develop context-specific solutions (Rutenberg et al., 2021). The integration of AI can also enhance collaboration and knowledge-sharing among stakeholders, promoting a collective approach to problem-solving. Moreover, AI's automation capabilities can streamline processes, making social enterprises more efficient and scalable. As Sudan navigates its socio-economic landscape, the synergy between AI and social entrepreneurship holds the promise of driving meaningful social innovation, fostering inclusivity, and contributing to the sustainable development of the nation.

Environmental Sustainability

Furthermore, the potential benefit lies in environmental sustainability. Amidst the increasing threats to biodiversity conservation in Sudan, social entrepreneurs play a crucial role in promoting sustainable use of natural resources (Anthony et al., 2023). They utilise unconventional models that incorporate sustainability in their core activities, encouraging environmental protection (Kerlin, 2021). The contributions of social entrepreneurship in Sudan extend beyond the immediate societal benefits to advancing policy changes, supporting local community economies and spurring innovation.

Socio-economic Growth

Social entrepreneurship ventures have progressively shaped Sudan's policy landscape. These ventures have triggered discourse and suggested policy reforms focused on social impact (Hussain et al., 2021). A crucial example is the policy dialogue initiated by the Sudanese social enterprise Sudani Green Energy, which has advocated policies promoting renewable energy (UNDP, 2019). Furthermore, social entrepreneurship can catalyse sustainable socio-economic growth. Ismail and Kamariah, (2020) propose that social entrepreneurship can create a sustainable loop of economic growth. By reinvesting profits into community projects, social enterprises can foster a sustainable economic development model that benefits both the organisation and the community (Steger et al., 2009). These enterprises also contribute to the local economy by sparking economic development in rural or disadvantaged areas. By focusing on local solutions and employing people from these communities, social entrepreneurs help in equipping the communities with business skills, improving living conditions and accelerating community growth (Mair & Marti, 2020).

Proposed Strategies for Overcoming Social Entrepreneurship Challenges in Sudan

Social entrepreneurship has been acknowledged globally as a vibrant mechanism for addressing societal issues and propelling social change. By incorporating the capacity to balance between accomplishing social objectives and generating profits, social entrepreneurs have become pivotal actors in sustainable development (OECD, 2021). However, they often encounter various challenges linked to the complex settings they operate within, especially in developing countries like Sudan. Addressing the challenges of social entrepreneurship in Sudan requires a holistic approach encompassing legislative reforms, innovative financing, capacity building, and societal attitude change. The section of the chapter critically discusses strategies to overcome these challenges, focusing on the Sudanese context.

In Sudan, social entrepreneurship has increasingly become a solution for the country's economic difficulties and social challenges. Nonetheless, these entrepreneurs face a myriad of obstacles such as legal restrictions, limited funding, lack of professional training, and adverse cultural norms (UNCTAD, 2019). Solving the problems necessitates multifaceted strategies that engage different stakeholders.

One central challenge is the restrictive legal framework that hinders the operation and expansion of social enterprises in Sudan. The deficiency of institutional support and legislative frameworks that foster social entrepreneurship in Sudan necessitates the establishment of government agencies tasked with this mandate. These agencies should formulate and implement policies aimed at promoting social entrepreneurship, including tax incentives, grants, start-up accelerators, and incubator programmes (Khalil, 2021). Furthermore, an inclusive legal classification for social enterprises that combines the pursuit of profit with social priorities should be created to promote accountability and engender investor trust (Asstar, 2020). Often, these enterprises get caught between regulations that govern the operations of either non-profit organisations or commercial enterprises (El Tarabishy et al., 2021). Harmonising these regulations to recognise and accommodate the hybrid nature of social enterprises is critical. This could be achieved by engaging policymakers, legal experts, and international organisations to draft appropriate guidelines and legislation specific to social enterprises.

Limited funding and access to capital is another significant hurdle for Sudanese social entrepreneurs. Often, they rely heavily on short-term grants and donations, which may not be sustainable in the long run (Dacin et al., 2020). To address this, there is a need for innovative financing mechanisms like impact investment, microfinancing, and social impact bonds that align with the social and financial objectives of these enterprises. Additionally, public-private partnerships could provide capital and stimulate growth in this sector. Furthermore, efforts should be channelled towards developing and promoting innovative financing models. For instance, crowdfunding platforms can serve as alternative funding sources and foster community participation. Moreover, collaborations with international finance institutions could facilitate financial access through loan guarantees and subsidies (Agyemang, 2021).

Furthermore, contextual factors like negative cultural norms and lack of awareness about social entrepreneurship often act as impediments. It is crucial to change community perceptions and promote an entrepreneurial culture through awareness campaigns, curricular integration, and engaging media platforms (Arabi & Abdalla, 2020; Murphy & Coombes, 2019). Overcoming socio-cultural barriers requires the promotion of a culture that appreciates entrepreneurship. Public discussions, media campaigns, and international entrepreneurship days celebrate entrepreneurs and highlight the societal benefits of entrepreneurship which can effectively encourage entrepreneurial behaviour (Peterson et al., 2021). This can foster a conducive environment that encourages and appreciates social entrepreneurship.

Also, for social entrepreneurship to thrive in Sudan, entrepreneurs need appropriate skills and knowledge. Thus, integrating social entrepreneurship ideas into the educational curriculum is necessary. Entrepreneurship training should also be included in vocational and technical training programmes to develop a culture of entrepreneurship (Peterson et al., 2021). Additionally, partnerships with international universities or organisations could facilitate the transfer of successful entrepreneurial models to Sudan (Amin, 2022). Moreover, capacity development interventions such as entrepreneurial skills training, mentorship programmes, and networking opportunities are essential. These can equip these entrepreneurs with the necessary skills to operate efficiently and build relationships that aid in knowledge exchange and collaboration. Universities and other educational institutions have a crucial role to play in this regard (Robinson, 2022).

Therefore, for Sudan to benefit fully from social entrepreneurship prospects, it needs an enabling environment that encourages, supports, and develops this sector. This calls for concerted effort from all stakeholders, including the government, financial institutions, education sectors, communities, and the social entrepreneurs themselves. It is evident that overcoming these challenges will not only boost social entrepreneurship in Sudan but also contribute to other positive outcomes such as job creation, innovative solutions for societal problems, and enhanced sustainable development. Consequently, this needs to be a priority agenda for policymakers and national development strategists.

Managerial Implications in Addressing the Challenges and Exploring the Opportunities of Social Entrepreneurship in Sudan

Social entrepreneurship in Sudan, much like in many other developing economies, presents unique opportunities for driving economic and social growth (Osseiran & Rasiah, 2020). However, it is ridden with significant barriers. Some of these barriers include an uncertain regulatory environment, scarce resources, socio-cultural impediments, political and economic instability and lack of access to finance (Eissa & Sang, 2022).

Regulatory Environment

A persistently challenging regulatory environment is arguably the most significant barrier to social entrepreneurship in Sudan. Contradictory or overlapping rules, ambiguous compliance requirements, and cumbersome administrative procedures serve as considerable roadblocks (Ali & Malik, 2019). Amidst a backdrop of political instability and socio-economic turbulence, Sudan presents a challenging landscape for social entrepreneurship. The managerial implications of such circumstances are multifaceted. As Littlewood and Holt (2018) argue, the volatility engenders an uncertain business environment that complicates strategic planning efforts, impacts the availability of investment, and deters potential entrepreneurs from venturing into social enterprises. Additionally, absence of legal formalities for social business registration and lack of government support create an inhibiting environment (Davidsson, 2021). Decision-makers are frequently confronted with the challenging task of negotiating an austere regulatory regime while striving to operate efficient and socially responsible businesses. Business leaders are tasked with navigating these complexities, necessitating them to dedicate disproportionate resources and time to surpass bureaucratic hurdles, instead of focusing on core operations (Ismail & Sidahmed, 2021).

