

A G D I Working Paper

WP/18/025

An Integrative Framework for Entrepreneurship Research in Africa

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January 2018

Abstract

Despite the good intentions in sub-Saharan Africa (SSA), previous policy initiatives on entrepreneurship have been disjointed, unambitious, and implemented without commitment and required resources. Furthermore, there has been limited research that can provide insight into the reasons why some of the policy initiatives appear to be successful while others fail. Some scholars have suggested that without a context-specific classificatory guide, policymakers are unlikely to be accurate in their assessment of the growth capabilities of prospective candidates for specific promotion initiatives and this can explain some of the policy failures. This observation has motivated the present paper. Our aim is to provide a framework that helps identify the different contextual dimensions influencing enterprise creation processes in SSA.

Introduction

The view that private enterprise creation in Africa provides a greater promise for sustainable economic growth and poverty alleviation is gaining popular endorsement among development economists. The emerging perspective is that the formation of such businesses strengthens individuals' capacity to care for themselves and their families, while generating revenues necessary for anti-poverty policies of governments (Fafchamps, Teal, & Toye, 2001; Nafukho & Helen Muyia, 2010). Some studies have also suggested that there are strong associations between national levels of entrepreneurial activity and the levels of economic growth in countries (Carree, van Stel, Thurik, & Wennekers, 2002). These observations have legitimized the increasing focus on entrepreneurship in national economic development policies in most countries (North & Smallbone, 2006). They have also encouraged African governments and policy makers to promote policies aimed at creating conducive conditions that can broaden the base of entrepreneurial supply and ensure the emergence and continuous flow of entrepreneurs in their economies (McDade & Spring, 2005). Despite the good intentions in sub-Saharan Africa (SSA), previous policy initiatives have been disjointed, unambitious, and implemented without commitment and required resources. Furthermore, there has been limited research that can provide insight into why some of the policy initiatives appear to be successful while others fail (Kuada, 2015). Some scholars have suggested that without a context-specific classificatory guide, policymakers are unlikely to be accurate in their assessment of the growth capabilities of prospective candidates for specific promotion initiatives and this can explain some of the policy failures (Gartner, Mitchell, & Vesper, 1989; Landau, 1982). This observation has motivated the present paper. Our aim is to provide a framework that helps identify the key factors influencing enterprise creation and development processes in Africa and clarify the complementarities between them. Such a framework should provide a basis from which future entrepreneurship

research in Africa can be conducted and at the same time provide policy guidance for the design of initiatives, measures and institutions to promote entrepreneurship in African countries.

In the next sections, we gauge the relationship between entrepreneurship and economic development. This leads us to provide an understanding about the types of entrepreneurs generally referred to in the entrepreneurship landscape. Following a contextual view in which entrepreneurship occurs, we turn to the different types of contexts affecting entrepreneurial activities. Based on the aforementioned, we develop an integrative framework that offers research opportunities for entrepreneurship research in Africa. A research agenda is laid out. We conclude by highlighting the relevance of a new perspective on entrepreneurship research in Africa.

Entrepreneurship and Economic Development

The relationship between entrepreneurship and economic development can be discussed in six main strands, namely: wealth creation and sharing; the creation of jobs; balanced regional and economic developments; Gross Domestic Product (GDP) and GDP per capita; standards of living and exports (Asongu, 2013; Brixiová, Ncube, & Bicaba, 2015; Rugimbana, 2010; Rugimbana & Kojo Oseifuah, 2010; Rugimbana, Mensah, & Benedict, 2010). The points are substantiated in chronological order.

First, within the framework of wealth creation and sharing in order to establish a business, entrepreneurs are able to attract capital from various stakeholders (e.g. investors, the public and banks) as well as invest their own resources for productive ends. The process does not only mobilize public wealth, it also enables investors to benefit from the success of transforming new ideas or substantiating existing ideas into growing businesses by means of pooled capital. This

eventually culminates in the creation and distribution of wealth for economic development. This narrative is in accordance with the literature on institutions governing entrepreneurship (George, Rao-Nicholson, Corbishley, & Bansal, 2015), especially favourable political and economic institutions (Autio & Fu, 2015) and financial access establishments (Im & Sun, 2015).

Second, entrepreneurship is fundamental in the creation of jobs. This is from both direct and indirect perspectives. On the former, becoming an entrepreneur is a self-employment avenue because the process is associated with one less employment seeker in an economy. On the latter front, if the business entails a complex organisation and process of value creation, employment maybe further provided to many job seekers. Employment is essentially for economic development because those employed consume and pay taxes, *inter alia*. This narrative is in accordance with recent entrepreneurship literature (Brixiová et al., 2015; Rugimbana et al., 2010; Rugimbana & Kojo Oseifuah, 2010).

Third, the process of setting-up a business can contribute towards balanced regional development if entrepreneurs locate less developed areas for the establishment of their industrial units and new businesses. Associated development externalities to the business location decisions include: employment opportunities, enhancement of transport facilities (airports, rail links and roads) and improvement of other public and private services, such as hospitals, schools, water supply and stable electricity. From the perspective of community development, it is relevant to note that since economic growth is always associated with community development, entrepreneurship should drive some features that are essential for community development such as training and education, healthcare and other public commodities. Works by Bürcher (2017), Qian and Jung (2017) support these insights.

