



Supporting Entrepreneurship in Africa

Terhemmen Agabo, Luc-Yaovi Kouassi

► To cite this version:

Terhemmen Agabo, Luc-Yaovi Kouassi. Supporting Entrepreneurship in Africa. [Technical Report] IFRA-Nigeria. 2020. hal-03661948

HAL Id: hal-03661948

<https://hal.science/hal-03661948>

Submitted on 8 May 2022

HAL is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.

IFRA-Nigeria

Research Report

"Supporting Entrepreneurship in Africa"

**EMPOWERING
AFRICAN
ENTREPRENEURS**



THE TONY ELUMELU
FOUNDATION



Foreword

The Tony Elumelu Foundation Entrepreneurship Programme (TEEP)

Launched in 2015, the Supporting Entrepreneurship in Africa programme is a philanthropic initiative of the Tony Elumelu Foundation whose goal is to empower young African entrepreneurs.

The Tony Elumelu Foundation (TEF) was founded in 2010 in Nigeria by Tony Elumelu himself, an entrepreneur, philanthropist, and the chairman of United Bank for Africa. The foundation's objective is to participate in Africa's economic development by "*empowering African entrepreneurs to create jobs on the continent*".

The Tony Elumelu Foundation Entrepreneurship Programme (TEEP) is a ten year-long \$100 million initiative committed by Tony Elumelu to provide training, mentorship, seed capital and networking to 10,000 African entrepreneurs at different stages of businesses they want to develop on the continent. Having participants from the 54 countries of Africa, the programme had 4,470 entrepreneurs by the beginning of 2019 and had given out \$ 5,000 as non-refundable seed capital to each beneficiary. The goal of TEEP is to create at least 1 million jobs and contribute over \$10 billion in revenue to African economies. Started in 2015, the TEEP launched its 5th edition in 2019.

The programme is led in lines with 'Africapitalism' the philosophy of its founder. The Afrocapitalist's vision emphasizes the role of the private sector in contributing to the prosperity of Africa. As such, beneficiaries of the programme are expected to create jobs and economic opportunities in their communities as well as to be agents of sustainable development. As the philosophical notion entails, the goal is to "create economic prosperity and social wealth. Africapitalism has the power to move all of Africa forward, and ultimately transform the lives of ordinary Africans in Africa". The programme is also executed with the support of the 7 pillars of the Tony Elumelu Entrepreneurship programme, which comprises the start-up enterprise toolkit, an online mentoring, online resource library, meet-ups, the TEF Entrepreneurship Forum, seed capital, and an alumni network.

The research programme

“Supporting Entrepreneurship in Africa”

In 2018, the Tony Elumelu Foundation (TEF), the French Development Agency (AFD) and the French Institute for Research in Africa, Nigeria (IFRA-Nigeria) signed a partnership agreement that included a knowledge production component. It was decided that this would consist in an academic research work.

The primary objective of this research collaboration is to assess the economic and social impact of the TEF entrepreneurship programme in four African countries. This research partnership shall allow for taking a deeper dive into a selection of businesses established or developed with the support of TEEP and an assessment of their effects within particular areas and communities.

The research aims to shed light on some of the following issues: (1) the economic and social impact of TEF entrepreneurs in their host communities, (2) additional funding received by entrepreneurs upon programme completion, (3) the ease of doing business in their respective countries, (4) the impact of their businesses within rural communities and (5) the capacity of TEF entrepreneurs to achieve or help achieve the Sustainable Development Goals of the United Nations (SDGs).

The following countries are of importance to TEF due to their thriving entrepreneurial ecosystem and also because they account for the highest number of TEF entrepreneurs in Anglophone and Francophone Africa:

- Nigeria (1969)
- Kenya (385)
- Cameroun (106)
- Côte d'Ivoire (68)

Two junior researchers were selected by IFRA-Nigeria to work on the project:

- Terhemmen Agabo, a Master's student in Economics from the University of Ibadan (Nigeria)
- Luc-Yaovi Kouassi, a Master's student in Political Sciences at the Panthéon Sorbonne Paris 1 University (France)

They were hosted within IFRA premises in Ibadan to prepare the fieldwork and analyse the data. Their work was supervised and coordinated all along by IFRA's research associate, Clémentine Chazal and IFRA's Director, Dr. Elodie Apard.

The Tony Elumelu Foundation (TEF) provided a database of entrepreneurs as well as other logistical support for the work.

The production of two technical reports

The two junior researchers conducted several months of fieldwork in the targeted countries and tackled the project with a different approach:

- Luc-Yaovi Kouassi looked at the “Social and political impact of the Entrepreneurship Programme on the beneficiaries” from the perspective of political sciences. He explored the extent to which the Entrepreneurship Programme gives beneficiaries-entrepreneurs new resources they can convert into new social and political positions. His research is a comparative analysis between selected entrepreneurs in Nigeria, Cameroon and Côte d’Ivoire.
- Terhemmen Justine Agabo’s research investigated the “Tony Elumelu Entrepreneurs and Living Standards in Rural Communities across Nigeria and Kenya” from an economic perspective. This study focused on the economic impact of the Tony Elumelu Foundation (TEF) Entrepreneurs operating in rural communities in Nigeria and Kenya looking at job creation, provision of good and services and the use of raw materials. It sought to uncover how they have improved the living standard of rural communities where they developed their businesses.

The two technical reports below highlight the findings of these studies. The content of these reports are the responsibility of their authors and that of IFRA-Nigeria; they do not reflect the opinion of TEF or AFD.

Terhemmen Agabo

Research Report

*Economic impact of TEEP beneficiaries
on rural areas (Kenya & Nigeria)*

Terhemmen AGABO
Dep. of Economics, University
of Ibadan, Ibadan, Oyo State,
(NIGERIA)

IFRA-Nigeria (The French Insitute for Research in Africa)
Institute of African Studies, University of Ibadan, Ibadan
(NIGERIA)
<https://www.ifra-nigeria.org/>

Structure

This report focuses on selected Tony Elumelu entrepreneurs in Nigeria and Kenya who operate in rural areas. It attempts to reveal the economic and social impact of Tony Elumelu entrepreneurs in rural communities in the two countries, using an academic approach and research methodology based on qualitative data, collected in the field, mainly through interviews. This technical report highlights the findings of the study while providing a scientific analysis and some recommendations.

The report is structured as follows:

- Introduction: the role of entrepreneurship in boosting livelihoods and Sustainable Development Goals in rural communities.
- Methodology: This section examines the activities and methods used to collect data for this study. Also, it captures the demographic characteristics of respondents and the major characteristics of their businesses.
- Major findings: highlighting the impact of entrepreneurs in rural communities.
 - **Impact of the TEEP on rural areas from selected businesses**
 - **Impact of Goods and Services produced by Entrepreneurs in Rural Communities**
 - **Evolution and vision of selected businesses**
 - **Impact of the Tony Elumelu Foundation Entrepreneurship on the Business Ecosystem in Kenya and Nigeria**
- Recommendations

Introduction

Introduction: the role of entrepreneurship in boosting livelihoods in rural communities

While the absolute number of people living in poverty, worldwide, has declined globally from 47% in 1990 to 22% in 2002, the number of poor people in sub-Saharan Africa has increased.[1] Furthermore, the bulk of the poor in sub-Saharan Africa live in rural communities where basic infrastructure is absent.[2]

On the other hand, entrepreneurship can play an important role in mitigating the growth in poverty in the developing world as well as contributing to the achievement of the sustainable development goals. Micro Small and Medium Enterprises (MSMEs) have proved to be key drivers of employment, innovation and economic development in Africa, Asia, and Latin America. For instance, MSMEs account for 80 percent of jobs in developing countries.

Entrepreneurship is vital in the eradication of poverty especially in rural communities by providing decent jobs for individuals living in those communities, engaging the use of local raw materials owned by members of the local communities thereby creating markets for economic activities.[3] In other words, MSMEs generate social wealth and income through their ability to create new markets, new industries, new technologies, new jobs, and net increases in real productivity are thus able to reduce the poverty level. MSMEs have positive impacts in communities by mobilizing private investment into lagging areas and spreading the dividends of economic growth to individuals and places too often left behind.[4]

In Nigeria and Kenya, the promotion of MSMEs by the government has been going on since the 1960s when both countries gained independence. The governments of both countries recognize the importance of SMEs for their economy as they help to achieve the goal of eradicating unemployment and poverty. Both countries have adopted and reformed various SME support agencies and schemes such as the Small and Medium-scale Enterprises Development Agency of

[1] United Nations (2013) Millennium Development Report 2013

[2] Khan M. H. (2010) Rural Poverty in Developing Countries: Issues and Policies, IMF working paper, April 2000

[3] Is small still beautiful? Literature Review of Recent Empirical Evidence on the Contribution of SMEs to Job creation. ILO and GIZ

[4] Promoting Entrepreneurship for Sustainable Development: A Selection Of Business Cases From the Empretec Network, UNCTAD 2017

Nigeria (SMEDAN) for Nigeria.[5] In Kenya, the government rolled out the Assistance to Micro and Small Enterprises Programme (ASMEP) in 2007 to create a favorable business environment for the growth of SMEs in the country. SMEs have been strategically featured in the development plans of the two countries over the years.[6]

Going further, Entrepreneurship is essential in the achievement of certain of the development goals.[7] For instance, the Sustainable Development Goal 1 is concerned with food security and MSMEs in sub-Saharan Africa play an important role in agriculture, which includes the production of food. Also, a good number of MSMEs have contributed to the production of clean energy, which is line with the seventh sustainable goal.



A visit to Nenu stoves, Gbazumu village, Kaduna state

[5] Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). (2013). Smedan and National Bureau of Statistics collaborative survey: Selected findings

[6] Kenya National Bureau of Statistics. (2016). Micro, Small and Medium Establishments Basic Report 2016. Nairobi: Kenya National Bureau of Statistics

[7] Promoting Entrepreneurship for Sustainable Development: A Selection Of Business Cases From the Empretec Network, UNTCAD 2017

Methodology

Study Location and Research Methodology

This study took place in Nigeria and Kenya. The chosen sample comprises selected entrepreneurs operating in rural communities, who were all beneficiaries of the Tony Elumelu Entrepreneurship Programme.

Interviews

Semi-structured interviews were used to obtain data from the respondents, who were a total of 40, including 20 entrepreneurs in rural communities (10 in each country) and 20 individuals belonging to these communities (10 in each country). The aim of the semi-directive interview method was to collect detailed information that would be useful in understanding the impact of the entrepreneurs in their communities.

The study having taken place in two countries permits a comparative analysis that will reveal varying and similar outcomes of entrepreneurs working in the two countries. Another interesting feature is that the two countries—Nigeria and Kenya—are economic leaders in the Western and Eastern Africa regions respectively, and that both countries have the highest number of entrepreneurs who have benefited from the Tony Elumelu Entrepreneurship Programme.

Quantitative and Qualitative data

Quantitative as well as qualitative data were sourced in the course of this study. The use of both kinds of data is warranted by the nature of the research, as it involves quantitative facts, some of which are best expressed quantitatively, while some detailed phenomena are best revealed using a qualitative medium.