Scarcity of Resources

In resource-strained economies like Sudan, the scarcity of financial, human, and physical capital forms a detrimental impediment to social entrepreneurship (Belwal et al., 2023). Herein, managerial implications range from difficulty in securing start-up capital, to challenges in attracting and maintaining qualified and motivated personnel, and the subsequent influence on operational efficiency. Sivakumar and Schoormans (2021) highlight that, in addition to initial resource acquisition, the ongoing lack of financial support and difficulty in maintaining cash flow poses significant challenges to the survival and growth of social enterprises. For many Sudanese social enterprises, the availability of human, financial, and physical resources is a substantial issue. The poor infrastructure, shortage of skilled personnel, and pseudo absence of funding opportunities choke the growth potential of the sector. Emphasising on managerial strategies, resource management becomes highly critical in such a scenario. Managers need to adopt novel strategies for resource mobilisation, optimise their utilisation, and excel in strategic relationships to gain access to human and financial resources (Osseiran & Rasiah, 2020).

The non-availability of finance is a universal problem for most entrepreneurs. However, it acquires a unique intensity in the Sudanese context due to the country's limited capital markets and bleak financial landscape (Eissa & Sang, 2022). The managerial implications entail businesses to hone their skills around unconventional funding processes and adopting innovative fundraising strategies like crowdfunding or leveraging digital technology for microfinancing opportunities (Zainol et al., 2022).

Socio-cultural Barriers

Cultural aspects bear a strong influence on the managerial implications in Sudan. There exists a widely reported societal scepticism towards entrepreneurship, resulting predominantly from a culture characterised by risk aversion and traditionalist tendencies (Lowe, 2002). In this context, managerial responsibilities are extended to overcoming these cultural barriers and fostering a more receptive and supportive environment for social entrepreneurship. Socio-cultural barriers have profound implications for social entrepreneurship in Sudan. With prevailing public misconceptions about social enterprises, and a cultural fabric that emphasises traditional business models, local businesses often struggle to make a mark (Ibrahim et al., 2021). Managers have an onus to steer businesses through socio-cultural dynamics. They must develop effective communication strategies, harmonising cultural nuances and enterprise objectives while ensuring transparency.

Educational Gaps

Despite the valiant efforts of numerous mutually supportive initiatives, the absence of comprehensive entrepreneurial education programmes is deemed a significant barrier to social entrepreneurship in Sudan (Birch et al., 2024). From the management perspective, this educational gap can lead to a lack of necessary business skills, making it challenging for social entrepreneurs to devise viable business models, to understand market dynamics, and to sustain their enterprises over the long term. This is useful for practitioners to ensure the gaps are bridged through sufficient educational programme tailored towards social entrepreneurship.

Conclusion

The world is in the midst of an entrepreneurial revolution, which is affording fresh and innovative solutions to societal challenges. Social entrepreneurship, due to its inherent attributes of innovation and sustainability, proposes an efficient model to combat societal issues. It remains fertile terrain for social change and economic growth but faces an array of challenges that need to be addressed. Sudan, like many other developing countries, faces significant constraints to social entrepreneurship, rooted in socio-political, economic, and infrastructural challenges.

However, alongside these challenges lie untapped opportunities in demographics, cultural heritage, natural resources, and digital technology. The path towards exploiting these opportunities will remain difficult without the necessary socio-political reforms, economic support, and infrastructure development.

Overcoming the social entrepreneurship challenges in Sudan is an arduous task, requiring robust and comprehensive strategic approaches that consider the particularities of the Sudanese context. While the strategies enumerating strengthening institutional frameworks, fostering financial support, encouraging collaboration, and promoting human capital development provide significant headway, it is key to employ a critical lens to ensure their efficacy. The successful implementation of these strategies can serve as a blueprint for other developing nations, emphasising social entrepreneurship's role as a catalyst for social change and economic growth. In overcoming these hurdles, a potential model for culturally unique yet universally applicable managerial strategies in social entrepreneurship can emerge from Sudan to benefit other similar contexts.

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17

Transitional Challenges in Lagos' (Nigeria) Entrepreneurial Ecosystem: A Multi-level Analysis

Seun Oladele and Peter Bamkole

Introduction

Entrepreneurial activities and firms have been hurrahed as major drivers of economic growth. As Isenberg (2011, p. 13) puts it, "the future of civilisation as we know it depends, at least somewhat, on the spread of entrepreneurship". Scholars agree that entrepreneurship is like the "*Holy Grail*" for value creation in economies. This explains the increased start-up and scale-up discourse in entrepreneurship literature, policy, and practice (Cavallo et al., 2021).

However, the disproportionate concentration of High Growth Firms (HGFs) in a few cities across nations indicates that the quality and quantity of entrepreneurship in regions are predicated on certain

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environmental configurations, interactions, and constraints (Oladele et al., 2022). This appears to underlie the ecosystem perspective. The entrepreneurial ecosystem (EE) construct was introduced to entrepreneurship literature in the 2000s (Grigore & Dragan, 2020) and gained momentum in 2014 (Mukiza et al., 2020), providing a new perspective to understanding the configurations and interactions among varying interdependent environmental actors and factors that enable or constrain productive entrepreneurship in a particular region (Oladele et al., 2022). Although similar to earlier concepts of clusters (Ekesiobi & Dimnwobi, 2020; Porter, 1990), industrial districts (Mason & Brown, 2014; Spigel & Harrison, 2018), and regional innovation systems (Lundvall, 1992; Stam & Spigel, 2017) in terms of their focus on the external environment, the EE construct differs in its emphasis on the entrepreneur and the role of social and economic contexts surrounding entrepreneurial processes (Stam, 2015).

Recognising entrepreneurial firms as major drivers of economic growth, the mortality rate of start-ups has become an issue of concern for policy, theory, and practice. For instance, the USA recorded a 30% business failure rate of newly registered businesses in their second year of establishment, South Africa recorded 70% in the second year, China recorded 50% in their first five years, Malaysia recorded more than 80% in their first five years (Syamsuriana et al., 2019), and India records an average start-up life span of three years (Vasishta & Singla, 2021). In Nigeria, Olubiyi et al. (2019) also documented that 30% of new ventures fail in their second year, while 50–60% struggle to survive their first seven years. The most recent SMEDAN report in 2021 reported a 5.4% decline in micro enterprises (SMEDAN, 2021a).

Beyond start-ups, in the United Kingdom (UK), for example, less than 3% of over 600,000 newly registered businesses between 2012 and 2015 were able to scale (Scale-up UK Report, 2016), which is quite similar to the Nigerian experience. According to SMEDAN (2013), there was a 61.6% contraction in medium enterprises (SMEDAN, 2017). Fate Foundation (2019) also reported that only 14% of surveyed businesses could scale their operations in Nigeria. Hence, productive entrepreneurship has become of critical concern because, despite the high rate of start-ups, most start-ups are unable to scale up operations in developed and emerging economies (Stam & van de Ven, 2021).

Principal among the factors considered responsible for this undesirable outcome is the environmental configurations in which businesses operate, which present a myriad of challenges (Oladele et al., 2022; Thompson & Illes, 2021). These challenges are peculiar to regions and occur at multiple levels. Therefore, our study aims to investigate, using a multi-level analysis, the transitional challenges in an emerging EE, focusing on Lagos. Our study's contribution is thus twofold. First, we examine the peculiar challenges associated with the transition from start-up to scale-up. We recognise that the challenges at the start-up phase differ from those at the scale-up phase. Meanwhile, transitioning from start-up to scale-up also appears to pose peculiar challenges. Secondly, we study these challenges at the micro, meso, and macro levels and try to relate the spillover effects. Most extant literature has either focused on specific levels or combined the challenges without appropriate classifications, making policy recommendations challenging.

The study is structured as follows. First, we review the extant literature to conceptualise entrepreneurial ecosystems and, thereafter, highlight the various entrepreneurial ecosystem challenges across regions, including Nigeria. Next, we describe our research methodology. In the penultimate section, we present and discuss our findings. We conclude by highlighting the implications and providing suggestions for future research.