Fourth, in addition to wealth creation and sharing discussed in the first strand, entrepreneurship is also a measure of economic prosperity such as GDP and GDP per capita that are directly linked to economic development. For instance, an established business entity uses resources like capital, land and labour to add value to commodities which increase national product, national income and per capita income. These associated advantages derived from entrepreneurship are consistent with recent entrepreneurship and knowledge economy literature (Asongu & Tchamyou, 2016; Tchamyou, 2017).

Fifth, since a measure of economic development is increase in the living standards of citizens in a country, entrepreneurs contribute towards improving living standards beyond the pioneering and tailoring of innovations that improve the overall quality of life of customers, employees and other community stakeholders. Contemporary examples include smart cities and environmentally-friendly commodities. This perspective on living standard accords with recent literature on the relevance of entrepreneurship for poverty alleviation (Bruton, Ahlstrom, & Si, 2015; Si et al., 2015) and the provision of social amenities(Alvarez, Barney, & Newman, 2015).

Sixth, an export-led economic development strategy is facilitated by domestic entrepreneurs that are competitive enough to use cutting-edge technologies and access foreign and bigger markets. The corresponding foreign reserves from export surplus are used as cushion in stabilising the economy. Such stabilisation is an essential condition for maintaining current levels of investments as well as attracting future investments because investors and entrepreneurs have been documented to prefer economic environments that are characterised by less ambiguity (Kelsey & Le Roux, 2017a, 2017b).

In the light of the above, entrepreneurship can spark and promote economic development by creating jobs, starting new businesses as well as contributing to a multitude of development objectives such as enhancement of exports, increase of GDP, promotion of skills and knowledge economy.

Understanding the types of entrepreneurs

Shane and Venkataraman (2000, p.218) describe the field of entrepreneurship as involving “the study of sources of opportunities; the processes of discovery, evaluation, and exploitation of opportunities; and the set of individuals who discover, evaluate, and exploit them”. This definition summarizes previous perceptions of entrepreneurial activities as the outcome of isolated and discontinuous efforts made by individuals (with Calvinistic attitudes to work and life) to identify and exploit lucrative opportunities within a given business environment (Venkataraman, 1997). Some scholars argue that the ability to identify and exploit an opportunity is acquired by learning (Kuada, 2015) or is a psychological characteristic (Brockhaus, 1982; McClelland, 1987; Sexton & Bowman, 1985; Shane & Venkataraman, 2000). Psychological characteristics attributed to opportunity identification and exploitation include assertiveness (McClelland, 1987), internal locus of control (Brockhaus, 1982), innovativeness, risk-taking, proactiveness and aggressiveness (Lumpkin & Dess, 1996; Sexton & Bowman, 1985).

In line with these perceptions, the entrepreneurship literature has different classifications of entrepreneurs. For example, Smith (1967) identified two ideal types of entrepreneurs – the craftsman and the opportunist. The craftsman has a disposition to focus on the present and past, possesses technical education, and has low levels of confidence and flexibility. The opportunistic

entrepreneur is advanced in education and is mindful of the society, highly flexible and has a futuristic orientation. Stanworth and Curran (1976) identified three types of entrepreneurs - the artisan, the classical entrepreneur and the manager. While the artisan predominantly seeks to satisfy intrinsic desires (independence, control and personalized quality provision), the classical entrepreneur predominantly pays attention to profit maximization. The manager predominantly seeks to be recognised for his/her managerial excellence, specifically from business peers both within and without the firm he/she manages. Landau(1982)listed four types – the consolidator whose business combines low innovation effort with low level of risk; the gambler who combines low degree of innovation with high level of risk; the dreamer whose business is characterised by a high level of innovativeness and low level of risk; the true entrepreneur who is able to combine high level of innovation with high level of risk. Based on a Schumpeterian view of entrepreneurship, Carland, Hoy, Boulton, and Carland (1984) conceptually differentiated between the small business owner and the entrepreneur. The former is an individual whose motive is to establish and manage a business to pursue personal goals not related to profit and growth. The latter is an individual who has profit and growth intentions of the venture he/she establishes and manages. Gartner et al. (1989) offered the following eight ways in which new business ventures are formed by the entrepreneur – (1) escaping to something new; (2) putting the deal together; (3) roll-over skills/contacts; (4) purchasing a firm; (5) leveraging expertise; (6) aggressive service; (7) pursuing a unique idea; and (8) methodical organising.