Fieldwork

The fieldwork activities spanned over a period of six months (three months of intensive fieldwork and the remaining three for follow-up). The fieldwork in Kenya took place in June 2019, while that of Nigeria was spread between July and September.

A typical interview involved a visit to an entrepreneur's business site, a tour of the site, an interview lasting an average of 40 minutes with the entrepreneur, an employee and/or an individual living in the community. In some cases, an entrepreneur was not on site and had to be interviewed outside the community where his business was located (3 of such cases in both countries). Also, follow-up interviews were carried out in certain communities to verify or collect more information.

Interview Locations

Table 3.1: Interview locations in Nigeria and Kenya

S/N	Nigeria -Interview locations	Kenya- Interview Locations
1	Ugbetulu, Idah, kogi State,	Taveta, Taiti-Taveta County
2	Iganke, Ikorudu, Lagos state	Mwea, Mwea County (2 interviews)
3	Gbazumu village, Kaduna state, Nigeria	Samburu, Nairobi county
4	Ilorin East Local Government, Kwara State	Nairobi county
5	Mkar village, Gboko Local government, Benue State.	Kitale, Nakuru County
6	Anpka, Makurdi local governemt, Benue State	Naivasha, Nakuru county
7	Molette, Village, Kwara state	Nakuru, Nakuru Conty
8	Odo ona village, Ado ekiti, Ekiti state	Karatina village, Karatina County
9	Ibadan, Oyo state	
10	Lugbe, Abuja	

Figure 3.1 : Gender of Selected Entrepreneurs

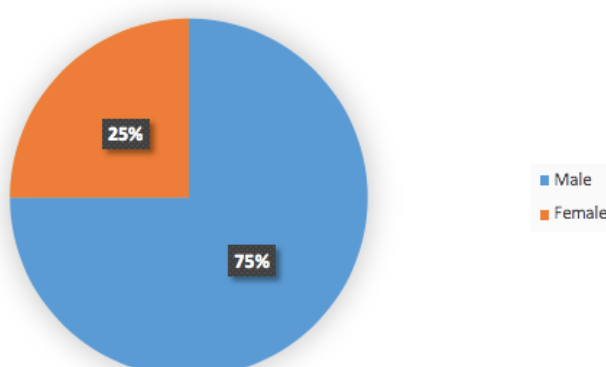


Figure 3.2 : Age of Selected Entrepreneurs

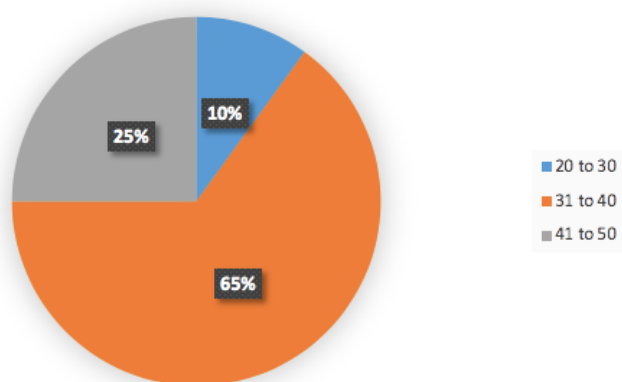
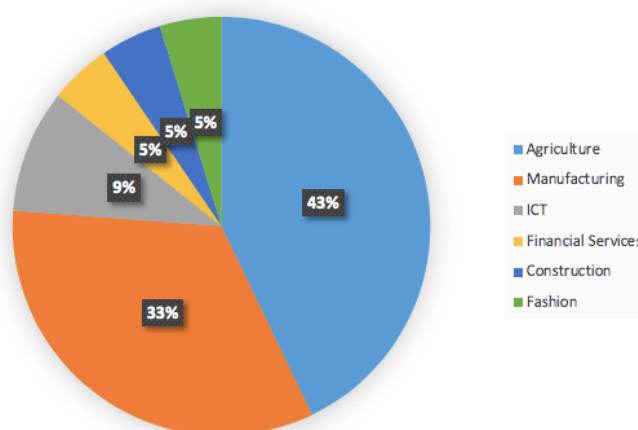


Figure 3.3 : Sectors Covered



Important definitions

Entrepreneur

Among the many definitions of an entrepreneur, the definition by Joseph Schumpeter is adopted for this study. According to this renowned political economist, “an entrepreneur is one who takes up the task of reforming the pattern of production by exploiting an invention or, more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way.” Also, this study recognizes that very often Micro, Small, and Medium Scaled Enterprises (MSMEs) are used together with entrepreneurship. The two terms are not similar but related.

This study defines MSMEs as employing a certain number of employees: Micro (1-9), Small (10-49), Medium (50 -99).

Rural Area

A rural area is defined in opposition to an urban area, as remote places, located within the countryside, composed of small villages and characterized by its low population.

Findings

Impact of the TEEP on rural areas from selected businesses

Total employment created by selected Entrepreneurs

- 20 Entrepreneurs = 345 jobs

A total of 345 jobs [8] have been created by the 20 entrepreneurs across the communities covered by this survey.

Impact of jobs on communities

The findings of the research show that entrepreneurs create jobs for members within host communities. The employment range is from 1 to 50 workers. This implies that some entrepreneurs create way less employment in their communities than others. However, discussions with community individuals show that the presence of jobs, even few, provide a source of livelihood that enables them to meet their needs and those of their families. Another notable feature is the fact that more than half of the jobs provided by entrepreneurs are temporary. Entrepreneurs explain this phenomenon as an outcome premised on cost avoidance. The temporary nature of the jobs raises the question of the livelihood sustenance as well as that of the quality of jobs, discussed in the next subsection.

Quality of jobs created

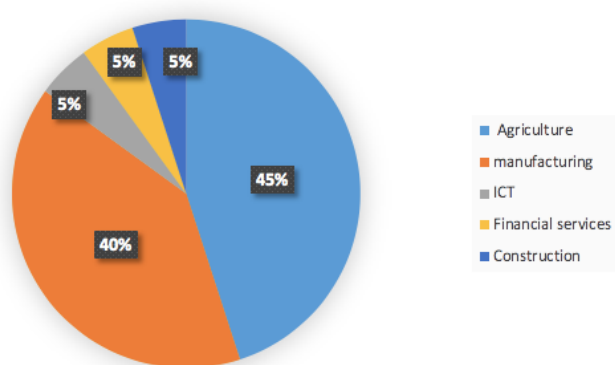
The quality of jobs also varies with company age, revenue, and location. Observations show that entrepreneurs whose companies are older afford to pay health insurance, pensions and provide loans for their employees. The same goes for companies with high earnings. Also, entrepreneurs in Kenya offer more quality jobs in terms of salaries and other benefits, such as health insurance and pensions. This is an outcome of the variation in the labor regulatory institutions in both countries. The quality of jobs goes a long way to determine the well-being of workers. Interactions with workers in enterprises with good working benefits show that such workers are able to afford further education while maintaining their jobs. This way, they are well-positioned

for competitive salary compensations. As stated earlier, most of the jobs provided by entrepreneurs are temporary or seasonal. Given the seasonality of production in high employment generation sectors like agriculture, entrepreneurs avoid the high cost of

[8] This figure represents the total job count in the enterprise branches visited in this survey. The complete figure of jobs created by the entrepreneurs across all branches of their business is reported in the section-Impact of TEEP on the ecosystem.

maintaining workers that will not have tasks to perform all year round. However, temporary jobs bring about job uncertainty on the part of the workers and, as observed during the field visits, several workers hang around business premises hoping to be called to work. Others choose to work for free rather than staying idle.

Figure 4.1 Employment Contribution by Sector



Firms in the agriculture and manufacturing sectors employ the highest number of people, as can be seen on the chart. These sectors involve labour-demanding processes, which is why they have been a good source of employment for rural dwellers.

However, businesses in a sector such as ICT, financial services, and construction have contributed the least to employment in the communities. ICT and financial services companies visited do not require a high amount of labour to carry out their businesses.

Impact of Goods and Services produced by Entrepreneurs in Rural Communities

Goods and services produced by entrepreneurs who participated in this study:

- Construction capacities
- Liquid soap
- Food; Potato chips, Banana, Palm oil, Garri, Plantain flour, Banana mixture
- Food processing services: Rice processing
- Body cream
- ICT services
- Plant seedling
- Cooking stoves
- Water filter
- Clothes, Uniforms
- Micro-credit services

Impact of goods and services

Very often, those who dwell in rural areas lack access to basic and non-basic goods and services that would make their life easier. Some of these goods and services include food, healthcare and quality education among others.

From the findings of the study, entrepreneurs have sometimes been able to meet the need for certain goods and services that were not available in these communities before they started their business. As a result, living conditions have improved for some individuals in some communities.

For instance, the production of energy-saving stoves by an entrepreneur in Gbazungu village in Kaduna state helps to save on the cost of preparing a meal, as the entrepreneur himself explains: *“some people spend as much as 500 naira in cooking a meal, so if you have these stoves that reduce the cost of cooking this same meal by 80 percent so you are spending anything between 150 to 200 to cook the same meal so it saves money.”*

Also, the availability of ICT training facilities in rural areas helps rural dwellers gain useful knowledge for employment and educational purposes.

The affordability issue

The availability of goods or services exists independently of its affordability. The findings of this study revealed that some goods produced in rural areas are not affordable to everyone; hence a good number of rural dwellers cannot afford them. One example is construction services, a highly expensive service that can only be accessed by the wealthy.

On the other hand, some goods are affordable by the rural dwellers. They include food products: palm oil, banana mixture, potato chips for example, and equipment such as cooking stoves. Among services, access to micro-credit appears particularly relevant for rural dwellers.

Goods and Services produced by the community

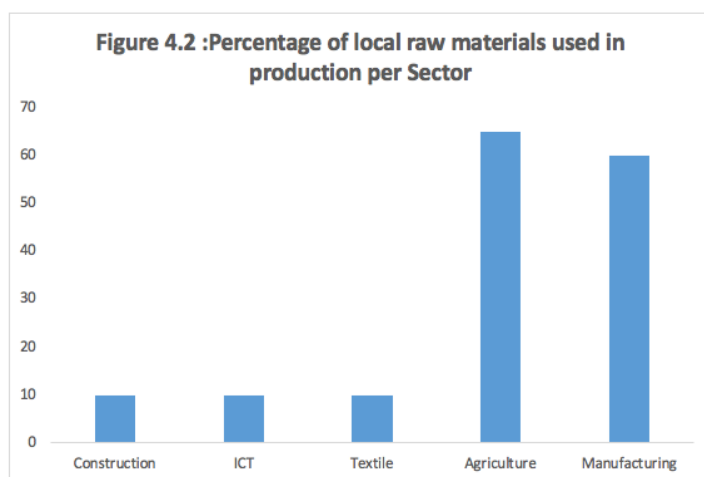
Another interesting finding is the observation that, in many cases, the entrepreneurs were involved in the production of goods and services that were already being produced by several households in the community. This occurrence was particularly popular for food products.