Literature Review

Conceptualising Entrepreneurial Ecosystems

There is significant literature consensus that the entrepreneurial ecosystem is a *sine qua non* for economic development (Audretsch & Belitski, 2017) though much of the literature on entrepreneurial ecosystems have focused on the Silicon Valley (Adams, 2020), Tel Aviv regions (Schäfer & Henn, 2020), London, Singapore, and Boston (Manimala & Wasdani, 2020) because of their remarkable successes (Spigel et al., 2020). This is no surprise as these regions, for example, Silicon Valley, are known to create more successful businesses in a year than some countries would in decades (Subrahmanya, 2020). These regions have a functioning and advanced infrastructure and financial systems that support access to venture capital, technological innovation, and research and development (R&D) (Mukiza et al., 2020), making them attractive to start-ups and scale-ups. However, more recently, studies on entrepreneurial ecosystems in emerging economies have been receiving more attention (Oladele et al., 2022; Szerb et al., 2018).

Flowing from Biology, the EE construct mirrors the natural ecosystem, comprising the *Biocoenosis* and the *Biotope*. *Biocoenosis* (biotic) relates to living things that evolve through their interaction (a relationship involving different organisms that form a closely knitted community). *Biotope* (abiotic factors) are the conditions of the environments such as the soil, temperature, water, and climates) that provides habitation for the integrated community of organisms. The interaction between the actors (*biocoenosis)* and factors (biotope)—environment—is what makes up the natural ecosystem (Theodoraki et al., 2017). In the same way, EEs reflect the place-based nature of entrepreneurship (Stam & van de Ven, 2021). They represent.

> a significant interaction among varying albeit interdependent players comprising individuals, private and public support organizations, and institutions such as Universities and NGOs facilitating the flow of various forms of tangible and intangible capital through formal and informal exchanges, leading to the establishment of new firms, and development of existing firms within a local territory. (Oladele et al., 2022)

Situating Entrepreneurial Ecosystems in the Nigerian Context

Evidence points to a fundamental systemic dysfunction in the Nigerian EE (Endeavor, 2020; Fate Foundation, 2019). Nigeria is considered the largest economy in the sub-Saharan part of Africa, making it the largest consumer market. These characteristics, among other endowments, point to the enormous potential for business activities, growth, and expansion, but this is not the case. Currently, the level of entrepreneurial activities in Nigeria does not commensurate with their contribution to the economy. There is a huge imbalance between the rate of entrepreneurial activity in the region and their contribution to economic growth (Endeavor, 2020). This also re-emphasises the position of extant literature (Lafuente et al., 2019, 2021; Leendertse et al., 2020; Stam & van de Ven, 2021) that start-ups and scale-ups require different environmental configurations to flourish because the specialised resources required by start-ups and scale-ups vary on many levels. In other words, a region may have a high level of entrepreneurial activity in terms of new firm formation rates but have low rates of HGFs.

Despite various policy efforts and programmes, institutions and actors, productive entrepreneurship in Nigeria is yet to hit the global radar until recently when some cities such as Lagos, Kaduna, Benin City, Abuja, Enugu, Ibadan, and Port Harcourt started moving up the global start-up ecosystem ladder (StartupBlink, 2021). According to Fate Foundation (2016), the Nigerian EE is plagued with cashflow challenges, unfavourable government policies, infrastructural deficiency, human capital issues, and business location. Endeavor (2020) and Price Waterhouse Coopers [PWC] (2020), supporting the position of Oladele and Oladele (2016), noted access to finance as the major start-up challenge in the Nigerian EE. However, regional-specific studies regarding transitional challenges appear lacking in Nigeria especially focusing on regions showing promising entrepreneurial growth in recent times. Against this backdrop, our study deems it crucial to investigate a multi-level analysis of the transitional challenges in Lagos.

Methodology

This study adopted an interpretive perspective and employed an inductive approach to qualitatively examine transitional challenges within Lagos' EE. Utilising a case study strategy, the research focuses on various ecosystem actors, including financiers, founders, corporations, government agencies, NGOs, academia, and support/service providers. Selection criteria involved a minimum of four years of ecosystem experience, current residence in Lagos, and holding middle to top-level management positions. The study employed a non-probability purposive sampling technique, specifically utilising snowballing to interview 40 participants (See Table 17.1).

Primary data were gathered through semi-structured interviews complemented by the authors' participation in a two-day summit organised by the Lagos State Employment Trust Fund. To ensure data credibility, confirmation, dependability, and transferability, the study aligned with Guba and Lincoln (1985)'s framework. Confirmatory interviews are conducted, reaching data saturation with no new themes emerging, and ongoing engagement with key informants ensures response validation. The 11-week study also adapted data sampling for transcription efficiency.

Data analysis follows Braun and Clarke's (2012) iterative procedure for thematic analysis, involving familiarisation with the data, initial code development, identification of emerging themes, theme review, definition and naming of themes, and documentation of outcomes.

Findings and Discussions

To evaluate the challenges start-ups face when trying to scale up within the entrepreneurial ecosystem of Lagos State, the actors interviewed were asked to comment on issues that make it hard for start-ups to scale operations in the region.

Transitional Challenges within Lagos' EE

From the analysis, three second-order themes emerged, showing that transitional start-ups face unique scale-up challenges on multiple levels: micro-level, meso-level, and macro-level. As noted by Stam (2015), the ecosystem is as strong as its weakest link, which brings to the fore the imperative of identifying and addressing the leakages in the ecosystem.

Table 17.1 Interview participants

Code	Brief description	Gender	Education	Exp in EE (years)
Shina	Founder	M	Professional	5 +
Olay	Manager	M	MSc	8.5
Dave	Founder	M	BSc	6.11
Ayo	Co-Founder	M	BSc	8
David	Business advisory	M	Professional	4
Oye	Lecturer	M	Ph.D	18.5
Abbey	Founder	M	Professional	5.8
Udo	Consultant	F	Professional	4.1
Ojay	Support services	M	Professional	8
Ojei	Coworking space	M	Professional	8
Azu	Consultant	M	BSc	5.6
Ire	Head, Start-ups	F	BSc	11
Vic	Founder	M	BSc	17
Temi	Business Analyst	M	BSc	4
IBK	Risk Manager	M	MSc	5
Kay	Head, compliance	M	BSc	7
Olas	Head, Product Design	F	BSc	6
Charles	MD/CEO, Fintech	M	MBA	8
Joke	Programme Associate	F	MBA	8
Sammy	Consultant	M	–	–
Charl	Former Director of Strategy	M	MBA	8
Bam	Investor	M	Professional	19
Friyo	Director	M	Ph.D	8.3
Pete	Chairman (Research institute)	M	Professional	19
Kole	Enterprise Developer	M	Professional	19. 3
Damy	Hub	M	Professional	7
Dairo	Cofounder	M	Professional	7
Yemi	Enterprise Development Professional	M	MSc	8
Eko	NGO	M	B.Tech	5

(continued)

Table 17.1 (continued)

Code	Brief description	Gender	Education	Exp in EE (years)
Deb	Founder	M	MSc	5
Erics	Business Advisor	F	B.A	12
Ade	Co-founder	M	BSc	5
Igwe	Founder	M	B.Ed	5
Emi	Journalist	F	B.A	4
Femi	Lecturer	M	Ph.D	18
TY	Director	F	BSc	–
Jovie	Director	F	Professional	6
Fiyo	Lead, Strategy (Government)	M	BSc	8
Ray	Founder	M	BSc	7

Source Survey (2022)

The emerging themes (challenges) at each level are presented in this section.

Micro-level Challenges

The micro-level challenges are summed up under three thematic areas, namely: corporate governance, competence and capabilities, and business model.

Corporate Governance-Related Challenges

Most of the ecosystem actors touched on the internal challenges facing start-ups attempting to scale-up operations in the Lagos region. One of the issues raised during the interaction included poor corporate governance. As shared by an enterprise development professional at Fate Foundation:

> Another thing is around corporate governance; corporate governance is a major factor. So, many entrepreneurs in this country strongly believe in […] I'm the owner, the CEO/MD this and that, and they want to be the

> ones overseeing everything instead of putting structures and systems in place [….]

