

# Entrepreneurship and its Determinants in Nigeria: Empirical Evidence from Micro and Small Enterprises in Kano State

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## Abstract

The objective of this paper is to examine the determinants of entrepreneurship in Kano state. Survey research design was employed to collect data from the selected samples of micro and small entrepreneurs in the state. Questionnaire and interview instruments were used to collect data accordingly. Interview was purposely conducted to complement information obtained through the use of questionnaire by exploring to get more information directly from the selected key informants. Simple linear regression was used to estimate the coefficients of all the variables in the regression model. In spite of high poverty and unemployment in the state, it is discovered that there is no motivation for poor and unemployed people to start up their own business. Therefore, lack of start up capital is found to be a major factor or determinant for entrepreneurship activity. Women were less likely to partake in entrepreneurial activities in comparison to their men counterpart. There is need for the government to revisit the existing microfinance policy so as to address the financial problem of the poor and unemployed. Women should be encouraged to participate in entrepreneurship through training and financial support.

**Keywords:** Entrepreneurship Development, Micro and Small Business, Liquidity Constraint, Start up Capital, Gender

## 1. Introduction

Entrepreneurship is attributed to individual's behaviour which occurs over time and space. The decision to engage in entrepreneurship depends on the individual's ability to identify and mobilize necessary resources. The success of the enterprise is not solely dependent on the entrepreneur's ability but it is determined by other factors. Understanding the determinants of entrepreneurship such as socio-demographic, economic, cultural environment and personality characteristics of the people are essential ingredients for formulating suitable policies for entrepreneurship development (Giannetti and Simonov, 2004 and Martin, 2007).

Various governments especially in developing countries are striving to promote private sector and tackle some fundamental socio-economic problems through supporting and developing entrepreneurship. Entrepreneurship is expected to be a catalyst for economic development especially among developing countries. Micro, small and medium enterprises (MSMEs) are regarded as a vehicle for entrepreneurship development. They are important in terms of growth, productivity and competitiveness of the economies. Moreover, they are the primary source of job creation, poverty reduction, and engine for private sector development. And indeed, the growing number of unemployed youth and adults in Kano state can be encouraged to engage in entrepreneurial activity. More

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