Rural areas in Africa often serve as food production centers. Therefore, the entrepreneurs who produce processed food have to sell the bulk of their products in markets outside the communities, especially in the nearest cities to the communities. As such, entrepreneurs who produce processed food do not significantly meet the food needs of their host rural communities, as almost every household is involved in producing one type of food or another.



A visit to Taveta, Taiti Taveta county, Kenya

Use of Local Raw materials by SMEs



Impact of the use of local raw materials by Entrepreneurs

From the findings of this research, the use of local raw materials by entrepreneurs provides an avenue for local people to earn income by selling to the entrepreneurs. It also leads to the establishment of businesses, mostly farms and mineral mining by the local people. These new businesses set up to meet the needs of entrepreneurs sometimes develop into a source of livelihood to the rural dwellers.

The use of local raw materials varies by sector. Businesses in construction, ICT, manufacturing and financial services do not depend significantly on local raw materials. The reason for the low use of local raw materials by companies in these sectors is due to the unavailability of relevant raw materials in rural communities. For instance, one of the SME owners who work in the textile industry says:

"We go to Nairobi to buy our materials. We do not have them in Karatina. So, we get them from Nairobi and make our products in Karatina and sell them there"

On the contrary, businesses in agriculture and manufacturing use local raw materials in a good quantity owing to the abundance of agricultural produce in rural communities. Some companies in the manufacturing sector also find several local raw materials useful in their production activities.

One entrepreneur who manufactures stoves explains the major constituent of his product:

"We source clay from here, the sawdust there is a sawmill here, we use clay, we use kaolin, and kaolin is from here"

The use of local raw materials can keep rural dwellers engaged in economic activities in their areas.

Evolution and vision of selected businesses

The findings of the study reveal that some entrepreneurs are socially conscious and have shown a commitment to provide solutions to social, environmental, and economic challenges to their host communities. Some of the selected entrepreneurs founded businesses with the motivation to address social issues, while others who were driven into business by a clear profit motive. Several have, however, identified ways to contribute to the attainment of Sustainable Development Goals (SDGs) in their communities. Some selected cases that fit this description are narrated below:

Fighting the Felling of Shea trees in Kayama Community in Kwara State, Nigeria.

Adebola Ahijo founded the “Save the Shea initiative” to fight the felling of shea trees in Kayama community in North-Central Nigeria, felled trees being used for charcoal production there. Adebola, who is into the production of baby cream, uses Shea butter from the Shea trees as a major raw material. Also, the Shea trees have been a source of livelihood to the women in the community for more than five decades. Concerned that the sustainability of her business and the sustenance of the women’s livelihood in the community were under threat, she launched the initiative. She mobilized local women, local leaders, and officials of national Agencies to act against the felling of Shea trees. As part of the campaign, Adebola is currently working on a Shea tree plantation to keep her business and ensure the sustenance of the local women’s livelihood who work in the Shea plantations.

Ensuring Sustainable Food production in Idah Local government, Kogi State, Nigeria.

Elejo Peters retired from a 15-year banking career for the sole purpose of establishing a grain-processing plant in her village in Idah local government. Moved by the high rate of poverty in her community, Elejo mobilized farmers to cultivate rice, sorghum, and other grains in high amounts. Also, she set up a rice-processing factory at the center of the community. With the availability of modern machinery in the factory, the farmers can now produce more grain and have it properly processed, which makes it easy for storage, improves the quality of the grains and enhances its selling potential.

Healthy drinking water in Naivasha, Nakuru County, Kenya.

Brian Ayodi's cousin was diagnosed with Liver Fluorosis caused by high amounts of fluorine in his community's underground water. This ordeal drove Brian to think of a solution that would be accessible to the whole of Naivasha community. Brian came up with a water filter that reduces excessive amounts of fluoride in drinking water. He is currently working on improving the product for mass production.



Food security in Kenya.

Mwea County produces 80 percent of the rice in Kenya. Most of the rice farmers in the community use inorganic fertilizers which may improve crop fertility in the short term but damage the soil after some time. To mitigate this challenge, Samuel Riga, a Tony Elumelu entrepreneur, started a company that produces an organic fertilizer suitable for the soil of Kenya. The fertilizer from Safi Organic improves crop yield, preserves soil quality, and is more affordable. With the use of an organic fertilizer, sustainable food production is certain in Kenya.

A visit to Safi Organics, Mwea county, Kenya

Impact of the Tony Elumelu Foundation Entrepreneurship on the Business Ecosystem in Kenya and Nigeria

Further findings from the study show that the Tony Elumelu Foundation Entrepreneurship Programme has had a significant, albeit unequal, impact on entrepreneurs' businesses.

TEEP and Business Take Off

Out of the twenty businesses visited, five businesses, representing 25% of the sample, took off as a result of the training and especially the funding provided by the Tony Elumelu Foundation Entrepreneurship Programme.

Business Growth/Value Addition

Out of twenty businesses, two belonging to the agricultural sector have moved from crop production to production of food products. This way, more revenue and employment were recorded.

Employment

After benefiting from the Tony Elumelu Foundation Entrepreneurship Programme, the total number of jobs provided by entrepreneurs increased from 132 (before TEEP) to 770 jobs (after TEEP). [9]

Revenue

Also, the total revenue generated by the entrepreneurs before TEEP stood at \$690,478. However, this figure increased to \$3,785,878 after TEEP.

[9] Total number of jobs include both temporary and permanent jobs created by the entrepreneurs. In some cases, jobs of a particular firm included those in rural and urban communities.

Recommendations

From the findings of the study, the following recommendations are made:

- The majority of the jobs provided by entrepreneurs in this study are temporary in nature, due to the operational cost and finance-related reasons. Entrepreneurs should be supported with finance and infrastructure to grow their businesses so they can offer quality jobs for individuals in their communities.
- The manufacturing and agricultural sectors provided the highest number of jobs for communities. Entrepreneurs in these sectors should be given greater support so as to curtail unemployment in communities.
- Meeting Regulatory standards remains a cost-intensive project for entrepreneurs. There is a need to subsidize the regularization process for entrepreneurs, to enable them to sell their products in various markets across their countries and in foreign countries.
- The level of technological innovation in Africa remains at an infant stage. Entrepreneurs working on indigenous technology should be linked with experts from technologically advanced countries to enable them to develop fully usable products.
- Businesses contribute to the attainment of Sustainable Development Goals (SDGs) in rural communities; contributing to the enhancement of local people's livelihood should be given greater support and be prioritized.

Luc-Yaovi KOUASSI

Research Report

The figure of the entrepreneur: social impact of TEEP beneficiaries (Nigeria, Cameroon and Côte d'Ivoire)

Luc-Yaovi KOUASSI
Dep. of Political Sciences,
Université Paris 1 Panthéon
Sorbonne , Paris (FRANCE)

IFRA-Nigeria (The French Insitute for Research in Africa)
Institute of African Studies, University of Ibadan, Ibadan
(NIGERIA)
<https://www.ifra-nigeria.org/>

Introduction

Entrepreneurship and entrepreneurs have been increasingly perceived by regional and international institutions as new means to reduce poverty and create wealth in Africa. Published by the African Development Bank (AfDB), the United Nations Development Program (UNDP) and the Organization of Economic Cooperation and Development (OECD), the 2017 Africa Economic Outlook, whose special yearly focus was on entrepreneurship, shared this point of view: thanks to an “entrepreneurial culture” “spirit” and “dynamic private sectors”, Africa has great potential to thrive, but only if, amongst other preconditions, “investment in human capital”, i.e. providing entrepreneurs with enough funding, skills and education, is seriously undertaken[1]. That is why several programmes aimed at supporting successful-entrepreneurs-to-be have been started all over the continent. This idea is not new, however. After the disappointing results of the structural adjustment policies leading to the dramatic collapse of main economic, political, and social indicators of African countries (Coussy 2006; Herbst 1990), the lens of the international developers changed at the end of the 1980s. While their efforts had so far been aimed towards state “reform,” the private sector—and more specifically entrepreneurship—began to rise as a new means to tackle socioeconomic challenges in Africa. The Marsden report, published on behalf of the World Bank, demonstrates the viability of African entrepreneurship, the latter being a source of GDP growth, able to reduce unemployment and constituting a catalysing tool of “social progress” thanks to the innovative activities supposedly put in place (Marsden 1990). The novelty, the trend that one can observe today, lies probably more in the fact that pro entrepreneurship programmes are now put in place by the African private sector, such as the Confédération Générale des Entreprises de Côte d’Ivoire (CEGCI) or the Tony Elumelu Entrepreneurship Programme (TEEP). The latter best illustrates the social capacities of entrepreneurship; as the philosophical notion of ‘Africapitalism’ entails, the goal is to “create economic prosperity and social wealth. Africapitalism has the power to move all of Africa forward, and ultimately transform the lives of ordinary Africans in Africa” (TEF 2018).

[1] African Development Bank, Organisation for Economic Cooperation and Development, and United Nations Development Programme 2017.

Theoretical framework

Little is known about the political and social consequences on individuals who passed the extremely competitive selection. As a matter of fact, in 2018, only 1,250 individuals were selected out of 151,692 applicants. But who are those persons who benefited the programme? What have they become after the annual programme cycle? Those questions are important with regard to the historicity of capitalism and entrepreneurs in Africa. Historians have shown that, after the decolonisation of Africa that mainly took place in the 1960s, states have been perceived by the population as the main driver of development and enhancement of living standards (Cooper 2019). Moreover, dominant social groups have been able to thrive thanks to straddling political positions—or closely related to the state—and economic positions (Bayart 2009) because of the influence of developmental colonialism on the state formation (Cooper 2019). That is why some scholars theorised the notion of “political-entrepreneur”, describing a civil servant, a politician and/or a businessperson (ideally the three in one) straddling economic and political fields, making use of resources acquired in one field to reinforce his/her position in the other field (Médard 1992). The “normal cursus”, or the regular trajectory, which had been described is the shift from politics to economics. A reverse trajectory of “entrepreneur-politician” also exists, albeit statistically rare. In other words, states—or politics—in Africa constituted the matrix of capitalistic accumulation because of the weak autonomy of the economic field. At the same time, the TEF aims at fostering the “next generation of African entrepreneurs” who, one can assume, should contrast with the previous generation of entrepreneurs. Therefore, this report proposes to analyse the relationship between members of this so-called next generation of African entrepreneurs and the state, working on the assumption that this particular aspect would vary between those two generations. This assumption seems credible, especially since African states (at least some of them) are only one partner of the programme amongst others (world states, developmental organisations, ventures, etc.).