In this context, corporate governance was used to mean system and structure. Shina elaborated on this when he said:

> For me, I think management is the first thing; building the right culture is another thing which now relates to people... when you make too much noise, and you don't have the right structures in terms of the board to build that bridge, you'll get your hands burnt […]

Closely linked to the issue of systems and structure is that of control. The results indicated the unwillingness of some start-ups to divest some level of control of the business because of the emotional attachment. Whereas distributing control is essential to for startups to scale up operations. A managing director of a start-up further strengthened this point:

> In some cases, the entrepreneur is not yet emotionally ready to divest administration control, which is critical in embarking on the upscale journey.

Within the discourse of corporate governance, the issue of mismanagement also arose. In this case, mismanagement included mismanaging human, capital, and material resources. As observed in the study, this mismanagement challenge comes from poor decision-making. This was well captured in the statement made by a start-up founder:

> Then, of course, scaling up brings some additional dynamics around management. Because you may be in a business, in an industry that is growing, but mismanagement means that you kill the business due to poor decision-making with regards to the management of resources-human and material resources. (Charles)

Another major corporate governance issue identified by some actors revolved around the issue of poor record keeping. Two ecosystem actors expressed their opinions in this regard:

> I would start from as simple as record keeping. In fact, as simple as it is, it is one of their greatest challenges. Most businesses hardly keep what you can call accurate and timely records. If a business is not keeping a good record of their financial or business transactions […], there is no way you can access funding if you are not keeping your records. (Yemi)
>
> Most people do not have their records intact; most people start businesses, they don't know that they will succeed, so from day one, they don't tidy up because they were not planning to succeed […]. (Damy)

Based on the above comments, corporate governance remains a critical challenge for start-ups trying to scale up operations in Lagos State. As observed, major corporate governance areas are control, management, system and structure, and record keeping. According to Fate Foundation (2019), corporate governance can extend layers of control, and improve efficiency, access to funds, efficiency networks and markets.

The challenge with corporate governance speaks to the underlying motive of new business formation: Was the enterprise need-driven or opportunity-driven? At the base of the motive for setting up a business is the high level of unemployment which, in a manner, distorts the "expected" output of a vibrant EE. The poor provisions for adequate corporate governance are connected to the motive, such as record keeping, control, management, and systems and structure. In tandem, Fate Foundation (2019) reported that most businesses that fail to scale up had management structure issues. Their statistics showed that only 8 of every 20 solely managed start-ups could scale. They reported that businesses with better corporate governance, especially management structure, had a greater propensity to scale operations.

Competence and Capabilities-Related Challenges

Another micro-level challenge expressed by the interviewees was that of competence and capabilities of the start-ups. Fate Foundation (2019) related how knowledge and competence were a fundamental distinction between start-ups that can scale and those that are not. In tandem, the findings of this study identified issues around competence and capabilities. Further, other issues were raised within the competence and capabilities challenges, including business knowledge. According to a participant:

> The knowledge gap is always very high; only a few entrepreneurs try as much as possible to access necessary capacity-building opportunities within the ecosystem. So many ventures into the business just because Mr A is doing so, I also need to do it. (Yemi)

In line with the above comment, another respondent elaborated further that entrepreneurs take little time to understudy why "a person is doing so well in their businesses so, they just feel like he's doing well, so the business is a good business, I will do same" (Oye).

Niyi, an entrepreneurship Professor, demonstrated a related viewpoint:

> Education and business knowledge of those entrepreneurs [...] It is one thing to have a good innovative product; it is another thing to have a business knowledge [...] a number of them do not have that knowledge and don't have the patience to learn.

From the discussions, the lack of experience also came up as a scale-up challenge among the respondents. According to a compliance officer at a Fintech start-up:

> One of the problems I think with scaling up is probably because of the successes some of these start-ups have achieved at the present stage, and they think that the experience is enough for them to move to the next level without seeking knowledge, mentorship and all those things, they just want to go into it. [...]

Poor understanding of the business environment and inability to adapt to environmental changes were two scale-up challenges identified by some of the respondents. For example, Udo shared that:

> You can get capital, but still, you cannot sustain your business because you do not understand your business environment [...].
>
> Focusing on the adaptability of start-ups, Shina, a co-founder, shared that: Because the market always changes, being flexible to what the

> market is saying then moving forward thereafter is essential, but many start-ups lack this. […]

From the above comments, various competence and capabilities issues pose a challenge for scale-ups, but the challenge of business knowledge was most frequently emphasised. Closely trailing is the ability to adapt to changes which derive from an understanding of the business environment. We argue that the competence of entrepreneurs is closely related to the reason for starting a business in Lagos. While the competence level might not necessarily differentiate need versus opportunity-driven entrepreneurs, this study posits that opportunity-driven entrepreneurs are likely to pursue the acquisition of requisite knowledge and skills to scale up their operations as opposed to the need-driven entrepreneurs who likely just want to "sell" to make ends meet (Fate Foundation, 2019).

Business Model-Related Challenges

The interviewees commented on the inability of many start-ups in Lagos to develop a functional business model. A significant issue discussed here is that of achieving product-market fit:

> The other difficult thing is getting a product-market fit; it's tough, it's a lot of work to bring your product to the level where *the customers are rushing the product; it's* not that you are begging for customers, customers are begging you, it's a lot of work, it's a lot of failures before you find one that's a banger. Dairo
>
> At the start-up level, one of the key things they face is understanding the market needs enough to determine and then identify, capture, and transmit their value proposition as a business. (Charles)
>
> Most start-ups struggle with an inferior business model or, most often, copy the business model of other businesses… without proof of concept, which poses a significant scale-up challenge. (Ire)

From the issues raised here, scaling up requires a unique business model, proof of concept, and adequate product-market fit, which derives partly from the ability of start-ups to identify, capture, and transmit their value proposition. These are largely absent in the Nigerian context and align with Isenberg's (2011) and The Aspen Institute's (2018) contention of the factors leading to higher transitional failure among start-ups. Moreover, given the existence of necessity-driven entrepreneurs in the region, it is also expected that most of the solutions provided by these start-ups are unable to achieve product-market fit. Although this challenge cuts across board, we contend that opportunity-driven entrepreneurs are more likely than need-driven entrepreneurs to succeed in achieving product-market fit and do so in a shorter amount of time. Of course, there is also the possibility of serendipity at work here, and if the adage "Fortune favours the bold" is to be believed, then it is conceivable that some bold, necessity-driven entrepreneurs can scale the hurdles and grow their businesses in the region.

Meso-level Challenges

This section identifies major themes that emerged as scale-up challenges at the industry level, including access to (finance, markets, information, support, and networks), talent and competition.

Access to Finance

Most responses from the interview point to access to finance as a major scale-up challenge consistent with mainstream literature (Fubah & Moos, 2022). The following clusters elucidate the problem of access to finance:

> I mentioned earlier that there are institutions that are trying to encourage entrepreneurs, but you will still discover that the capital they have vis a vis the number of entrepreneurs that require capital is not on the same level. (Oye)
>
> The ratio of local Venture Capital to foreign VCs is high, and most start-ups are advised to register offshore to get funding to scale and rather than having a localised business, foreigners take control of start-ups. (Ire)

> It[finance] is the annoying thing in our own ecosystem, we do not have local investors that believe in us enough, and the willing foreign investors are not interested in start-up's trial and error and would rather engage with the established businesses […]. (Dairo)

A founder in the health sector shared a personal experience that helps summarise:

> The more tech-inclined, the higher the chances of funding[...] Most fundings are in fintech while education tech and soft skills have lesser access to raising funds, and this is because the market is pulling towards fintech. I had to add a fintech component to the business to raise funds […]; otherwise, most other businesses bootstrap.