Some studies have suggested that the social, economic and political contexts within which individuals live have a determined impact on their decisions to start businesses and their chances of becoming successful (Barr, 2000; Kuada, 2015; Unger, 1998). It has also been argued that some business owners in emerging market economies are forced into entrepreneurship not by

choice but by necessity (Fitch & Myers, 2000; García-Cabrera & Gracia Garcia-Soto, 2008). Thus, studies that are concerned with the process of enterprise creation must not rely exclusively on the opportunity creation perspective. This awareness provides a justification for the argument that entrepreneurial activities in emerging market economies can be aptly described as either necessity or opportunity-driven. This dichotomy has been popularized by the Global Entrepreneurship Monitor (GEM), which seeks to inform global entrepreneurship attitudes and activities. The perspective has also been found useful in classifying the types of small businesses found in most countries in SSA. Thus, Babatunde and Qaim (2009) classified African business owners in the following main categories:

1. *Absolute necessity-driven business owners* who see their businesses as “survival workshops”
2. *Supplementary income-seekers* who see their businesses as a “pass-time” or “life-style”
3. *Social capital and political network exploiters* who see their businesses as a “social or political testimony”
4. *Opportunity-identifiers* who exhibit special capabilities in finding new business opportunities in their environments
5. *Innovators* who exhibit special creativity in finding new solutions to existing problems.

Necessity-driven entrepreneurs

Those who run their businesses as “survival workshops” may be described as necessity entrepreneurs. A necessity-driven entrepreneur is borne out of push factors such as joblessness created by market inefficiencies (Boyd, 2000; Fitch & Myers, 2000). The absence of jobs, war or

famine (Landau & Gindrey, 2008) may cause people to start a business venture at home or elsewhere for the sake of survival. Thus for the necessity-driven entrepreneur, the motive behind the establishment of a business venture is simply premised on the human instinct to survive in the absence of resource in terms of property, wealth, group unity and cultural values (Boyd, 2000). Due to many resource constraints, the necessity-driven enterprises are usually relatively small (i.e. micro enterprises that provide marginal employment for a single individual) and largely end up operating outside economic mainstream, i.e. the informal sector. This partly justifies why such entrepreneurs are sometimes referred to as informal entrepreneurs (Gurtoo & Williams, 2009; & Youssef, 2015).¹

From a Schumpeterian viewpoint, creativity or innovativeness among informal entrepreneurs is low. The Schumpeterian entrepreneur is one who creatively destroys (existing) resources to bring out a new product or process of production. Previous studies have shown that such enterprises end up as perpetually “no-growth” businesses (see McCormick, Kinyanjui, & Ongile, 1997). Their owners have low levels of expectations and ambitions and are therefore inattentive to opportunities for growth. The main argument is that since survival is a necessity for the individual, they may not employ or exhibit innovativeness which exert energy and time, for these are of essence when an individual is in survival mode.

Though premised on survival strategies, authors have argued that necessity-driven entrepreneurs or informal entrepreneurs are not always pushed by disadvantaged circumstances to start a

¹Informal sector is a term generally used to describe micro enterprises such as hairdressing, commercial transportation, auto repairing, furniture production and retailing of food, clothing, medicines. Businesses in this group are usually unregistered and therefore unregulated (see Urban, Robert, and Gordon, 2011).

business. They also do so by choice (Williams, 2007) to sometimes circumvent long bureaucracy in the formal sector (De Soto, 1989). A research by Gurtoo and Williams (2009) showed that out of 1700 workers interviewed over a period of seven years in India, 49% of the sample were in the informal sector on their own account. Another empirical evidence by Williams and Youssef (2013) revealed that for over 50,000 informal entrepreneurs interviewed in Brazil, less than half started a necessity-driven enterprise. Respondents in the “start-up by choice” category provided reasons such as seeking independence, promising opportunity, family tradition, experience or skill in the business. Given the evidence, some necessity-driven entrepreneurs have the latitude to claim autonomy and flexibility to figure out their creativity (Gërkhani, 2004), demonstrating some form of opportunity based on pull factors. From a Kirznerian viewpoint of entrepreneurship, a necessity-driven entrepreneur who starts a business by choice may exhibit the quality of alertness and look out for any opportunity that allows him/her to satisfy basic needs. This way, he/she may act proactively in search of opportunities. Growth expectations or potential are best low for necessity-driven entrepreneurs due to obstacles manifested in weak demand, lack of suitable secure premises (McCormick et al., 1997) and inability to easily access finance (McCormick et al., 1997; Wang, 2016). Nevertheless, they prefer to operate within the confines of stability to avoid formal ways of business conduct that requires registration with the State.

Leaning on these observations, it can be argued that there are different types of necessity-driven entrepreneurs – some driven by economic survival motives while others are driven by intrinsic goals such as independence, personal freedom or flexibility in balancing their business and domestic lives.

Opportunity-driven entrepreneurs

As noted earlier, opportunity-driven entrepreneurs are those who identify hitherto unexploited opportunities and start a business on the basis of it. Thus they are not pushed by disadvantaged circumstances such as economic downturn, but pulled by their quest to employ themselves and/or others, gratify prestige (Baumol, 1990) or exercise a skill (Baumol & Strom, 2007). They exhibit high forms of creativity, aggressiveness and are willing to take high amount of risks especially when they find themselves in cultures that foster entrepreneurial action (Kuada, 2015; Lundvall & Johnson, 2006). Nevertheless, these do not appear in huge numbers as may be the case of necessity-driven entrepreneurs. A recent GEM study of entrepreneurs from 64 economies showed that there were more opportunity-driven entrepreneurs in efficiency-driven economies countries (71%) and innovation-driven countries (79%) than there were in factor-driven economies (GEM, 2016/17). The import of the study shows that high-income countries (innovation-driven) have structurally transformed economies that have surpassed the industrialization threshold of development. They have strong national social support systems which cushion the unemployed. Deductively entrepreneurial action emerging from these countries are more likely to be opportunity-driven than necessity-driven. This does not rule out necessity-driven entrepreneurship in high-income countries, for Fitch and Myers (2000) and Boyd (2000) have provided evidence of necessity-driven entrepreneurs among minority groups in the United States as much as Williams (2007) have shown in a study in England. The crux of the matter to be grasped is that entrepreneurship and economic development are correlated and opportunity-driven entrepreneurs have a significant role to play.