Methodology

To analyse the relationship between TEF entrepreneurs and their state, a qualitative approach was adopted: semi-structured interviews were conducted with a relatively small number of individuals (n = 39) from three countries (Côte d'Ivoire, Cameroon, Nigeria) in order to take into account an extensive set of variables. Considering how sociologists and political scientists addressed the topic previously, meetings with respondents were based on one main biographical, semi-structured interview, of a length comprised between 90 minutes and four hours (depending on the respondent's schedule) at a location chosen by each respondent. This main biographical interview, followed when possible by observations at the respondent's place of business, is the only interview displayed by the following charts, but other unstructured interviews, always written down in my field notebook, did occur. One third of the meetings were reiterated one or two times.

Interestingly, a distinction can be made between two types of respondents, leading to different relationship to the inquiry. Indeed, the common professional identity that the respondents share cannot blur for a long time the heterogeneity of their social situation. A minority of entrepreneurs enjoys and emphasizes some attributes of success, such as suit-and-tie, assiduous and working employees, spacious office, etc. In other contexts, such individuals were called "imposing figures" (Laurens 2007). In terms of personal income and business revenue, they are the most successful individuals. Such "imposing figures" tend to have the upper hand during interviews, bending questions to their advantage and presenting themselves from the most conventional, emphatic way possible. This can be explained by the fact that most of them are used to media coverage: Ange-Pierre A. was described as a the "African golden nugget" and interviewed by a French national TV. They also tend to be more open at first – "imposing figures" are usually the first to respond to contact requests by email – but interviews appear to be shorter. It is also more difficult to meet them again after the first interview, as they argue that they are overscheduled. On the contrary, there are respondents who are entangled in less stable situation, or even stopped running their business. Sometimes, ashamed by their situation they do not want to show what could appear to be failures – especially to a researcher sent by the TEF and the AFD. Respondents falling in this category made initial contacts tougher (not responding, postponing rendezvous...), but turned out to be more open to additional interviews.

Entrepreneurs were reached by email. Their addresses were obtained via the TEF database or through previously interviewed beneficiaries. Relying on the personal knowledge of one another helped circumventing the trap of the methodological bias of reaching out only the most successful beneficiaries. Despite this solution, only a fraction of entrepreneurs contacted actually replied. In Côte d'Ivoire, of the 68 entrepreneurs contacted by one mean or one other, only 24 replied – whether favourably or not. 13 entrepreneurs were met. In Cameroon, of the 47 entrepreneurs contacted, only 22 replied. 12 of them were met. In Nigeria, 78 were contacted and 31 replied[2]. 14 interviews were conducted. The discrepancy between those who replied and those who were interviewed can be explained by several reasons: some entrepreneurs moved to other parts of the country, were not available at the moment, kept postponing the appointment, stopped answering, etc.

The fieldwork took place in Abidjan (Côte d'Ivoire), Yaoundé and Douala (Cameroon), and Lagos and Ibadan (Nigeria). These choices are the result of arbitration between feasibility and representativity. Indeed, most of TEF beneficiaries develop their activities in urban areas. As a matter of fact, in 2018, 71,8% of them established their ventures in cities. Moreover, as the following maps show, a significant amount of TEF are located in the South West of Nigeria, in Abidjan, in Douala and Yaoundé. This can be explained by the economic dynamism of these areas: Abidjan represents almost 19% of the total population of the country, while accounting for 28.7% of the national revenue generated by households (Nallet 2018). Douala, the economic centre of Cameroon, produces most of the national wealth and makes up almost half of private employments, while Yaoundé is the capital city where the tertiary sector prevails (Mintoogue 2017). In Nigeria, South West, especially the Lagos-Ibadan corridor, concentrates important economic activities, home of many ICT, financial services and manufacturing firms which makes it the area with the highest GDP per capita (Bloch et al. 2015). The geographies of TEF beneficiaries vary a lot between those three countries. In Nigeria, although clearly uneven, the distribution of entrepreneurs is nation-wide. In Côte d'Ivoire, practically all entrepreneurs are located in Abidjan. Two entrepreneurs met, who registered themselves in other parts of the country to the TEF, have moved to the city, suggesting a powerful attractiveness of Abidjan for

[2] In 4 cases in Nigeria, emails were returned to sender, meaning that email addresses were shut down by their owner. They are Timi Olagunju (App. ID: 8951), Godwin Edet Thomas (App. ID: 173898), Bolanle Grace Ologuntoye (App. ID: 17011) and Chris Kwekowe (App. ID: 171580).

national entrepreneurs. In Cameroon, four regions set themselves apart in terms of TEF beneficiaries: the Littoral region (Douala), the Centre region (Yaoundé), the South-West (Buea) and the North-West (Bamenda). Despite the importance of the last two regions in terms of beneficiaries and entrepreneurial ecosystem (the famous Silicon Mountain, a ITC hub, is located in Buea), it was impossible to visit them because of the current Anglophone crisis (International Crisis Group 2019). Nonetheless, two TEF beneficiaries from the South-West and the North-West were interviewed after they moved out of these regions to Yaoundé and Douala.

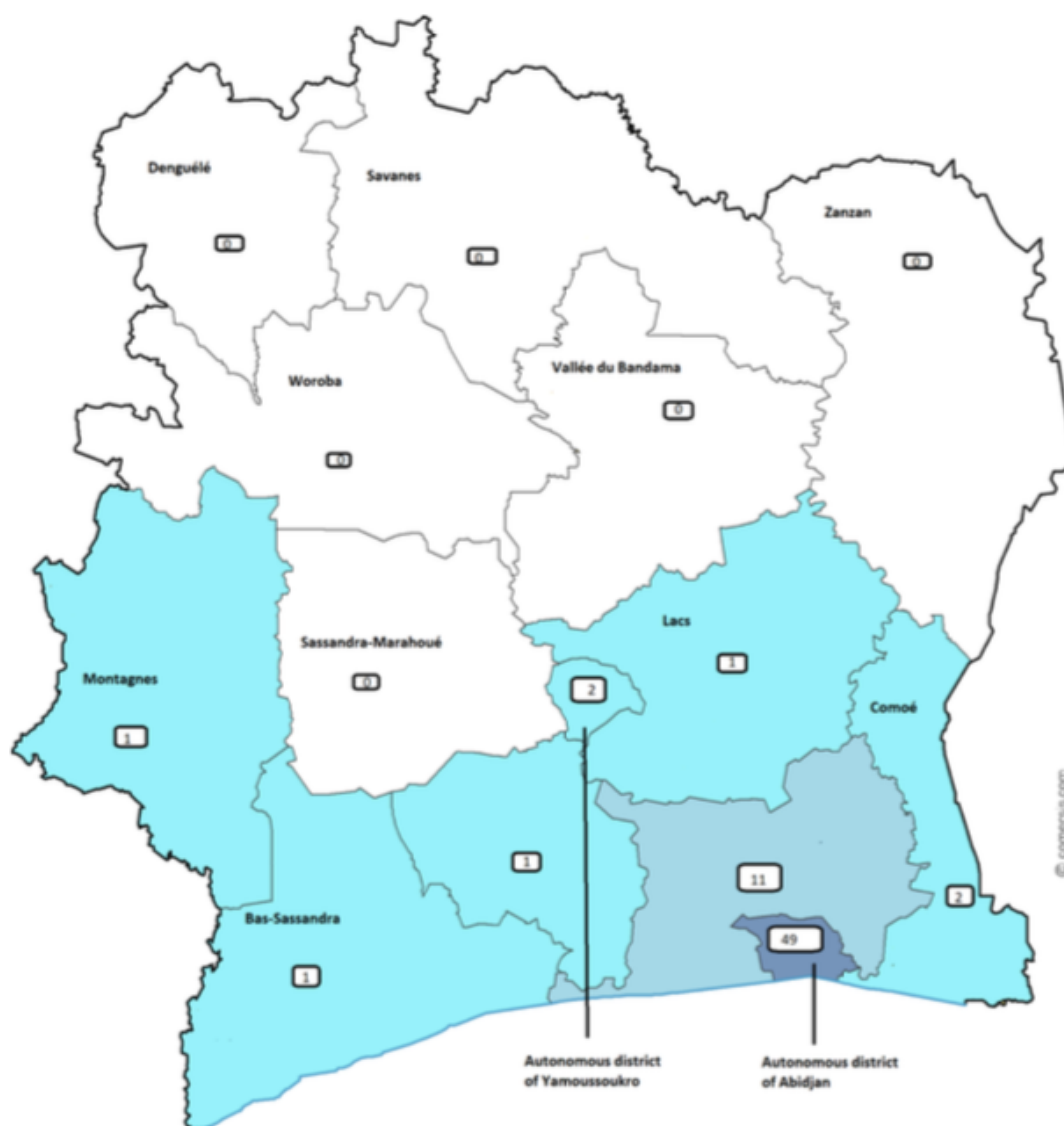
Côte d'Ivoire

Figure 1: Chart of interviews conducted in Côte d'Ivoire

Name	Age	Gender	Interview date	Place of interview	Cohort	Business sector	Stage of business ¹
Rodolf Y.	42	M	April 4	In the vicinity of his business, Treichville	2016	ICT	Infancy
Yao Martin Y.	38	M	April 9	At his business, Cocody Angré	2015	ICT	Idea
Koné K.	30	M	April 10	At his business, Yopougon Banco	2017	Manufacturing	Infancy
Morty R.	37	M	April 10	Boulangerie Paris Baguette, Abobo	2015	Waste Management	Infancy
Mohammed B.	37	M	April 10	At his business, Adjamé	2015	Agriculture	Growth
Ange-Pierre A.	40	M	April 15	At his business, Angré	2015	Financial Services	Infancy
Kevin X.	23	M	April 17	At Lycée technique d'Abidjan, Cocody	2017	Financial Services	Testing
Alexandre N.	32	M	April 17	In a <i>maquis</i> , Cocody Faya	2016	ICT	Testing
André H.	33	M	April 18	At his business, Yopougon Sideci	2016	ICT	Infancy
Providence K.	39	M	April 19	At a friend's stall, Yopougon Marché Bagnon	2015	Industry	Infancy
Jérémie S.	25	M	April 20	At home, Cocody Angré	2017	Industry	Infancy
Parfait E.	40	M	April 22	At his business, Cocody Angré	2015	ICT	Infancy
Angèle A.	60	F	April 23	At home (also her business), Abobo	2016	Agriculture	Growth