The thoughts expressed acknowledge that funding is a general problem, but access to funding varies in degree. First, start-up funding access varies between growing and scale-up firms. Likewise, the results indicate that access to funding varies based on industry affiliation, and firms in the fintech industry are more likely to raise rounds or access funding than those in other industries. In summary, "*funding follows the market*". (Charl), meaning investors are interested in striving industries. Endeavor (2020) and Price Waterhouse Coopers [PWC] (2020), supporting the position of Oladele and Oladele (2016), also noted access to finance as the major transitional challenge in the Nigerian EE. The same challenge was reported in Bahrain in the work of Meero et al. (2020), while Mukiza and Kansheba (2020) reported it as a challenge prevalent in Africa relative to developed economies. In Scotland, start-ups face the challenge of limited sources of venture capital (Spigel et al., 2020).

Access to Markets

There was a significant consensus among the participants regarding market access as a scale-up challenge. For example:

> First off, you have a very huge market because one of the greatest problems of entrepreneurs in this country is some of them will have a very fantastic idea, they come up with a product or a service, but when it comes to getting customers to patronise them, it becomes a major challenge. (Yemi)
>
> So, the first thing is the disconnect between the entrepreneur and the market, and that's a big disconnect. (Oye)
>
> Because of our demographic, you must ask yourself, is this value limited to a specific number of people? Are these people in their ascendancy, or are they reducing? If the market segment is not growing, you may start, stagnate, and die…Growth in this context is not just about the number of people but also geography and, more importantly, the earning power. The market can accommodate the value proposition of a business so long their disposable income increases. However, in the event of the reverse, over time, they will look for substitutes. (Charl)

Market access appears to pose a scale-up challenge to start-ups in Lagos. These include getting access to the customers to purchase the value offering, accessing a market that is growing not just in terms of number but earning power to sustain patronage, and accessing customers beyond the single location that the start-up initially started servicing. This same challenge was identified in the report of the Fate Foundation (2019). Similarly, Meero et al. (2020) reported that market access was one of the reasons for business failure in Bahrain's EE. Scotland's EE faces a similar challenge of a small local market (Spigel et al., 2020).

Access to Information

Some of the participants highlighted access to information as a major transitional challenge. The above observation is echoed in the following excerpt:

> Access to information is part of the challenges for start-ups and existing ones. Information is key, and information is knowledge […], so part of the challenges they face is access to business information. (Kole)

> I am sure you have heard that many people perish because of lack of information […], so if there is an opportunity but you do not know about it… sorry you've lost it, Bami
>
> Access to information is a major factor that drives businesses, but it is always missing and leads to lost opportunities for most start-ups. (Erics)

The comments indicate a huge information gap within the ecosystem, and start-ups that do not have the right networks to bridge that gap struggle to scale their businesses in the region. The term used to define this situation is information asymmetry which Zhao et al. (2020) report is also challenging the Taobao ecosystem.

Access to Support and Networks

Two interviewees elaborated on the challenge of accessing support and networks in Lagos.

> […] the only thing holding start-ups back is access to the right network; it is funny, but it is just what it is. That is why you find people who are in pre-seed, they don't even have a problem-solution fit, talk less of a product-market fit, yet they are raising millions in dollars […]. (Dami)
>
> So, the support services, which is precisely all the things we have been talking about, whether it is a hub, capacity building, advisory service, etc., are typically not valued by start-ups; they just want to sell. (Kole)

Kole's comment suggests that the challenge is not that entrepreneurs lack access to support services but rather that start-ups are too preoccupied with selling than leveraging the networks and support needed to scale.

However, a founder argued that:

> There is a lot of work to be done because there aren't many hubs, investors, or resources accessible, and big firms don't outsource their innovation to start-ups. Deb

From the discussion, overall, the participants agreed that accessing the right networks and support is a transitional challenge. Similar experiences are found in Bahrain and Africa (Mukiza & Kansheba, 2020).

Talent

There was significant consensus among the participants that access to a talent pool is a transitional challenge. The following quotes are representative of the shared views:

> When a business is developing, it needs experienced individuals to run it, but because they are attempting to save money, they continue hiring inexperienced employees. […] IBK
>
> Funding also affects the kind of human resources they can attract to implement the upscale activities. Charl
>
> We live in a global space where individuals worldwide are fighting for talent. Many individuals leave for Canada and the US. Some in Nigeria work remotely for organizations in these countries, making it difficult to find talents with the right culture fit […] There is a huge deficit because someone else is promising them dollars while you are promising them naira; they will rather go for the dollars than naira. Shina

The major challenge observed is not the availability of talent. Still, as also noted by Mukiza and Kansheba (2020), the challenge is the capacity of start-ups to attract the right talents, especially as they have to compete with the bigger players and finance. This is similar to what Fate Foundation (2019) found in their recent scale-up survey. The current reality in the ecosystem is the prevalence of a leakage in the talent pool. The brain drain has increased as many Nigerians emigrate to countries like the UK, Canada, and the United States. Other talents not relocating work remotely for companies outside the country, as expressed by a participant (Shina). This is also not peculiar to start-ups alone, as big corporations report high resignations of their top talents. A recent publication showed how financial institutions lose their top tech talent to foreign companies (Business Day, 2022).

Competition

Another challenge that emerged at the meso-level was that of competition. In this regard, some founders shared:

> The competition is quite steep in Lagos. Although most start-ups are unique in their ways, it does not mean you can't find other people doing close to the same thing. I would say it's more like a 'red ocean' problem where there are a lot of competitors [...]. (Dave)

At scale, the entrepreneur is thinking, how do I fight off competition? Because, you know, in scaling a business, other people are exposed to that and want to enter the market, especially if you are in a growing industry. (Charles). A business news writer also narrated the experience of some start-ups that could not make it into the Lagos market because of competition. She said:

> I know a couple of people that have done businesses in other States, but they want to bring it down to Lagos, and they find it challenging to do so because they can't cope with the competition, so for you to be able to beat the competition in Lagos, you have to be extra creative. Emi

The prevailing perception speaks to the high level of competition, mostly industry-specific, that challenges growth. Invariably, the Lagos market is similar to the playing ground where only the fit can survive. Meanwhile, competition, on the one hand, is a challenge but also a driver of innovation. As Qian (2018) related, "competition among similar firms in a cluster creates peer pressure for businesses to innovate as means to survive and grow" (p. 8). This type of outcome is only produced in an environment of healthy competition where larger firms do not leverage monopolistic or oligopolistic tendencies to deter start-ups in the same industry (Qian, 2018; Raimi & Yusuf, 2020). This is not the case in Sudan, as government-owned institutions compete in the same industry as private firms and benefit from certain exemptions (tax and customs) (Arabi & Abdalla, 2020).

Macro-level Challenges

Some of the challenges identified at the macro-level include tax, overregulation, infrastructure, security, and cost of doing business.

Tax

The interviewees agreed that the taxing system of the government is unfavourable to start-ups and continues to challenge their growth. Likewise, a panellist at the Lagos Employment Summit 2022 related this challenge to the governments' perception of start-ups:

> Regulators have at times given the impression that they see small businesses and start-ups, as a cash cow[...] now for those that understand venture capital or start-ups, you would see that a lot of times, the money that is coming in is not even there.

In line with this submission, some founders narrated their experiences:

> At scale, you will now become the target of agencies, double taxation, and local government will come for their own, likewise the state and governments and even the area boys. (Yomi)
>
> Recently, in Lagos, the tax system is quite high, and we end up paying quite a huge amount to the state and local governments. Yeah, the taxing from the government does not really help start-ups, it does not provide a platform to thrive, and we end up paying for things that are absent in other States. (Dave)
>
> Of course, some experts have claimed that according to the new finance bill, smaller enterprises will now pay a corporate tax rate of about 20% rather than the 30% paid by larger corporations. Even so, they continue to pay VAT, which is 7.5%, along with other expenses […] The government uses fiscal policies especially tax to milk entrepreneurs […]. (David)

It is clear from the above comments that the government intends to solve tax issues, but whether this is the right course of action is debatable, particularly, multiple taxation. The ripple effect is that many businesses are shifting base to neighbouring States, which is consistent with the avoidance or surrender coping mechanism prescribed by Folkman and Moskowitz (2004). Other start-ups cannot scale due to the demands, and some are going out of business because of their inability to keep up with the demands (Fate Foundation, 2019). In a recent survey, SMEDAN (2021b) reported high taxation as the second-highest policy challenge affecting businesses unfavourably in Nigeria.