We argue that opportunity-driven entrepreneurs are also growth-oriented. Following Gutterman (2016), growth-oriented entrepreneurs are characterized by following a dream; taking advantage of a

market opportunity; getting autonomy over the entrepreneur's time; and "making a lot of money". These entrepreneurs are cognitively and behaviourally less concerned with resources in the pursuit of their entrepreneurial ambitions. They combine a strong desire for growth with the potential capacity to realise it. Thus, Stevenson and Jarillo (1990) argued that growth-oriented entrepreneurs focus on opportunities within the market without regard to resources they currently control. Similarly, Chen and Yang(2009, p.400)showed that growth-oriented entrepreneurs in Taiwan "creatively use the least resources at each stage of venture growth".

Turning to Africa, McDade and Spring (2005) argue that a 'new generation' entrepreneurs are emerging in several African countries. They describe this new group of entrepreneurs as business globalists who organized a system of business enterprise networks consisting of national, regional, and pan-African organizations². They are characterized by high degrees of interaction within social and business relationships, as well as "the use of modern management methods and information technology, trust among fellow members, transparent business practices, advocacy on behalf of the private sector, and commitment to increasing intra-African commerce" (McDade & Spring, 2005, p.17). Their networks seek to improve the climate for private sector business in Africa and to promote regional economic integration.

Contexts of Entrepreneurial Activities

²The formation of African enterprise networks began in 1993 with the formation of the West African Enterprise Network (WAEN), followed in 1998 by the East African Enterprise Network (EAEN) and Southern African Enterprise Network (SAEN). Each regional network is comprised of national networks. WAEN consists of national networks from 13 countries in West Africa, EAEN has seven in East Africa, and SAEN has 12 in southern Africa. A regional enterprise network was not established in Central Africa because of the ongoing conflict in the Democratic Republic of the Congo. In 2000, the pan-African Enterprise Network (AEN) was formed.

Scholars have drawn attention to the meaning of context in a broad and useful way. They define it in terms of resources (amount and types), actors competing for resources, the activities, aims and requirements of firms and institutions (Håkansson & Snehota, 1997; Keating & McLoughlin, 2010; Schoonhoven, Eisenhardt, & Lyman, 1990). For other authors, context is a composition of major factors, such as the “regulatory environment, culture and norms, prior knowledge, market incentives and networks”(Cuero Acosta, Adu-Gyamfi, Nabi, & Dornberger, 2017, p.17). GEM offers a list of framework conditions that affect entrepreneurial attitudes and activities. They include twelve environmental features: entrepreneurial finance, government policies and support and relevance; government policies regarding taxes and bureaucracy; government entrepreneurship programmes, entrepreneurship education at school stage; entrepreneurship at post school stage and entrepreneurship training; research and development (R&D) transfer; commercial and legal infrastructure; internal market dynamics; internal market burdens and entry regulation; physical infrastructure; cultural and social norms (GEM, 2017/18). Based on existing works, Welter(2011) identified four omnibus types of dimensions of context - business, spatial, social and institutional context. ForZahra and Wright (2011), contextual dimensions include spatial, temporal, social and institutional. There exists similarities in the literature on context, therefore we discuss the spatial, temporal, business, social, institutional in addition to two other dimensions – macroeconomic and rural-urban contexts. We argue that these two dimensions add up to the multiplicity of contexts (Steyaert & Katz, 2004; Welter, 2011) that offer a broader understanding on the subject.

Macro-economic context

The entrepreneurial activity is elucidated by three important databases (Naudé, 2010), notably: (i) self-employment measured by the International Labour Organisation (ILO); (ii) the start-up

rates of new firms measured by the Global Entrepreneurship Monitor (GEM) and (iii) the registration of new firms measured by the World Bank. Following Desai(2010), it is relevant to articulate that these databases measure firms within the formal economy as opposed to firms and entrepreneurial activities captured within the informal economic sector.

As documented by Naudé (2010), two main sets of findings have been documented by studies employing the highlighted databases. On the one hand, there is lack of empirical consensus as to whether entrepreneurship promotes economic growth, employment and productivity. This is essentially because studies have established mixed findings on causality flowing from entrepreneurship to these macroeconomic outcomes. On the other hand, there is an inverted Kuznets nexus between entrepreneurship and countries' level of economic development, measured in terms of GDP per capita.