Geographic distribution of beneficiaries per country: Côte d'Ivoire

Figure 2: Number of TEF beneficiaries by district in Côte d'Ivoire



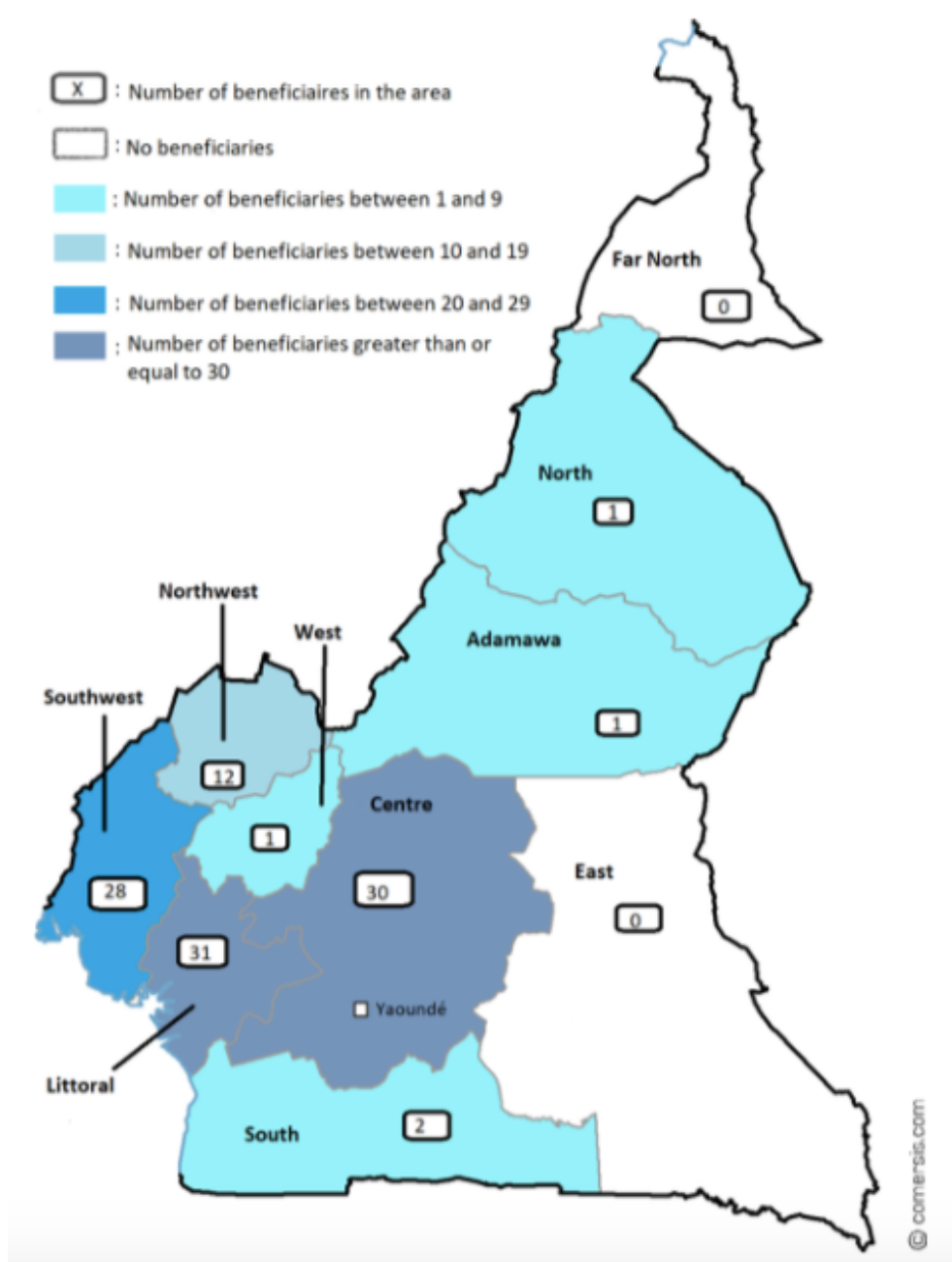
Cameroon

Figure 3: Chart of interviews conducted in Cameroon

Name	Age	Gender	Interview date	Place of interview	Cohort	Business sector	Stage
Rosette F.	39	F	May 6	At her business, Bonabéri, DLA	2017	Industry	Growth
Nicolas M.	27	M	May 7	At his business, Akwa, DLA	2017	ITC	Testing
John N.	34	M	May 8	At his business, Bonamoussadi, DLA	2017	Professional Services	Infancy
Valery A.	39	M	May 8	Moulin de France, Akwa, DLA	2016	Commercial/retail	Idea
Paul O.	25	M	May 9	At his business, PK14, DLA	2018	Education and training	Infancy
Nanje G.	25	M	May 10	At a coffee shop, Akwa, DLA	2018	Commercial/retail	Infancy
Justinien K.	23	M	May 11	At home, Bepanda, DLA	2018	Agriculture	Infancy
Desmond T.	30	M	May 14	Moulin de France, YDE	2015	Commercial/retail	Infancy
Christelle E.	26	F	May 16	At a coffeeshop, Bastos, YDE	2015	Education and training	Idea
Joshua A.	27	M	May 18	Cameroon International Handicraft Centre, YDE	2017	Industry	Testing
Thierry H.	37	M	May 21	At a restaurant, Biyem, YDE	2015	Education and training	Testing
Léonard N.	41	M	May 22	At his business, Melen, YDE	2015	Agriculture	Testing

Geographic distribution of beneficiaries per country: Cameroon

Figure 4: Number of TEF beneficiaries by region in Cameroon



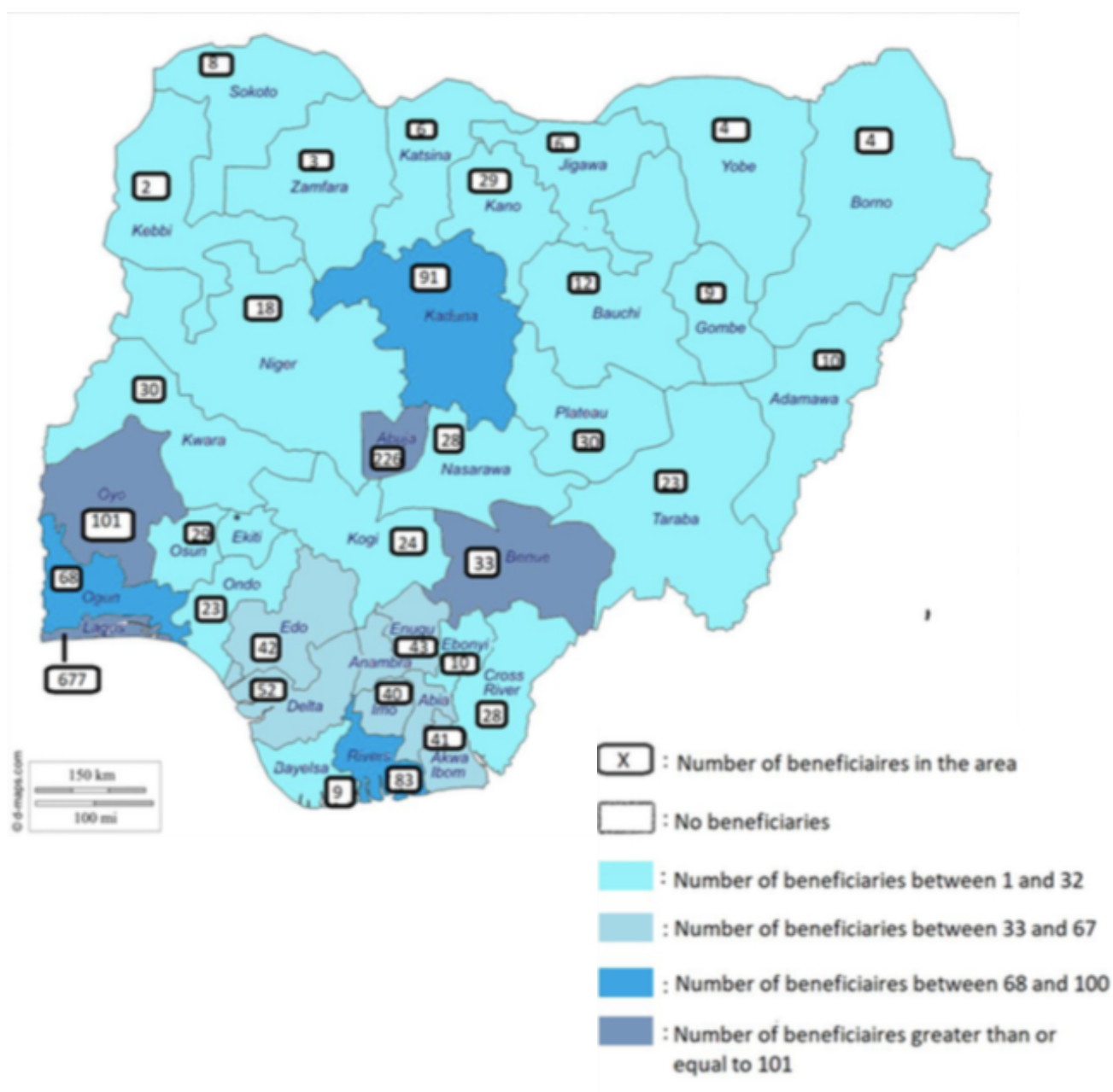
Nigeria

Figure 2: Chart of interviews conducted in Nigeria

Name	Age	Gender	Interview date	Place of interview	Cohort	Business sector	Stage
Patrick F.	43	M	October 25	At his business, Lagos	2017	Healthcare	Growth
Sandrine C.	27	F	October 28	At a restaurant, Lagos	2016	Waste Management	Idea
Adeyinka S.	42	F	October 29	At her business, Lagos	2015	Commercial/Retail	Testing
Tosin. L.	30	F	October 30	At a restaurant, Lagos	2015	Commercial/retail	Infancy
Opasina T.	33	M	November 4	At his business, Ibadan	2017	ICT	Idea
Tomiwa T.	30	M	November 5	At UI, Ibadan	2018	Education and Training	Growth
Caleb A.	42	M	November 7	At his business, Ibadan	2017	Consulting	Testing
Julius A.	33	M	November 7	At his business, Ibadan	2018	Waste Management	Infancy
Adekoya I.	26	F	November 8	At her business, Ibadan	2017	Manufacturing	Idea
Chukwuemeka O.	32	M	November 10	At his business, Ibadan	2018	Professional Services	Concept
Abdul O.	36	M	November 11	At his business, Ibadan	2015	Agriculture	Testing
Frances B.	37	F	April 21	In a museum, Lagos	2018	Education and Training	Idea
Lubem E.	28	M	27 March	At his business, Ibadan	2015	Agriculture	Testing

Geographic distribution of beneficiaries per country: Nigeria

Figure 4: Number of TEF beneficiaries by state in Nigeria



Structure

First, the report analyses how respondents started their businesses, how they began to accumulate capitals in order to assess whether or not their trajectories correspond to those of politician-entrepreneurs. Indeed, some previous state-run entrepreneurship programmes mainly benefited politician-entrepreneurs. For example, in Côte d'Ivoire, in the 1980s, the government tried to implement such mechanisms to support local entrepreneurs but failed, as most beneficiaries were actually chosen on the basis of their proximity to political big men rather than their ability to start and lead a prosperous business (Fauré 1994). Then, the report proposes to describe the potential interventions of TEF beneficiaries in the political field.

Some characteristics of the population

13 Ivoirians, 12 Cameroonians and 14 Nigerians were interviewed, including 6 women (1 in Côte d'Ivoire, 2 in Cameroon and 3 in Nigeria). Besides representing a minority of the beneficiaries of the programme,[3] women appeared less available for interviews than men. Business sectors are quite diverse: in Cameroon, the most recurrent are industry (3), commerce/retail (3) and education/training (3). In Côte d'Ivoire, they are ITC (5) and industry (3). In Nigeria, they are Waste Management (2), Commerce (2), Agriculture (2) and Education & Training (2). Respondent's age varies between 23 and 60 years old (average: 32). The level of education is high, as everyone (except two respondents) obtained at least a college degree.

