

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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so, the unemployed can start up their own business which will in turn create job, reduce dependency and unnecessary interest in getting white collar job particularly among graduates. In Nigeria generally, there are many problems affecting entrepreneurial activity across the entire states but some problems are more peculiar to the Northern region.

Kano state is geographically located in North Western region of Nigeria. The state is popular on commercial and entrepreneurial activities and it is regarded as one of the major trans-Saharan trade entrepots in the West African region. This notwithstanding, the business environment is still not enabling as necessary support and infrastructural facilities are not adequate. Lack of adequate support to entrepreneurial activity is affecting nature and type of entrepreneurial activity in the state. Therefore, the aim of this paper is to examine the determinants of entrepreneurship.

2. Literature Review

The determinants of entrepreneurship can be studied according to level of analysis (Verheul et al., 2001). At the micro level many studies focused on the decision of individual and their motives of becoming entrepreneurs. There are various factors that motivate individuals to engage in entrepreneurial activity which could help in explaining the pattern and nature of entrepreneurship. The decision of the people to engage in entrepreneurship depends on their individual's ability to identify and mobilize necessary resources. The success of the enterprise is not solely dependent on the entrepreneur's ability and personal attributes but also being influenced by other factors (Verheul et al., 2001). The determinants of entrepreneurship such as personality characteristics, socio economic and cultural environment are essential ingredients for formulating suitable policies for entrepreneurial development (Giannetti and Simonov, 2004 and Martin and Paula, 2007).

One of the major impediments for business formation is lack of start up capital. Previous studies found that lack of start up capital prevents many people to become entrepreneurs (Evans and Jovanovic, 1989; Irwin and Scott, 2010 and Fonseca, Micland and Sopraseduth, 2007). Liquidity constraint prevents individuals from fully optimizing their entrepreneurial behaviour. Similarly, there are people with entrepreneurial potentials but fail

to secure fund because they have already lost confidence and were discouraged on how the fund is being processed and disbursed. The former reflect the theory of liquidity constraint and the later points at the theory of discouraged borrower (Kon and Storey, 2003).

Evan and Jovanovic (1989) discover that there is positively significant correlation between asset and the probability to start up a business. While Fonseca et al. (2007) found that the relationship between wealth and probability of being an entrepreneur is positive and statistically insignificant. Hurst and Lusardi (2004) reveal that the relationship between the initial household wealth and the propensity to start business is highly non linear. Fonseca et al. (2007) examine the relationship between wealth and the fraction of entrepreneurs in the European countries and the US.

Apart from liquidity constraint there are considerable number of studies that examine other factors affecting entrepreneurship development. Many studies attempt to examine the relationship between age and entrepreneurial engagement (Lin et al., 2000; Bergmann and Sterberg, 2007; Levent et al., 2003; Borjas and Bronars, 1989; Rogott, 2008; Nestorowicz and Tyrowicz, 2009; Greene, 2005; Curran and Blackburn, 2001; de Kok, Ichou and Verheul, 2010; Van Es and Van Vuuren, 2010 and Verheul and Van Stel, 2010) etc. Most of these studies consider which age group of people are more prone to entrepreneurship involvement. In Netherlands the rate of business ownership is higher among people between the ages of 25 to 44 years. Similarly, it is found that people at the ages of 25 to 34 years are more probable to engage in business start up than the older people (Van Es and Van Vuuren, 2010 and Veheul and Van Stel, 2010).

The relationship between age and entrepreneurship is more likely to be indirect because of many factors that mediate the relationship (de Kok et al., 2010). Age usually affects the individual health, skill, experience, and also access to both social and financial capital. The direct relationship between age and entrepreneurship is somehow ambiguous due to the mixed results from various studies. It is revealed that the relationship between age and entrepreneurial activity is positive and statistically significant (Lin et al., 2000; Bergmann and Sterberg, 2007; Levent et al., 2003; Borjas and Bronars, 1989; Leoni and Falk, 2008; Dawson et al., 2009; Henley, 2005 and Andersson and Hammarstedt, 2010). Some of the empirical studies that came up with positive result usually reflect an inverse

U shaped curve (Bonte et al., 2007 and Geogellis et al., 2005). This means that entrepreneurial involvement is increasing with age to a certain peak level after which it starts declining. Delmar and Davidsson (2000) and Lin et al. (2000) found that the relationship is negative and insignificant.