An implication of the inverted Kuznets relationship is that entrepreneurship is highly associated with economic development in low income countries and high income countries. Conversely, middle income countries do not benefit from entrepreneurship in terms of economic development as it is the case in low income and high income countries. It follows that while entrepreneurship is beneficial for economic development at initial stages of development it also constrains economic development in a middle income trap. Moreover, once an economy has made the transition from middle income to high income, the benefits of entrepreneurship in terms of higher per capita income become apparent again. This may further imply that entrepreneurship in transition economies is less innovative (Gollin, 2008).

Spatial context

Welter(2011) explains the spatial context as the geographic location in which an enterprise takes form. Zahra and Wright (2011) complement by explaining that the spatial dimension of context concerns new venture concentration, geographic movement of firms, people and the geographic points of entrepreneurial activities. An industrial cluster study by McCormick (1999) revealed that clothing (Eastland garment), metal products (Kamukunji), fish (Lake Victoria), vehicle repair clusters (Ziwani) in Kenya; vehicle and metal work clusters (Suame) in Ghana; and the clothing cluster (Western Cape garments) in South Africa are, borrowing Welter's (2011; pp.170-171) parlance, deeply intertwined in "business, social, and spatial spheres...which fosters the development of a particular local identity". New and potential entrepreneurs from these clusters are thus shaped by the cluster's identity. In line with this, the spatial context of entrepreneurship may include community, heritage or ethnic entrepreneurship (Welter, 2011). In such a spatial context, the individual is replaced by a group for direct benefit with little interest in profit making (Welter, 2011), which may give rise to social entrepreneurship (Rivera-Santos, Holt, Littlewood, & Kolk, 2015). Authors further contend that the issue of female entrepreneurship can be placed under the socio-spatial context to illuminate understanding about established patterns of enterprise formation (Welter, 2011). By and large, females are assigned the housewife roles in many societies (for instance in Sub-Saharan Africa). Therefore female entrepreneurship breaks the norm in some communities, but women are sometimes compelled to start business at home, which may not at first instance win the trust of potential clients or seen as pure business other than an activity of leisure (Mirchandani, 1999; Welter, 2011).

Temporal context

The temporal dimension concerns with the emergence of a venture, change, sustainability of new firms over time and society or group perception of time in relation to resource allocation and the

different aspects of the entrepreneurial process (Zahra & Wright, 2011). Ucbasaran, Westhead, and Wright (2009, p.111) found that “experienced entrepreneurs identified more opportunities and exploited more innovative opportunities with greater wealth creation potential”. Experienced entrepreneurs are those who have identified and exploited (innovative) business opportunities over a long period of time. Thus their experience teaches a lot about success and failure, catalysing or constraining new opportunity identification and exploitation (Ucbasaran et al., 2009). Delmar and Shane(2004) found that new ventures that first legitimise activities (completing a business plan and establishing a legal entity) increase their chances for survival. But the findings by Delmar and Shane fit the domain of formal enterprise formation. This same however could not be said for informal enterprise formation.

In a study of time and national cultures, Usunier (1991) found that with the exception of Black Africans in Mauritania, individuals from other countries (e.g. Germany, France, South Korea) in the survey agreed to appointment making when in business. One can deduce that countries such as Germany, France and South Korea are highly advanced countries with strong industrial bases, therefore the dictates of timely production of goods prompt strict observance of time. Mauritania, however is less developed with no strong and large industrial base which may not trigger the timely delivery of ordered goods, hence the tendency of a lax attitude to time is high. These variations have consequences for resource allocation specifically with enterprise formation. The history of the evolution of an economy also has consequences in how entrepreneurship is perceived. Until recently many African countries used the state apparatus as the dominant approach to enterprise formation (Kuada, 2006). Individual enterprise formation was somehow stifled. With the continent now largely opened, the making or unmaking of entrepreneurship may be undoubtedly tied to its past.

Business context

Generally, as tabulated by Welter(2011), there are broad and specific categories in which the research reveals the business context. Broad categories included the industry and market. Specific examples include the stage of industry and market life-cycles, number and nature of competitors (Welter, 2011). The question by Rumelt (1991) that “how much does industry matter?” is useful to consider when placed in the context of entrepreneurial activities. Studies have shown that enterprise formation is largely influenced by the characteristics of the industry. Drawing from Siegfried and Evans’ (1994)industry entry barriers and entry inducements, Dean, Brown, and Bamford (1998) empirically investigated enterprise formation based on the following entry barriers (sunk costs, industry concentration, vertical integration, excess capacity) and entry inducements (industry profitability, industry growth rate, niche dynamism, technological development and production differentiation). They found that these factors either served as entry barriers or inducements for small and large enterprise formation. Other studies have shown that a quick, efficient, and cost-effective business registration process enhances formal enterprise formation and registration (Klapper, Lewin, & Quesada Delgado, 2009). Similarly a business environment that has long bureaucracy may entice bribery and corruption for entrepreneurs with start-up intentions (Smallbone, Welter, Voytovich, & Egorov, 2010). Given the evidence, entrepreneurs may use the informal sector where the business formal business environment has little influence on start-up (See McDade & Spring, 2005).