One could qualify the respondents as “small entrepreneurs” (Fauré 1994) because of their company annual revenue and the number of their employees. Taking into account only the revenue of the company they applied to the TEEP for (excluding therefore three cases of business bankruptcy and other that respondents may have), it goes from 1 to 350 million francs a year (N216,618,500). Four companies (one in Cameroon, three in Côte d'Ivoire) exceed 100 million francs a year (N61 891 000). The majority makes a revenue between 10 (N6,189,100) and 40 million francs (N24,756,400), depending on the years. Nigerian business' turnovers inquired are also within this range. In terms of manpower, only three companies in the industrial sector, hire more than 12 employees, while half of the companies do not have employees in Côte d'Ivoire and in Cameroon. The rest hire between two and eleven employees. In Nigeria, no business hires more than seven workers.

[3] On the first four editions, 32% of beneficiaries were women.

Findings

1. Processes of accumulation disconnected from politics

To compare TEF beneficiaries to the category of “politician-entrepreneurs,” it is crucial to concretely examine how respondents launched into entrepreneurship and particularly how they accumulated sufficient funding, capital, in order to sustain their project. Fauré distinguished different sources of funding: self-funding, loans (commercial banks, microcredit institutions, tontines) and gifts, especially coming from the familial sphere (Fauré 1994, 186–95).

Every respondent insisted on the necessity of injecting their own funds, usually accumulated through their own employment, to launch their business. For almost everyone, this is the main source of capital they have. This self-funding process is accompanied by a thorough saving behaviour.

Thierry H., in Cameroon, is employed by a furniture craftsman in a workshop but tensions arise about management after he received a training on SMEs funded by the Institut Européen de Coopération et de Développement. As he felt professionally restricted because of the business executive’s poor managerial skills, he planned to establish his own workshop. By 2013, without any income except his job, he sent his family back to his village, in the West region where his son and his wife were supported by the community while he kept working for his employer. This strategy enables him to double his annual saving capacity, growing from 100,000 (N61 891) to 200,000 francs (N123 782).

Respondents also explain how they “make sacrifices”, diverting incomes from consumption to their entrepreneurial project. However, one should stress a strong inequality in what appears to be a common process. On the one hand, a clear minority of respondents “come into the business through the front door” (Miaffo and Warnier 1993), i.e. thanks to formal, stable and well-paid employment.

Ange-Pierre A., prior to his successful entrepreneurial journey, worked as an IT specialist for a transnational firm in Côte d’Ivoire at the end of the 1990’s. He was rapidly promoted and sent to work to France for two years. Back to Côte d’Ivoire, he was hired as head of the IT department of Orange, a French multinational telecommunications corporation, earning around 7,000 euros a month (N2,841,860). Thanks to his connection to French telecommunications staff and his

connection to French telecommunications staff and his savings, he was able to start a viable tourist business in Côte d'Ivoire. This flourishing business would then, in turn, support his next business idea which was submitted to the TEF seven years later. This category of entrepreneurs –they generally correspond to the “imposing figures” aforementioned mentioned—are older than their counterparts and successfully obtained formal jobs – always in the private sector – after they graduated.

On the contrary, the vast majority of the respondents “come into business through the back door”. They also fund their “TEF business” from their own employment. However, the types of jobs they have differ greatly from what those who came through the front door enjoy. Local expressions in the three countries describe differently the same reality: “gombos” in Côte d'Ivoire, “gombos”[4] or “jonglage”[5] in Cameroon and “hustle” in Nigeria. They constantly refer to unstable, informal, precarious jobs. In Cameroon, Christelle E., after winning three entrepreneurship competitions including the TEEP, funded herself mainly from her “gombo”, buying beauty products abroad and reselling them locally through Facebook until she felt “solid” enough to remunerate herself from her waste management company that she just founded.

It appears that “hustles” are sometimes linked to the business idea submitted to the TEF. In Côte d'Ivoire, Providence K. was selling yam and plantain bought from farmers in the North-West until he had the idea of transforming them into crisps. Entrepreneurship programmes, including the TEEP, therefore helped him formalise his “gombo”. It is worth paying attention to what become “hustles” after the support of the TEEP. Hustles may be abandoned as soon as one get awarded. After graduation in ITC, several poorly-paid internships and “way too much” (“beaucoup beaucoup trop”) job refusals, André H. started repairing computers informally aiming at capitalising enough to start a security company. Despite his efforts, he did not achieve to elaborate a practical project nor to save enough money. He then focused on another project which he applied in 2017 to the TEF for. Even though he had no other incomes at that time, he abandoned his “gombo” because of how time-consuming this activity was and of the instability of incomes. On the contrary, those activities may remain on the side of the business they applied to the TEEP for, but can also be assimilated into it. Jérémie S., Ivoirian, participate

[4] Literally “okra” —staple food in the three countries and beyond—meaning an informal activity sustaining someone on a daily basis.

[5] Literally “juggling”, indicating the adverse and precarious situation of this kind of jobs, but also the agility and astuteness required to do them.

d in several several entrepreneurship programmes and his project has been rewarded multiple times. Yet, his project, developed since 2011, has not been implemented. The company he administratively created to receive the TEEP funding is mainly used for other activities, such as importing electronic devices from China to Côte d'Ivoire. More generally, in every category, there is a clear tendency of pluri-activity, or multiactivity. Whether through hustles or multiple registered ventures, respondents seem to maintain co-dependent activities, even though one of them, usually the one they submitted to the TEF, is seen as a promise of success. These activities contribute to generate a relative flow of income, despite the inherent precariousness of informal works. This underlines an interesting trend from a policy-making point of view: if informalization of the African economies must be tackled, notably because it hampers poverty reduction (Bhorat and Tarp 2016), one must realize that formalisation is a long process. The TEEP certainly pushed towards the formalisation of businesses, but respondents may choose to keep an extensive amount of their activities informal because it provides flexibility and a safety net.

Consequently, entrepreneurs who “came in through the front door” are more likely to contract loans. More precisely, not all entrepreneurs who worked and saved money from formal and well-paid employments use loans; but almost all loan debtors (except two in Côte d'Ivoire and two in Nigeria) are entrepreneurs who “came in through the front door”. Six entrepreneurs contracted a loan from a public or a private bank, going from 3 million (N1,856,730) to 52 million francs (N32,183,320). In Nigeria, seven respondents contracted loans (up to 6 million nairas), including five who “came in through the front door”. As mentioned elsewhere (Ha 2018), high interest rates and required collateral play as deterrent. This corroborates an observation made two decades ago about Cameroonian entrepreneurs (Miaffo and Warnier 1993). At that time, their alternative consisted in participating in tontines (equivalent to Esusu or Osusu in Nigeria).[6] Among respondents, this mechanism is very rare. Only two entrepreneurs in Cameroon used it with more or less success (Léonard N. successfully raised 20 million francs (N12,378,200) through the elders' tontine of his village association, while Thierry H. only managed to get 200,000 francs - N123,782). In Nigeria, only one entrepreneur sees tontine, Esusu, as a mean to access additional funding through farmers' associations. The small roles played by tontines in respondent's pathways of accumulation is surprising, considering

[6] Associations or clubs, mainly informal, organised on the basis of social links (friendship, profession, gender, age...) where every member pays a contribution regularly, to raise funds. Working on a rotating manner, every member is debtor then creditor

how they had been praised in the scientific literature as well-suited indigenous tools capable of fostering African entrepreneurship (Rozas and Gauthier 2012). Is the reason to be found in the generation to which the respondents belong? This is one factor, especially in Nigeria where tontines are seen as “something from the past”. Another factor also lies in the amount of money that one can expect to raise through tontines, seen as not high enough.

In this context of scarce sources of funding, which are likely to help consolidate a viable business, entrepreneurship programmes are seen by most respondents as a way to get more capital.

See appendix: Summary of entrepreneurship programmes Cameroonian et Ivoirian respondents went through



Workers sorting out recyclable cardboards in Abidjan

In Cameroon and Nigeria, only three respondents limited their programme participation to the TEF alone. Others applied or successfully accumulated entrepreneurship certifications. In Côte d'Ivoire for example, Mohammed B. went through TechnoServe (2012), the Prix d'excellence du président de la République de Côte d'Ivoire (2014), SEED Stanford Transformation Programme Accra (2014), Entrepreneurship Award Francophonie 35.35 (2016), Award of the Best Young Entrepreneur CGECI, United Nations Programme for industries in Côte d'Ivoire (2018). Using the same strategy, Jérémie S. was able to raise 60 million francs (N37,134,600) over four years.

However, this strategy is not flawless: some TEF entrepreneurs fiercely criticise these “so-called” entrepreneurs who follow it, labelling them “award collectors”. They fear that those “collectors” will capture available funding opportunities for their own greed instead of creating jobs and put in place innovation. Thierry H., TEF representative for Alumnus in Cameroon, would like to see a stricter control over time on beneficiaries, as many of them ignore his phone calls. However, one should not take for granted this point of view, which comes from a socially situated group. Respondents who are the most critical of the “award collectors” appear to be those who built up a functional, operational business, often after saving from formal jobs. Entrepreneurial awards and certificates do more than simply grant access to additional funding: their accumulation seems to be a tool used by the less endowed to progress as active members of their society. Indeed, their incapacity to reach positions that lead to what is considered to be success – positions usually related to jobs in the public sector in Cameroon and in Côte d'Ivoire (Banégas and Warnier 2001) – fundamentally explains most of their itineraries. Interestingly, this phenomena of accumulating entrepreneurial awards and certificates is not that noticeable among Nigerian respondents. Even though they are looking for new opportunities, less entrepreneurs seem to be engaged on the successful path of entrepreneurial awards accumulation. One hypothesis could be the existence of rigged programmes, as the controversy around YouWin Program shows us[7]. This situation would be comparable to what existed in Côte d'Ivoire during the 1990s, when entrepreneurship programmes put in place by the government were engulfed by clients of political big men (Fauré 1994).

[7] “Probe Uncovers Massive Fraud in YouWin Program”, The Sahara Reporters, available on: <http://saharareporters.com/2017/03/28/probe-uncovers-massive-fraud-youwin-program>

Morty R, an example of a TEF Alumni who “has fallen” (“qui est tombé”)

Morty R. is an Ivoirian entrepreneur who dedicated his professional life to developing ideas into business. After failing to pursue higher education (he only has an undergraduate degree, a Brevet de Technicien supérieur) and transforming an internship into a regular job, he increased in 2006 the size of his former student informal occupation, a computer maintenance company. In its heyday, this activity generated a turnover of 2,000,000 CFA francs (N1,236,000) a month and hired a staff of three permanent employees. He also diversified his activities by launching a communication and consulting firm and an ITC school. But in 2010-2011, everything he has built collapsed. First, because his employees “run off with the takings” (“sont partis avec la caisse”) to start a competing business in the same sector. Second, his offices were damaged and plundered during the electoral crisis. As he did not formalised his business, he was not insured and lost “all his savings”. In order to bounce back, Morty R. worked with his cousins on a green coal project, while offering entrepreneurship trainings and repairing computers to survive on a daily basis. He applied for the TEEP in 2015 with this project and also received support from a national scheme in the form of a loan. He was actually never able to start the production of the green coal. According to him, the capital needed to start his business is near 100 000 euros (N40,422,574), a sum a lot higher than what African entrepreneurship programmes offer in terms of funding, which are more suited for service-oriented companies.