Regulation

Many participants cited the unfavourable regulation of the government as a significant scaling-up obstacle, like numerous studies conducted in other locations. For example, in sub-Saharan Africa Xu and Dobson (2019) and Mukiza and Kansheba (2020) found that the generic government policy and regulations rather than custom-tailored programmes are one of the EE challenges in African countries. In concurring with this, a clear example was cited by a business news writer:

> Last year, I can cite a very close call to what happened to some young Fintechs where the Central Bank of Nigeria (CBN) made new rules and asked them to pay a certain amount of money. You find out that most of those fintech went out of business, especially the young ones that were just starting. Emi

Another participant shared a similar experience: I don't know how far this is going, but if you look at the case banning bikes in Lagos, the likes of Gokada and Opay were affected. I believe that's only because they may not have reconciled in all respects; after all, the regulation had long been in place; why then did they only begin to implement it as business was booming? […] Shina.

Another participant explained why some of the start-ups fall victim of regulation:

> The regulatory and legal framework that guides the running and establishment of a business is sometimes unclear. For instance, if you want to file your annual returns, it is not clear how you as an entrepreneur will

> go about it, you always, 99% of the time, have to go through an agent for you to file your annual return. Erics

Largely, there are notions that the government overregulates economic activities, which is supported in the Literature (e.g., Isenberg, 2011). There are suggestions that the government is making attempts, but they are egregiously insufficient to be taken seriously. There are also concerns about the ambiguity of some of the regulation and the lack of proper education on regulatory issues that concerns businesses. Finally, the results show that, in an actual sense, the government has suitable policies in place for businesses. Still, there is a significant implementation gap that strains the performance of businesses within the ecosystem (Hsieh & Kelley, 2020).

Infrastructure

There were comments regarding Lagos State's infrastructure as a major challenge straining scaling up, and as Abayomi puts it, "*Lagos infrastructure is subpar for a cosmopolitan city*". The following excerpts drive home the concerns:

> Another major issue is the issue of physical and social facilities for support. I don't know about your State, but in Lagos, we are confronted with the lack of regular power supply, bad roads and transport networks, among others […]. Shina
>
> Do a poll on social media for what is the current challenge of start-ups in Lagos, and the first thing they will tell you is the lack of constant electricity […] in my office [a start-up], we have lost power for many days, and this is also affecting online businesses. Emi

The various expressions show that the most cited infrastructural issues were the lack of regular power supply and poor transportation networks. Mukiza and Kansheba (2020) and Fubah and Moos (2022) also documented infrastructural gaps as one of the major challenges disrupting the vibrancy of EEs in Africa. For example, Arabi and Abdalla (2020) clearly stated that "Sudan's infrastructure is not supportive of the development of entrepreneurship" (p. 319). Invariably, the undertone of the expressions indicates that most of the respondents acknowledge that Lagos' current infrastructure strains productive entrepreneurship. Even though some businesses can rise above those challenges and scale, this is not the case with many start-ups in Lagos.

Security

Relative to other macro-level challenges, all the respondents agreed that insecurity poses a significant growth challenge to businesses in Lagos State. However, there is a slight variance in the context of security. The first context is related to the peculiar security challenge within Lagos. For example:

> Then there is this issue of security but not the type that is experienced in the north; we are talking about security as it relates to the area boys, the street guys. For example, if your vehicle breaks down today and there are goods in it, you are in trouble because you must pay through your nose for the area boys to either release the goods or not vandalise it […]. (Niyi)

The second context is related to the general insecurity in the country. In this regard, some participants shared that:

> The lack of security in the State results in stunted growth for many businesses such that if I want to move from a start-up in Lagos and scale up to Maiduguri, I can't if there is no assured security. (Kole)
>
> Some of our problems fall back to insecurity in the country, and many foreign investors are unwilling to invest their funds in businesses where there's insecurity. (David)

From the various opinions, insecurity is a macro challenge with many implications. Security issues peculiar to the Lagos environment, security of finance and investment (Muldoon et al., 2018), and security issues associated with the country (terrorism) (Fate Foundation, 2019;

SMEDAN, 2021b) are emergent and critical challenges facing start-up to scale-up entrepreneurship in Lagos.

Cost of Doing Business

There was a significant consensus regarding the high cost of doing business in Lagos. Two ecosystem actors help summarise:

> Because Lagos is the commercial hub, you do not expect to find the same prices of things, it means Lagos has, which is a challenge for every start-up. You need more running costs to scale up in Lagos compared to other Nigerian states. (Dave)
>
> Even where capital is available to start a business, the cost of doing business is very high and would lead to an eventual liquidation or abrupt closure. (Emi)

From the issues raised, some of the specific costs identified with doing business were affording tax, human resources, office space, logistics, and cost of facilities. From the foregoing, the major challenge expressed here has to do with ease of doing business, and as observed, the cost of doing business is considered high relative to other States (Fate Foundation, 2019; SMEDAN, 2021).

In summary, our findings show that the challenges facing start-ups when attempting to scale-up are multi-level (see Fig. 17.1), making it complex. According to Roundy et al. (2018), complexity arises from large-scale and non-linear interactions that create feedback loops—a condition where activity within the system generated as output is either directly or indirectly fed back to itself as input. The findings agree with Complex Adaptive Systems (CAS) in this regard, as micro-level challenges are seen to spill to the meso-level, and meso-level challenges spill to the macro and simultaneously feedback to the micro-level. This process leads to what is called a butterfly effect—a notion that small changes in one part of the system can have a profound effect on the other parts of the system and vice versa, which can be reinforcing (positive) or balancing (negative) (Capra & Luisi, 2014). For example, access to finance (meso-level) is closely tied to evidence of traction (micro-level).

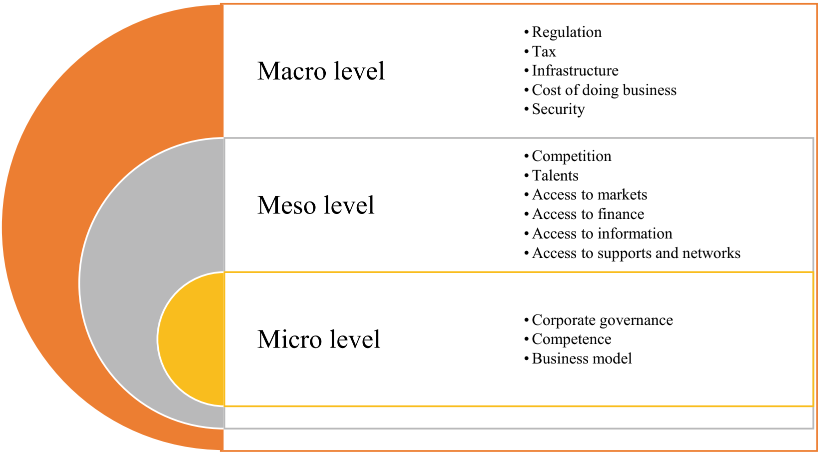

Fig. 17.1 Multilevel analysis of scale-up challenges (*Source* Survey [2022])

Traction cannot be achieved without record keeping. Market access is another example. Here, the business model (micro-level) comes to play, notably the product-market fit. Access to market (meso-level) becomes challenging without achieving product-market fit. In connection to this, evidence from the literature points to a fundamental systemic dysfunction in the Nigerian EE (Fate Endeavor, 2020; Foundation, 2019), including Lagos.