Social context

Granovetter (1985) reminds us that an economy is structurally embedded in social networks that affect its functioning. To him, relational constituents such as social and emotional attachments,

information flows and general inter-personal processes contribute immensely to explaining the growth potentials of economic systems and entrepreneurial activities in different societies. These relationships provide a sense of obligations based on feelings of gratitude, respect and friendship, and their economic benefits include willingness of business partners to engage in joint resource creation and ability to leverage external resources by the aid of referrals, and lower costs of transactions due to lower monitoring costs. As Unger(1998)conceives it, social capital is simply a social infrastructure created by groups of individuals through their interactions over a fairly long period of time. Thus the social context covers the relationships between various actors (as inventors, incumbents, new firms, and other stakeholders) that influence the life cycle of the firm (Zahra & Wright, 2011). The literature also reveals that networks are relationships embedded in the social context. Denmark is a strong economy in the world, yet Dahl and Sorenson(2009) showed in a research that many entrepreneurs in Denmark prefer to establish business closer to family and friends and former employers than what advantages regional opportunities bring. Through interpersonal, family and household relationships, actors gain access to a pool of resources that are possessed by other actors (Hoang & Antoncic, 2003; Welter, 2011).

Previous studies on Africa showed the influence of interpersonal and family ties on entrepreneurship. McCormick et al.(1997) demonstrated that initial capital for micro enterprise start-up in custom tailors in Nairobi, Kenya sometimes combine savings with cash and gifts from spouses or other family members. While interpersonal and family ties may be useful, other studies show that they could simultaneously be a hindrance to enterprise formation or expansion. For instance authors have found that some entrepreneurs in Ghana establish businesses far away from their hometown to avoid family financial demands that stifle enterprise formation (Buame, 1996; Robson; Haugh, & Obeng, 2009). Thus, family ties (social networks) may serve as both an

asset and liability for enterprise formation. Work by Babatunde and Qaim (2009) in Nigeria informed that networks are not limited to the social. In their work they found that there are business owners who use political networks as form of opportunity exploitation. Following Zahra and Wright(2011), there are different types of networks in the social context which affect enterprise formation.

Institutional context

Scholars contend that an institutional context explains differences in enterprise formation and the changes in entrepreneurial activities (Zahra and Wright, 2011). Thus this context helps to explain “the birth rate, magnitude, and types of opportunities” and entrepreneurs’ mode of exploitation for profit (Zahra and Wright, 2011; p.76). Previous studies have shown that factors such as government regulations, availability of necessary resources, and public policies tend to influence an entrepreneur’s decision and ability to exploit opportunities (Cuero Acosta et al., 2017; Eckhardt & Ciuchta, 2008). These factors form part of what is generally termed the institutional context of business operations. The general understanding is that entrepreneurs require conditions that provide an opportune environment for their creativity to flourish and their business models to work effectively. For example, the regulatory systems in a country may promote or hinder entrepreneurship by shaping the level of risk involved in the formation and start of a business (Stenholm, Acs, & Wuebker, 2013). They also influence the level of access to resources required to create new businesses. While the regulatory system of a country or locality exerts a formal influence on business creation, a normative dimension (Scott, 2014) of the institutional context has the potential to shape entrepreneurship of the country in question. Stated differently, the institutional context is also composed of informal mechanisms such as

“sanctions, taboos, customs, traditions, and codes of conduct” (North, 1991: p.97) enabling and constraining entrepreneurship.

Rural and Urban Context

Previous studies have shown that entrepreneurs’ locational decisions are not always guided by rational considerations but rather by convenience and personal attachments (Dahl & Sorenson, 2009). Many tend to start their businesses in their “home” communities – i.e. places in which they have deep roots even when more favourable conditions exist elsewhere. It therefore makes sense for policymakers to create enabling environments for the emergence and growth of enterprises in all parts of a country in order to promote dispersed spatial distribution of growth-oriented enterprises. Such promotional initiatives are even more important in Africa where there are concerns about rapid rural-urban migration and its contribution to the incidence of poverty in the urban areas (Tacoli, McGranahan, & Satterthwaite, 2015). There is evidence in the literature suggesting that non-farm entrepreneurial activities in the rural areas of Africa help reduce income disparities between rural and urban populations and therefore contribute to reduce youth incentive to migrate to urban areas (Awumbila, 2014). In addition, entrepreneurs such as traders and transport owners play the important role of creating rural-urban linkages and help decrease spatial economic disparities within individual countries.

Locational characteristics such as agro-climatic conditions and distance from urban areas, ports and markets tend to determine the types and varieties of enterprises that are established in the rural areas. For example, it has been suggested that the more favourable the agro-climatic conditions (e.g. better rainfall) the more likely it is to engage in trading activities (Reardon, Barrett, & Stamoulis, 2006). Similarly, the nearer a rural area is to an urban market the easier it

is to establish enterprises that link rural and urban areas – e.g. small transport businesses and trading. Fafchamps and Shilpi (2003) suggest that the relationship between distance from an urban centre and the share of income from non-farm enterprises may be U-shaped. That is, the further a person lives away from an urban centre the lesser the probability that he will start a non-farm enterprise up to a point. The chances of creating such businesses increases again as the rural area becomes so isolated that urban-rural linkages tend to make lesser economic sense.