2. Towards “entrepreneur-politicians”?

In the case of TEEP beneficiaries, the process of accumulation which led to the business creation is clearly different from what can be expected from “politician-entrepreneurs”. Their introduction into formal business is realised from the informal sector or the formal private sector. However, does this mean that they remain separate from politics? Are there trajectories of “entrepreneurs-politicians”?

Respondents draw a clear distinction between business and politics, as if those terms were magnets repelling each other. At first glance, TEF beneficiaries interviewed seem apolitical: only one respondent stated that he was a member of a party (MRC in Cameroon, opposition). A couple of entrepreneurs used to be activists (André H. was a Young Patriot during the Ivoirian crisis in 2010-2011) but they now perceive this period as definitely over. As the Ivoirian Alexandre N. puts it, “in our tropics, business and politics don’t mix well”. Ivoirians and Cameroonian political configurations have different historicities (Akindès 2017; Amougou and Bobo 2018) but one common point lies in the proximity between the regime and wealthy businessmen. For example, the latter, through employers’ unions – for example CGECI in Côte d’Ivoire – organise competitions for young entrepreneurs which are criticised for being rigged (such criticisms are more recurrent in Cameroon, which makes sense regarding the construction of a hegemonic bloc through the CPDM). Compared to other fieldwork, this situation may appear singular because Ngouyamsa underlined that, in Cameroon, the cost of remaining neutral or worse—getting involved with the political opposition—represents a powerful incentive for allegiance towards the regime, such as becoming a member of the ruling party or displaying conspicuously signs of support towards the ruling party. (Ngouyamsa 2016).

How can one explain this discrepancy? One reason is the digitalisation of the respondent’s activities, which makes harder the capacity of local barons or greater authorities to exert pressure on them, unlike Ngouyamsa’s respondents who are petty shopkeepers. This does not mean that they avoid all political disturbance: in 2017, the Internet was shut down in the South-West and North-West region, as part of a governmental countermeasure in a context of a growing “Anglophone crisis.” From a macroeconomic perspective, this was a massive blunder : the net loss due to this crisis is evaluated at 270 billion francs – 167 billion naira (GICAM 2018). From a microsocial perspective, this led Desmond T., a TEF beneficiary established in Bamenda, North-West region, to stop most of his activities for 8 months and lay off his six employees. He then moved to Yaoundé where he focused on a “gombo”—importation of juices

from Egypt—that he started after he completed his studies in China in late 2013.



Soy cooking



Owner's daughter soaking soy before transforming it, Abidjan

However, respondents do not ignore political matters, as shown by the attempts to create organisations gathering TEF entrepreneurs on a national basis. Although few are individually members of trade unions (Thierry H. has been appointed secretary of an association of rattan producers, thanks to the new notoriety owed to his selection by the TEF), some respondents, belonging to the two first cohorts, tried to formalise formal groups that could represent to the authorities of their country. In Cameroon, a group of five beneficiaries of the first cohort registered an association which would regroup every TEF Alumnus. The purpose was to seek support from the authorities – in terms of subsidies and publicity – after realising that their own country, contrary to the Nigerian embassy to Cameroon, which invited them after their return from the Bootcamp, had no interest in them. Yet, three entrepreneurs from this group, who were interviewed, regret that the TEF did not back their initiative. With no legal existence as a group, they argue, TEF entrepreneurs would be invisible in Cameroon. In Côte d'Ivoire, a broader group of beneficiaries also tried to bring together their counterparts in 2017 but a controversy soon arose: one of them attempted to grant access to an accelerator in Abidjan in exchange for money. This led to the scattering of the group. In both cases, TEF beneficiaries do not form a unite group and consequently regular meetups that gather a fair amount of them do not take place. This situation is even more notable in Cameroon where the sociolinguistic division between Anglophones and Francophones, besides the fragmentation of beneficiaries all over 4 areas, makes interactions more difficult.

The last two trends that may push TEF beneficiaries to politics are the co-optation by big men through other entrepreneurship programmes and indirect intervention in the political competition. Co-optation takes place in entrepreneurship programmes organised at the national level. Frequently under the patronage of a big man (an “entrepreneur-politician” or a “politician-entrepreneur”), some entrepreneurs explain that they had been under pressure to support them. Several respondents state that politicians asked them to publicly promoting them. Jérémie S., for instance, is regularly to be seen (“il m’affiche”) with an influential counsellor to the Prime Minister after they met during an entrepreneurship event. Although Jérémie S. acknowledge that fact that the minister “is using [him]”, he cannot break this relationship. On the one hand, it plays as a passport, enabling him to participate to more events, which makes sense in regard to strategy of certificates, awards and funding. On the other hand, he feels compelled to maintain

relationship because of the fear that “they can end everything [he] has done” (“ces gens-là peuvent terminer tout ce que j’ai construis jusqu’à là”). This is another aspect of the domination of the political field over the economic field. Support from the political field is indeed ambivalent to businesspersons. The fair density of local entrepreneurship programmes that one can observe especially in Côte d’Ivoire comes with what it is viewed as menace of “projects thief” (“vol de projets”). In a weak position vis-à-vis promoters (multinational companies, national administration...), participants are unarmed in case of malignant use of their efforts. Parfait E. is often mentioned by other respondents as the best example of this phenomenon. After winning competitions abroad for an innovative smartphone application in 2012, he is contacted by Orange Côte d’Ivoire, which offered him a job. He declined it, but kept applying – and winning – entrepreneurship programmes, in France and in Côte d’Ivoire. By late 2013, he noticed that Orange Senegal was developing a similar project. While Parfait E. was trying to clear up the situation, Orange – in partnership with the state – had been putting in place the same project in Côte d’Ivoire. Therefore, Parfait E. found himself in the paradoxical situation of an award-winning entrepreneur for a project that is simultaneously implemented without him. It is not necessarily possible, nor a priority, to objectively establish whether there has been a “project theft” from a sociological perspective. The fact that accusations and rumours of “project theft” circulate shows, on the one hand, that the cycle of accumulation of entrepreneurship programmes can go hand in hand with negative effects for applicants and beneficiaries. On the other hand, this phenomenon illustrates well the power relations that are at work in the entrepreneurial worlds. Behind the opportunities that this type of programmes can effectively offer, there are series of big men, and more generally transnational firms having a social, financial and technical base capable of exerting on small entrepreneurs strong pressures in a more or less legal and a more or less acceptable manner according to the respondents. Last but not least, if one takes gender into account, co-optation may take different forms. In the case of Christelle E., a young Cameroonian entrepreneur, a “senior governmental official” conditioned his “protection” to “sexual favours”.

Indirect intervention in the political competition is even more rare. Even though respondents emphasize the fact that business and politics are two different fields that should not collide for the greater good of both, one can notice collisions. While he claimed to preserve a political neutrality, Parfait E. “helped” two candidates by funding them and put at their service his database – for which he had been funded. Thanks to his help, candidates had the capacity to “remind” voters for whom to vote during the election day. This kind of interferences between

politics and business are tricky to investigate, as social norms in which respondents are entangled lead to euphemise them. For instance, Parfait E. did not help politicians as such, but “relatives”. Therefore, the objective reasons that pushed him to behave this way, are blurred by justifications of selflessness and family solidarity. Is this only a coincidence that he financially supported a politician when he was thinking of diversify his investments by investing in real estate? Beyond the topic of (un)legitimate means of enrichment for entrepreneurs, this also raises the ethical question of the use of innovations supported by the TEF.

In conclusion, the relationship between selected beneficiaries of the TEEP and politics is far from corresponding to the model of the “politician-entrepreneur” theorised in the 1980-90s. As the TEF did not select this profile of entrepreneurs, respondents tried to develop their business without straddling different fields. This should lead to rethink the relationship between political and economic fields in Africa. The fact remains that respondents are “small” or “young” entrepreneurs, who have just taken steps in their entrepreneurial journey. To what extent will they be able to remain independent from politics? Is success in business, i.e. on the long run, compatible with neutrality? As the case of Parfait E. shows us, it is maybe not particular ethics or a well-understood cost-benefit analyses that explain this situation of non-straddling, but maybe rather their current size and resources.



A rattan workshop in Yaoundé

Recommendations

- No respondents were able to take the optional loan of 5,000 dollars. Even though a minority would have done so, a handful of entrepreneurs considered this interesting.
- Considering the close relationship between the advent of entrepreneurs and politics, to provide a code of good conduct from Africapitalists. This could give a content to this concept (Amaeshi and Idemudia 2015), as well as a safeguard for potential scandals.
- To take into account the cycles of participation of awards/programmes. This could be done through developing synergies with other incubators, such as Jokkolabs, Akedewa, W Hub, etc.[8] in order to allow African entrepreneurs to blossom. The TEF could try to seek consistency between those different schemes in terms of knowledge and assets. Another option could be to increase the amount of funding given, as one main factor influencing trajectories is the limited amount of financial resources.
- To enhance collaboration between entrepreneurs and national authorities. This could embody Tony Elumelu's philosophy: "Africa's renaissance lies in the confluence of the right business and political action".[9] This could be done by giving more autonomy to TEF groups in their local/national ecosystem. In Cameroon, as puts the "president" of the local TEF group, "without any legal existence, you are invisible to the authorities". So far, such groups were organised in a top-down approach, such as the Foundation overseeing elections. Autonomy might help entrepreneurs, as a trained collective, to positively influence their ecosystem, introducing needed changes to make the private sector thrive in accordance with their local constraints. There is however a risk of abuse, which could be avoided by providing strict guidelines and instituting an accountable and elected board at the top of the group.