Conclusions, Limitations, and Future Research

We explored the transitional (start-up to scale-up) challenges within the Lagos EE. The findings indicate that the challenges were in multi-levels ranging from micro-level, meso-level to macro-level. Micro-level challenges featured issues like corporate governance-related challenges (control, record keeping, systems and structures, and management); competence and capabilities-related challenges (low understanding of the business environment, low business knowledge, lack of flexibility, and experience); and business model-related challenges (particularly achieving product-market fit). At the meso-level, the challenges included access to finance which varied with industry. Currently, much of the investment has been in the Fintech space. Other challenges included access to markets, access to information and support and networks (as the number of hubs available cannot cater to the entrepreneurs' needs). Finally, the availability of talent due to talent leakage, especially in the tech space, was a significant meso-level challenge. At the macro-level, the challenges included tax, regulation, infrastructural deficiency, security issues peculiar to Lagos State and the general national level issues, and the cost of doing business in Lagos. We found spillover and feedback effects across the levels such that macro-level challenges affect micro-level challenges, affecting meso-level challenges. Meso-level challenges feedback to micro-level challenges and feed-forward to macro-level challenges.

To address these issues, different interventions are required at different levels. At the micro-level, existing and intending start-ups need to strengthen their internal configurations by paying more attention to corporate governance issues and developing their competencies and capabilities. Start-ups can take advantage of available business management courses, such as MBA courses and leadership courses, to improve their knowledge and overall social capital. At the meso-level, attention needs to shift from competition to coopetition such that there is level ground for all actors to play. While investment currently focuses on "booming markets", overall productivity in the ecosystem is when all sectors of the economy can experience significant growth. This requires diverse funds tailored to the needs of different sectors. The current credit finance options are not attractive, and the provisions of the government are not adequate or suitable for scale-up. From the participant observation, some comments indicated that the Lagos State government currently offers grants and loans with no provisions for equity investment. Because of major deviations from the traditional business models, start-ups are unable to attract funds from the banks, not to mention the neck-breaking interests that accompany the funds. Thus, this study maintains that local equity financing options should be developed for start-ups attempting to scale up across different economic sectors.

At the macro-level, tax incentives are quite important for start-ups to scale up, and the government must shift from seeing start-ups as cash cows. In the long run, multiple taxations will not generate the value that an enabling environment that allows businesses to scale generates. The Lagos State government (and the Federal government) need to intensify collaborative efforts with other ecosystem actors in policy formulation and implementation of regulations. As most businesses struggle with compliance at the point of scale-up, the onus is on the government to make information available and accessible to start-ups such that their operations are guided from inception. At scale, they would not have crossed the regulatory line.

We recognise the limitations associated with carrying out a qualitative study. First, we used a small sample size, albeit the usual with qualitative studies. Second, our focus on the Lagos region means the findings cannot be generalised, especially because no two ecosystems are alike. Future studies can focus on other regions. In addition, while our study captured a multi-level analysis of the challenges affecting the transitioning of start-ups, which have varying effects on businesses depending on their underlying motive (necessity-driven or opportunity-driven?), we did not explore this deeper. Consequently, future studies can examine if the magnitude of the challenges has varying implications based on the driving motive of the firm.

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18

Conclusion: Unveiling the Path Ahead: Navigating the Complexities of Entrepreneurship in Africa

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Introduction

Isenberg (2011, p. 13) believed that "the future of civilization as we know it depends, at least somewhat, on the spread of entrepreneurship". This gives credence to the widespread notion that entrepreneurial activities and firms are major drivers of economic growth, especially in Africa. Scholars agree that entrepreneurship is like the "*Holy Grail*" for

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value creation in economies (Isenberg, 2011; Stam, 2015; Mukiza & Kansheba, 2020; Oladele & Oladele, 2016; Oladele et al., 2017). This explains the recent increased startup and scaleup discourse in entrepreneurship literature, policy, and practice (Cavallo et al., 2021; Seun et al., 2024). However, entrepreneurship in Africa is a multi-faceted phenomenon that defies simple categorization. The disproportionate concentration of high-growth firms (HGFs) in a few cities across different nations testifies that the quality and quantity of entrepreneurship in regions are predicated on dynamic environmental configurations (Nicotra et al., 2017; Stam & van de Ven, 2021) and interactions (Oladele et al., 2022).

The chapters in this book have explored the diverse and dynamic landscape of entrepreneurship in Africa. From exploring historical roots to dissecting contemporary challenges and innovations, each chapter has contributed to a multifaceted understanding of entrepreneurship on the continent. This book has delved into themes ranging from social, gender, faith-based, and youth entrepreneurship to the impact of digital technology and policy frameworks. By acknowledging this complexity and diversity, a deeper understanding of the challenges and opportunities facing entrepreneurs within the African entrepreneurial ecosystem can be unlocked. This concluding chapter reflects on the emerging themes and looks towards the future of entrepreneurship in Africa. Our aim is twofold: to provide a holistic view of entrepreneurship trends in Africa by synthesizing key insights from the preceding chapters and to offer insights into the future trajectory of entrepreneurial endeavours on the continent.

Emerging Trends in Africa's Entrepreneurial Landscape

In the dynamic landscape of African entrepreneurship, several emerging trends are reshaping traditional business models and driving sustainable development across the continent. These trends reflect a shift towards innovative approaches that address societal challenges while fostering inclusive growth and economic resilience (Ibidunni et al., 2024).

One prominent trend is the rise of social entrepreneurship (Arejiogbe et al., 2023), driven by a growing recognition of the need to tackle pressing social and environmental issues (Ogbo et al., 2019; Rivera-Santos et al., 2021). Social entrepreneurs are leveraging business principles to create positive change, whether through providing access to clean water, improving healthcare delivery, or promoting environmental conservation (Idoko, 2024). Organizations like KickStart International in Kenya, which designs and markets simple irrigation pumps for smallholder farmers, exemplify the transformative potential of social entrepreneurship in addressing poverty and promoting economic empowerment and Wecyclers, which aims to solve Nigeria's waste management challenges by providing door-to-door waste collection services and incentivizing citizens to participate in recycling (Idoko, 2024). Another example is Lionesses of Africa- a social enterprise targeted towards building and delivering entrepreneur development programmes to African women (Harvard University, 2020).

Digital innovation is another key trend shaping African entrepreneurship, propelled by the widespread adoption of mobile technology and the Internet (Friederici et al., 2020). From e-commerce platforms and mobile banking services (Ghodbane, 2016; Houngbonon et al., 2022) to digital marketplaces and fintech solutions, technology-driven ventures are revolutionizing how business is conducted across the continent (Ibn-Mohammed et al., 2020; Muhammad & Yusoff, 2023). For example, companies like Jumia in Nigeria and Sokowatch in Kenya are leveraging digital platforms to connect consumers with goods and services, driving efficiency and expanding market access.

Youth-led entrepreneurship is also on the rise, fuelled by the continent's youthful demographic profile and a burgeoning entrepreneurial spirit among young Africans (Signé, 2018; Sumaworo, 2023). Sumaworo (2023) described the role of the youth as crucial to sustainable economic growth. Recognizing the potential of youth as drivers of innovation and change, initiatives like the Tony Elumelu Foundation Entrepreneurship Programme are providing mentorship, training, and seed funding to aspiring young entrepreneurs, empowering them to realize their business ideas and contribute to economic growth (Idoko, 2024).

Faith-based entrepreneurship is another burgeoning trend in Africa, reflecting the fusion of spiritual values with economic pursuits (Albright, 2014; Namatovu et al., 2018). Entrepreneurs across the continent are integrating religious principles into their ventures, ranging from businesses directly tied to religious practices, to enterprises guided by ethical and moral beliefs inspired by faith (Namatovu et al., 2018). This trend spans various religions, especially Islam (Deku et al., 2023; Fikadu et al., 2023) and Christianity (Albright, 2014; Namatovu et al., 2018; Nii & Aryeh, 2020; Nwankwo et al., 2012). Faith-based entrepreneurship prioritizes social responsibility, community engagement, and sustainable practices, fostering social cohesion and community development. By leveraging religious networks and institutions, entrepreneurs create opportunities for marginalized groups and address societal challenges like poverty and unemployment. Despite its potential for positive impact, faith-based entrepreneurship faces challenges such as balancing religious principles with commercial interests, navigating secular regulations, and promoting inclusivity in multicultural societies (Nwankwo & Gbadamosi, 2013).