In terms of growth potentials, previous studies have shown that most of the rural non-farm enterprises are most often necessity-based. That is, heads of rural households find themselves pushed to start these businesses due to such factors as surplus labour in the households and seasonality of farming activities (Babatunde & Qaim, 2010). Therefore, the policy challenge is to create enabling environments for the emergence of growth-oriented entrepreneurs that can set positive and dynamic growth spiral in motion in the rural areas.

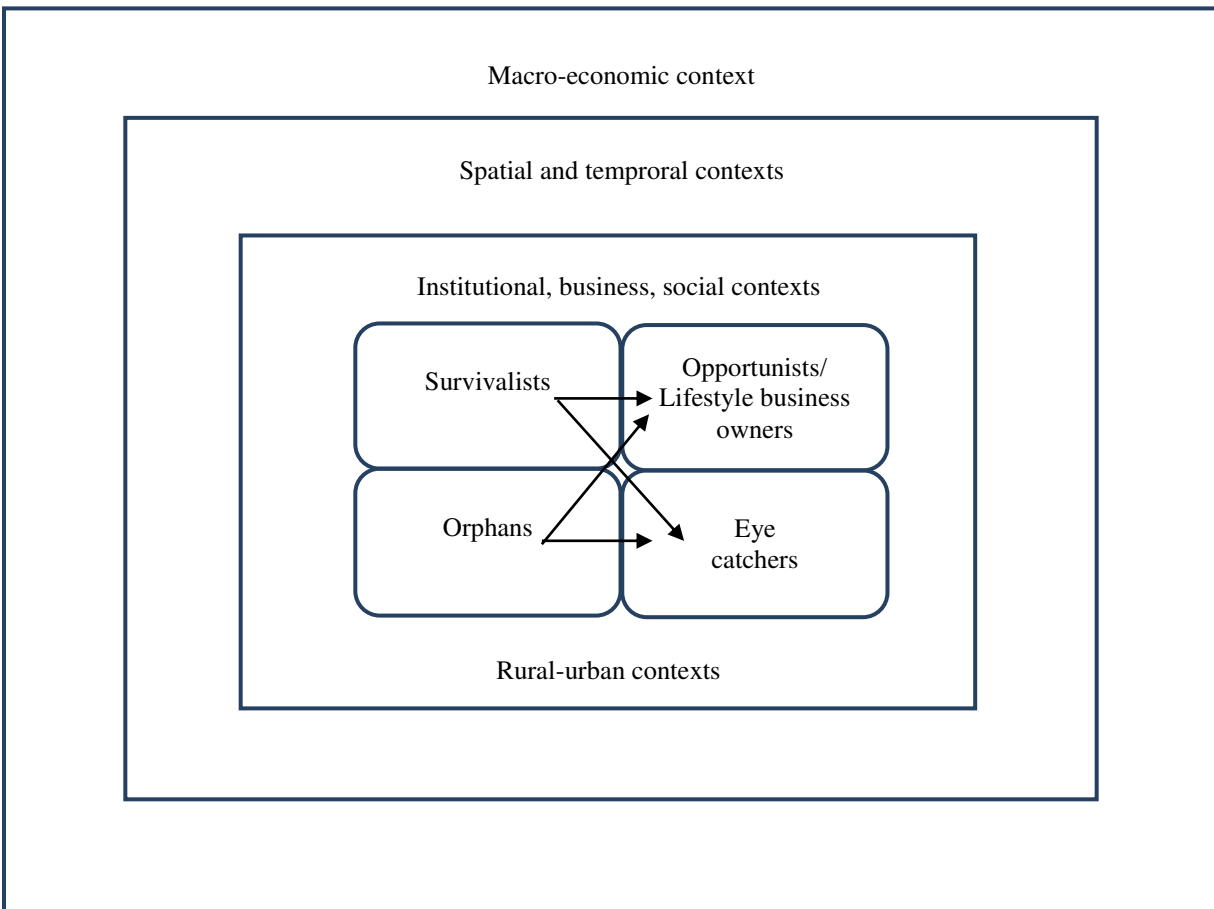
An Integrated Framework

A review by Shane (1997) showed that an enormous number of articles on the subject of entrepreneurship have been theorised and researched by authors from advanced economy contexts. To offer a developing economy perspective as a component of the encompassing subject, Kuada (2015) developed a classificatory framework of entrepreneurship which conceptualized different types of entrepreneurs in Africa. The author proposed a 2x2 framework based on creativity and motive. Four types of entrepreneurs are enlisted – survivalists, orphans, opportunists and lifestyle business owners, eye catchers. Survivalists are those known in the aforementioned literature as necessity-driven entrepreneurs. Orphans are also necessity-driven entrepreneurs who have real entrepreneurial intentions. They show

promise by exhibiting marginal but significant innovations, nevertheless, they are resource constrained and/or unaware of available business support to fully unleash their creativity. Opportunists or lifestyle business owners leverage their position in political and social networks to take advantage of opportunities that present themselves while in these networks. They do not only identify opportunities in their networks, they also possess capabilities that enable them to exploit the entrepreneurial opportunities they see. However firm growth is not a key concern due to the lifestyle they enjoy. Thus opportunists and lifestyle business owners prefer to keep a status that allows them to keep their businesses below growth potentials. Eye-catchers have entrepreneurial intentions of growing their business and making profit. As the name speaks for itself, eye-catchers may initially be unknown and therefore support from their operational environments may at best be limited. They operate in high-entry barriers and possess phenomenal capabilities that are used for profitability in the future when business is set in motion.