[8] More start-up incubators in West Africa are to be found in (African Union Commission and OECD 2018, 204)

[9] (Elumelu 2014)

Bibliography

- Afric Development Bank, Organisation for Economic Cooperation and Development, and United Nations Development Programme. 2017. 'African Economic Outlook 2017:Entrepreneurship and Industrialisation'. OECD
<https://doi.org/10.1787/aeo-2017-en>.
- African Union Commission, and OECD. 2018. Africa's Development Dynamics 2018: Growth, Jobs and Inequalities. OECD.
<https://doi.org/10.1787/9789264302501-en>.
- Akindès, Francis. 2017. '« On ne mange pas les ponts et le goudron » : les sentiers sinueux d'une sortie de crise en Côte d'Ivoire'. *Politique africaine* n° 148 (4): 5–26.
- Amaeshi, Kenneth, and Uwafiokun Idemudia. 2015. 'Africapitalism: A Management Idea for Business in Africa?' *Africa Journal of Management* 1 (2): 210–23.
<https://doi.org/10.1080/23322373.2015.1026229>.
- Amougou, Gérard, and René Faustin Bobo Bobo. 2018. 'Ambition développementaliste, État stationnaire et extraversion au Cameroun de Paul Biya. Le projet de construction du port autonome de Kribi'. *Politique africaine* n° 150 (2): 29–51.
- Banégas, Richard, and Jean-Pierre Warnier. 2001. 'Figures de la réussite et imaginaires politiques'. *Politique africaine*, no. 82: 5–23.
- Bayart, Jean-Francois. 2009. *The State in Africa. The politics of the belly*. 2nd Edition. Cambridge ; Malden, MA: Polity Press.
- Bhorat, Haroon, and Finn Tarp. 2016. 'The Pursuit of Long-Run Economic Growth in Africa. An Overview of Key Challenges'. In *Africa's Lions: Growth Traps and Opportunities for Six Leading African Economies* edited by Haroon Bhorat and Finn Tarp. Washington, D.C: Brookings Institution Press.
- Bloch, Robin, Mohammed-Bello Yunusa, Matthew Crighton, Naji Makarem, and Nikolaos Papachristodoulou. n.d. 'Economic Development in Urban Nigeria'.
- Cooper, Frederick. 2019. *Africa since 1940: The Past of the Present*. Second edition. *New Approaches to African History* 13. New York, NY: Cambridge University Press.
- Coussy, Jean. 2006. 'Etats africains, programmes d'ajustement et consensus de Washington'. *L Économie politique* 32 (4): 29.
<https://doi.org/10.3917/leco.032.0029>.
- Elumelu, Tony. 2014. 'The Rise of Africapitalism'. *The Economist*, 13 November 2014.
- Fauré, Yves-André. 1994. *Petits entrepreneurs de Côte-d'Ivoire: des professionnels en mal de développement*. Hommes et sociétés. Paris: Karthala.

- GICAM. 2018. 'Insécurité Dans Les Régions Du Sud-Ouest et Du Nord-Ouest. Conséquence Économiques et Impacts Sur l'activité Des Entreprises'.
- Ha, Christine. 2018. 'Sutien Des Écosystèmes d'innovation Numérique: Quel Rôle Pour Les Institutions de Développement?' *Secteur Privé & Développement*, no. 29: 30–34.
- Herbst, Jeffrey. 1990. 'The Structural Adjusment of Politics in Africa'. *World Development* 18 (17): 949–58.
- International Crisis Group. 2019. 'Cameroon's Anglophone Crisis: How to Get to Talks?' 272. International Crisis Group.
- Laurens, Sylvain. 2007. "'Why' and 'How' to Ask Irritating Questions? Reflections on the Recurring Dilemmas Posed by Interviews with 'Imposing Figures'". *Genèses* No 69 (4): 112–27.
- Marsden, Keith. 1990. 'African Entrepreneurs: Pioneers of Development'. Washington, D.C: World Bank and International Finance Corporation.
- Médard, Jean-François. 1992. 'Le "Big Man" en Afrique: Esquisse d'analyse du politicien-entrepreneur'. *L'Année sociologique* 42: 167–92.
- Miaffo, Dieudonné, and Jean-Pierre Warnier. 1993. '1. Accumulation et éthos de la notabilité chez les Bamiléké'. In *Itinéraires d'accumulation au Cameroun*, edited by Peter Geschiere and Piet Konings, 33–69. Collection 'Hommes et sociétés'. Paris: Karthala.
- Mintoogue, Yves. 2017. 'L'épargne des classes moyennes au Cameroun. Une économie en marge du système bancaire'. *Notes de l'Ifri*, Ifri, , March, 1–32.
- Nallet, Clélie. 2018. 'De nouveaux lieux de consommation pour de nouvelles classes moyennes?' *Notes de l'Ifri*, Ifri, , April, 28.
- Ngouyamsa, Valentin. 2016. 'Militantisme Politique et Entrepreneuriat:: relations de dépendance et enjeux dans le contexte Camerounais'. *African sociological review* 20: 7. Rozas,
- Sonia Tello, and Bernard Gauthier. 2012. 'Les tontines favorisent-elles la performance des entreprises au Cameroun?' *Revue d'economie du developpement* Vol. 20 (1): 5–39.
- TEF. 2018. '2010-2015 Impact Report'.

Apendices

Entrepreneurship Programmes of respondents (per country)

Côte d'Ivoire

Mohammed B.

- **Before 2012:** Concours jeune TechnoServe Côte d'Ivoire 2012 laureate
- **2014:** *Prix d'excellence du président de la République de la Côte d'Ivoire (PRCI)* – self-employment category 2014, SEED Stanford Transformation Programme Accra 2014
- **2015:** *TEEP, prix d'excellence PRCI – catégorie Entrepreneuriat Jeune*, Grand Prix Business Plan Competition of Confédération Générale des Entreprises de Côte d'Ivoire (CGECI)
- **2016:** Young Entrepreneurship Award Francophonie 35.35
- **2017:** Best Young Entrepreneur CGECI
- **2018:** *UN Programme mise à niveau des entreprises industrielles manufacturières de Côte d'Ivoire*

Ange-Pierre A.

- **2015:** *TEEP, nouvelles technologiques de l'information de la communication de la CGECI* Award, third prize IT Forum Awards 2015, My African Start-Up laureate, Archimédien & Entrepreneurship Programme Fondation Edmond Rothschild Award, African Rethink Awards COP21 Paris laureate, SeedStars World 2015 Award
- **2016:** Incubateur VITIB laureate
- **2017:** Innovation TMT Deloitte Award, Africa Prize 2.0 Connect Series, laureate *Jeunesse Numérique en partenariat avec Microsoft et l'Organisation des Nations unies pour le Développement industriel*
- **2018:** Technological Prize Africa Investment AfDB Forum, World Bank Program *l'Afrique Excelle*, Second Prize X-Afrique Forum Polytechnique Paris

Angèle A.

- **Before 2012:** Formation Germe de la Fondation Awi en 2004 ; TechnoServe en 2011
- **2014:** Prix Afrique verte 2014 de la Coopération malienne
- **2015:** Laureate du troisième prix d'excellence – catégorie meilleure initiative en matière de valorisation des productions agricoles
- **2016:** TEEP

Entrepreneurship Programmes of respondents (per country)

Côte d'Ivoire

Jérémie S.

- **2015:** PASRES Award Swiss Centre for Scientific Research, Best Young inventors laureate African Innovation Foundation
- **2016:** Smart Capital Award Business Plan Competition de la CGECI
- **2017:** Best Ivoirian Start up African Rethink Awards, Falling Walls Lab Berlin laureate, First Prize concours de l'innovation agricole durable concours d'innovation agricole durable en partenariat avec l'AFD, First Prize catégorie Technologie Francophonie 35.35, Vice-Champion d'Afrique du Pitch Hub Africa à Casablanca, Champion national Get in the Ring
- **2018:** Sélectionné pour le programme BM de la formation d'entrepreneurs en Corée du Sud

Morty R.

- **Before 2012:** TechnoServe programme laureate, Fonds national de la Jeunesse 2011
- **2015:** TEEP
- **2016:** Business Plan Competition de CGECI quarter finalist

Parfait E.

- **2012:** Award Carrefour des Possibles Afrique Fondation Internet Nouvelle Génération 2012
- **2014:** 100 innovation pour un développement durable laureate, national d'excellence du Ministère de l'Economie Numérique et de la Poste 2014 Award, Orange Fab start up Award, Fire Africa Award 2014, Concours Start-up Investir en Côte d'Ivoire CEPICI Award 2014
- **2015:** TEEP, Premier prix de l'innovation de l'IT Forum Awards, Jury Special Prize Abidjan Start-up weekend ; Nest'Up laureate of Forum mondial de la langue française en Belgique
- **2016:** West Africa HILL Innovation Award
- **2017:** Prix d'Excellence PRCI, Third Prize meilleure contribution à la Vulgarisation de usages du numérique PRCI, Special Prize Agrihack

André H.

- **2016:** TEEP
- **2017:** Jeune pousse TIC du ministère de l'Economie numérique et de la poste Award

Entrepreneurship Programmes of respondents (per country)

Côte d'Ivoire

Koné K.

- **2015:** Business Plan Competition CGECI laureate
- **2016:** TEEP
- **2017:** Alassane Dramane Ouattara Award (ADO) of Abidjan district

Kevin X.

- **2016:** TEEP
- **2017:** Initiative Jeune Laureate Laureate

Yao Martin Y.

- **Before 2012:** Entrepreneurship
- Training with Junior Achievement 2005 Achievement en 2005
- **2014:** Prix de la Jeune Chambre de Commerce international d'Abidjan en 2013 ; 2014 Finalist of Business Plan Competition – CGECI Academy
- **2015:** TEEP

Providence K.

- **2012:** Laureate « *un jeune, un projet, j'y crois* » TechnoServe 2012
- **2015:** Fonds national de la Jeunesse 2015 ; ADO Award Abidjan district
- **2015:** TEEP
- **2016:** Business Plan Competition la CGECI Finalist
- **2017:** MBC Program Start-Up Africa GBT Academy Ghana

Alexandre N

- **2015:** Semi-Finalist of Get Start Africa Competition Nestlé
- **2016:** YALI
- **2017:** TEEP

Entrepreneurship Programmes of respondents (per country)

Cameroon

Joshua A.

- **2016:** MTN Challenge Douala Finalist
- **2017:** TEEP, Young African Leader Initiative – Business and Entrepreneurship

Nanje G.

- **2016:** TIC Award Seed Stars Douala
- **2017:** TEEP, Lions' Cage Cameroon

Thierry H.

- **2012-2014:** IECD Yaoundé Business Trainings
- **2015:** TEEP

Nicolas M

- **2017:** TEEP, Best Cameroon Website Award Orange ; African Start-up Tour Forum Abidjan
- **2018:** Founder
- Institute au Ghana Entrepreneurship Programme

Christelle E.

- **2013:** Finalist of Global Social Venture Competition, l'Essec, France ; premier prix du business plan competition de la Fondation 2iE au Burkina en 2012 ; CASAM'INNOV 2013 ;
- **2015:** TEEP
- **2017:** Young enterprise Award of Bordeaux Chamber of Commerce

Rosette F.

- **2016:** TEEP, Grand prize innovation PMExchange Douala, Socap Entrepreneur Scholarship Program
- **2017:** Cameroon Leadership Academy Laureate; First price ABC – A Better Cameroon
- **2018:** GSBI Online Accelerator

John N.

- **2015:** Cameroon Leadership Academy Laureate; YALI
- **2017:** TEEP

IFRA-Nigeria (The French Insitute for Research in Africa)
Institute of African Studies, University of Ibadan, Ibadan
(NIGERIA)
<https://www.ifra-nigeria.org/>