These emerging trends are reshaping the entrepreneurial landscape and driving sustainable development across Africa. These efforts are improving the quality of life for millions of Africans and creating new opportunities for economic advancement and social progress.

Potential Challenges to Entrepreneurship Opportunities and Trends in Africa

We highlight three major potential challenges: the digital divide, regulatory uncertainty, and economic volatility, which can challenge African entrepreneurs from exploiting the entrepreneurial opportunities in their regions.

While technology presents opportunities (AfDB, 2021; Ghodbane, 2016), it also exacerbates existing disparities, particularly the digital divide between urban and rural areas (Houngbonon et al., 2022). Limited access to infrastructure, Internet connectivity, and digital literacy hampers the participation of rural entrepreneurs in the digital economy

(ElGanainy et al., 2023; Sumaworo, 2023). Bridging this divide requires concerted efforts to invest in digital infrastructure, expand connectivity, and provide training and support to marginalized communities.

In addition, the regulatory environment in many African countries remains complex and unpredictable, posing challenges for entrepreneurs seeking to navigate legal frameworks and compliance requirements (Adisa et al., 2014; Atiase et al., 2018; Sauermann, 2023). Inconsistent policies, bureaucratic inefficiencies, and corruption deter investment and stifle innovation. Addressing regulatory uncertainty necessitates reforms that streamline processes, enhance transparency, and create a conducive business environment.

Furthermore, Africa's economies are susceptible to external shocks, including commodity price fluctuations, geopolitical tensions, and global economic downturns (Ibn-Mohammed et al., 2020; Signé, 2018). Such volatility undermines business confidence, disrupts supply chains, and constrains growth opportunities for entrepreneurs (Zahoor et al., 2023). Building resilience against economic shocks requires diversification, risk management strategies, and targeted interventions to support vulnerable sectors and businesses.

Looking Ahead: The Future of Entrepreneurship in Africa

Entrepreneurship in Africa holds the potential to foster inclusive development by empowering marginalized communities, promoting gender equality, and bridging socioeconomic disparities. By harnessing African entrepreneurs' creativity, resilience, and adaptability (Friederici et al., 2020; Ghodbane, 2016), innovative solutions can emerge to tackle entrenched issues such as poverty, unemployment, and access to essential services.

One of the most promising aspects of the future of entrepreneurship in Africa is its potential to empower marginalized communities. Entrepreneurship can provide economic opportunities to those who have been historically marginalized, including women (Ojong et al., 2021), youth (Sumaworo, 2023), and rural populations (Boohene & Agyapong, 2017). Recent studies are showing that these groups play a crucial role in entrepreneurship development and economic development. For example, Harvard University (2020) showed that African countries like Ghana and Uganda were leading in terms of number of female entrepreneurs globally. This was corroborated in the study of Ojong et al. (2021) who noted their contributions to innovation, employment, poverty reduction, and wealth creation.

Nonetheless, gender inequality remains a significant challenge in many parts of Africa (Egbetayo, 2019), with women often facing relatively higher barriers to accessing finance, markets, and business networks. The imperative thus is the need to foster an environment that supports entrepreneurship among marginalised groups to unlock untapped talent and creativity, driving economic growth, social inclusion, and equity (AfDB, 2021). By implementing policies that promote gender-sensitive entrepreneurship ecosystems and providing targeted support and resources for women entrepreneurs, a more equitable playing field can be created, and the full potential of Africa's female workforce can be unlocked (AfDB, 2021).

Entrepreneurship also has the potential to bridge socioeconomic disparities by creating jobs, generating wealth, and stimulating economic growth in underserved regions (Oladele & Oladele, 2016). Fostering a culture of entrepreneurship and innovation can catalyse development in rural areas and urban slums, where traditional employment opportunities may be limited. Moreover, encouraging entrepreneurship in sectors such as agriculture (Sargani et al., 2020; Sumaworo, 2023), renewable energy (Hariram et al., 2023; Oyedepo, 2012), and technology (Dabbous et al., 2023) can play a significant role in addressing societal challenges while simultaneously creating economic opportunities for local communities. Drawing lessons from regions with successful and thriving entrepreneurial ecosystems, such as Silicon Valley and Tel Aviv (Seun et al., 2024), innovation will be a driving force behind the future of entrepreneurship in Africa. With advancements in technology and digitalization, entrepreneurs have unprecedented opportunities to develop innovative solutions to address pressing challenges and meet the evolving needs of African markets (Friederici et al., 2020; Ghodbane, 2016). African entrepreneurs can drive inclusive growth and sustainable development across the continent by embracing innovation and leveraging emerging technologies such as artificial intelligence, blockchain, and the Internet of Things.

However, realizing the full potential of entrepreneurship in Africa requires concerted efforts from all stakeholders. Policymakers, investors, educators, and civil society organizations must collaborate to create an enabling environment that supports entrepreneurial activities, fosters innovation (Isenberg, 2011; Stam, 2015), and promotes sustainable development. This entails addressing systemic barriers, such as access to finance, regulatory hurdles, and infrastructure deficits while nurturing a culture of entrepreneurship that celebrates risk-taking, experimentation, and resilience (Mukiza & Kansheba, 2020).

Enabling Entrepreneurship: Policy Recommendations for Africa's Future

Government policies and institutional frameworks play a crucial role in shaping the entrepreneurial landscape in Africa (Oladele et al., 2022; Stam & van de Ven, 2021). We curated some key recommendations to create an enabling environment for entrepreneurial activities:

1. Access to Finance: Policymakers should focus on enhancing access to finance for entrepreneurs, particularly women, youth, and those in rural areas. This can be achieved by establishing dedicated funding mechanisms, supporting microfinance institutions, and fostering collaboration with private sector partners to provide tailored financial products and services.
2. Regulatory Reforms: Streamlining and harmonizing regulatory frameworks across African countries is essential to reduce bureaucratic hurdles and create a more favourable business environment. Policymakers should prioritize simplifying business registration processes, reducing red tape, and improving transparency and accountability in regulatory procedures.

3. Infrastructure Development: Investing in infrastructure, including transportation, energy, and digital connectivity, is critical to overcoming logistical challenges and facilitating the smooth operation of businesses. Governments should prioritize infrastructure development projects that support entrepreneurship and promote regional integration, such as improving road networks, expanding access to reliable electricity, and enhancing digital connectivity.
4. Capacity Building and Skills Development: Supporting entrepreneurship education and skills development programmes is essential to equip aspiring entrepreneurs with the knowledge, resources, and networks needed to succeed in today's competitive business landscape. Policymakers should collaborate with educational institutions, industry associations, and private sector partners to design and implement entrepreneurship training programmes that cater to the specific needs of different sectors and demographic groups.
5. Promoting Innovation and Collaboration: Encouraging innovation and fostering collaboration among entrepreneurs, researchers, and industry stakeholders can drive economic growth and competitiveness. Policymakers should create incentives for research and development, support technology transfer initiatives, and facilitate collaboration between startups, established firms, and academic institutions to stimulate innovation-led entrepreneurship.
6. Regional Cooperation and Partnerships: Collaboration at the regional level is essential to address common challenges and capitalize on shared opportunities. Policymakers should prioritize regional integration efforts, such as the African Continental Free Trade Area (AfCFTA), and strengthen partnerships with regional organizations, development banks, and international donors to coordinate policy actions and support entrepreneurship ecosystem development across Africa.

Conclusion

This book has explored the multifaceted landscape of entrepreneurship in Africa, from its historical roots to its prospects. The book has provided valuable insights into the complexities and opportunities inherent in African entrepreneurship by reflecting on the diverse range of topics covered, identifying emerging trends, discussing policy implications, and envisioning the future trajectory. It is imperative to take a holistic approach, considering the interplay of historical legacies, contemporary challenges, and future aspirations. Looking ahead, there is a need for continued research, collaboration, and pragmatic action to support and empower entrepreneurs across the continent, driving sustainable development, and inclusive growth.

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