Kuada's (2015) classificatory framework, in addition to other described types of entrepreneurs in aforementioned literature, offers insights into understanding the behaviour and motive of the entrepreneur. It places the entrepreneur in a social context but does not extend to different contextual dimensions discussed in this paper. Entrepreneurship scholars have opined the need for multi-level research about entrepreneurship (Low and Mcmillan, 1988). In line with this, the integrated framework in the current paper combines entrepreneurial behaviour and motive with the contextual dimensions discussed in the literature above. The purpose is to advance entrepreneurship research in Africa with a new approach that is extensive and informative.

Figure 1: An integrative framework for entrepreneurship research in Africa



Source: Kuada (2015) with modifications

Research agenda and policy considerations

The integrative framework offers many opportunities to further study entrepreneurship research on many fronts. In line with this, research that seeks to investigate how a particular entrepreneur recognises entrepreneurial opportunities and/or establishes an enterprise in combination with one or more contextual factors will show the complexity of entrepreneurship across differential and related contexts. Such research will aid policy makers in Africa to deploy resources that fit the behavioural characteristics of entrepreneurs and the multilevel contexts they operate.

In a future research proposal, Kuada (2015) elaborated that investigations into the types of entrepreneurs may produce other categories which will enrich our views on entrepreneurial activities. We welcome this by adding that a dynamic or static context may well facilitate or constrain the evolution of one type of entrepreneur into the other, what we term as ‘graduated entrepreneurship’. For instance, a survival entrepreneur become a lifestyle business owner or an eye catcher not only based on purely intrinsic capabilities or skills on the part of the entrepreneur but also by the contextual dynamics in which they operate

Given a dynamic business context, the industry in which an entrepreneur starts a business may change when the institutional context favours or discriminates enterprise formation in a particular industry. For instance Asongu, le Roux, and Biekpe (2018) have shown that in many parts of Africa, there is a huge potential for enterprise formation in the mobile phone industry. But this requires that entrepreneurs be introduced to new knowledge in order to match the institutional context related to the ease of doing business. Thus research that investigates the relationship between various contexts and their influence on entrepreneurship in particular business sectors are welcome.

Entrepreneurship research in Africa which explicitly builds arguments within a temporal context is still woefully inadequate and at best few. Yet the history of Africa, which manifests a cocktail of developmental ideologies stand to provide enough resource to understand the evolution of entrepreneurship on the continent. In consonance with this, useful questions loom in the background. What similarities and differences exist between current entrepreneurs and those before the Cold War? Does the perception of time impact on the type of entrepreneurs the continent, country, region or locality produces? Are there rich sources of experience to tap from

African entrepreneurs who have conducted business over long periods of time? What led these entrepreneurs to succeed or fail? These and many other questions require empirical evidence when entrepreneurs and the temporal context are investigated. Such research will aid policy makers to make informed policies that embody history as an important resource in entrepreneurship development.

It has been mentioned earlier in the text, that some African entrepreneurs prefer to establish companies away from the hometown to avoid emotional stress from family members (Buame, 1996; Robson et al., 2009). Yet findings from Dahl and Sorenson(2009) showed that entrepreneurs in Denmark have a high propensity to establish companies close to family, friends and places of deep roots. While there are differences in the findings, we contend that context matter to understand why there are entrepreneurs characterized as survivalists, orphans, lifestylists or eye catchers. Stated differently, does context produce particular type of entrepreneurs? Such a research, we believe will guide policy makers in providing entrepreneurial support targeted at entrepreneurs in particular places.

Africa is huge and rich in diversity. Therefore different countries exhibit different modes of entrepreneurship behaviour embedded also in different contexts. Comparative research investigating similarities and differences in entrepreneurship across countries will offer robust generalization about entrepreneurship in Africa. This may prompt regional and continental institutions to rethink entrepreneurship support offered to various countries and the relevant focal points needed to avoid disjointed, ambiguous and unambitious support.

Conclusion

Entrepreneurship immensely supports economies to develop and grow. In Africa this is even more needed, given that the continent is saddled with poverty. Therefore entrepreneurship research is necessary to ultimately inform policy makers of coordinated entrepreneurship support. In line with this, we have conceptualised a new integrative framework to enable us understand entrepreneurship better on the continent. The research agenda we propose are by no means exhaustive. We contend, however, that the framework will offer glean insights into entrepreneurship process and context. This will enrich theoretical, conceptual, methodological and policy perspectives that embody entrepreneurship research.

We believe that we have made our model open enough to allow future researchers to critically produce constructs and accompanying indicators that fit each context. In other words, each context dimension may entail detailed indicators carefully chosen for analytical rigour. Different contexts can be combined to study its relationship with a particular type of entrepreneur and their process of opportunity identification and exploitation. Nevertheless, we leave this to the discretion of the researcher.

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