Many people consider owning a business as a male domain and where women engage in entrepreneurship they become inactive or silent partners. They usually allow their siblings and other relatives to oversee the business (Mulholland, 1997 and Rowe and Hong, 2000). Studying women entrepreneurship is very important considering the need to improve competitiveness as well as to promote private sector and entrepreneurship development in developing countries. Women entrepreneurs play active role in Africa's informal sector and they contribute to some extent to the economy of the region (Bardasi, Blackden and Guzman, 2007)

Men and women have different reasons for starting their business (Gatewood et al., 1995; Scott, 1986 and Shane et al., 1991). In some of the literature the consensus is that men are more willing to become owners of small businesses because of some financial considerations and are more likely to be pulled into starting a business ventures. Women are more likely to become owners because of their lifestyle and are more likely to be pushed into self-employment (Cromie, 1987; Scott, 1986, Brush, 1992 and Buttner and Moore, 1997).

Many studies have shown that the relationship between gender and entrepreneurship is statistically significant (Scherer et al., 1990; Leoni and Falk, 2008; Lin et al., 2000; Dowson et al., 2009; Henley, 2005 and Startiene and Remeikiene, 2008). Many studies indicate that women are less likely to become entrepreneurs (Lin et al., 2000 in Canada; Dowson et al., 2009 in UK and Startiene and Remeikiene, 2008 in Lithuania) and this result is reaffirmed in other studies that men are more likely become entrepreneurs (Scherer et al., 1990; Henly, 2005; Leoni and Falk, 2008 and Bergmann and Sternberg, 2007). Social networks have been considered to be very essential for the survival of women entrepreneurship. In many respects women value their ability to develop relationship with others (Wendy and Siong-Choy, 2007). The social network gives individual an inspiration for entrepreneurial career (Klyver and Grant, 2010).

It is found that there is a significant and positive relationship between education and entrepreneurial performance across some countries (Weaver et al., 2006). Those without education face challenges particularly in obtaining credit or loan facilities for their business. Entrepreneurs are more likely to have higher educational attainment than non entrepreneurs (Singh and Crump, 2008). But the results from most of the previous studies indicate that education has positive effects on entrepreneurship for people with lower level of education. It is found that the relationship between education and entrepreneurship is positive and significant (Lavent et al., 2003; Dawson et al., 2009 and Henley, 2005). While Andersson and Hammarstedt (2010) reveal that the relationship is negative and significant. Lin et al. (2000) discover that the relationship is negative and statistically insignificant.

There are numerous studies that look at how entrepreneurship relates to family background of the entrepreneurs (Fairlie and Robb, 2004; Mathews, Schenkel and Hechavarria, 2009 and Mathews and Moser, 1995). The parents play a key role in guiding and supporting their children for whatever entrepreneurial activity they have chosen to undertake. The impact of the parents on their children's decision to engage in business is more intense if the parents are already entrepreneurs. There is a greater probability among children of business owners to become self employed or start up their business than the children of non-business owners (Fairlie and Robb, 2004; Hout and Rosen, 2000 and Dunn and Holtz-Eakin, 2000). Some studies found that entrepreneur's family background influences entrepreneurship positively (Andersson and Hammarstedt, 2010; Lin et al., 2000; Henley, 2005 and Colombier and Masclat, 2008). One-third of all the business start-ups in the US were based on relationship by either marriage or kinship (Ruef, Aldrich and Carter, 2003).

Government also plays an important role in promoting entrepreneurship (Zhang and Yang, 2006 and Zhang and Si, 2008). Government support is one of the critical factors or determinants of success for the micro and small business in South Pacific (Yusuf, 1995). Government incentive may be available but the ability of individual entrepreneurs to be aware and access is very important to their success. Many entrepreneurs are unaware of the availability of funds and support programs provided by the government, while in some cases entrepreneurs believe that it is not possible for them to get any government

assistance (Rose, Kumar and Yen, 2006). However, Selnes et al. (1996) show that Scandinavian firms had few incentives to become market oriented because of high government involvement. In China hi-tech small companies which are not benefiting from government support and preferential policies perform better than those who have benefitted.

3. Methodology of the Study

3.1 Model Specification

$$BO = \beta_0 + \beta_1 SC + \beta_2 GD + \beta_3 AG + \beta_4 EA + \beta_5 FB + \beta_6 UE + \beta_7 PI + \beta_8 GS + \mu$$

whereby

BO = Business ownership (proxy for entrepreneurship)

SC = Start-up capital

GD = Gender

AG = Age

EA = Educational attainment.

FB = Family background

UE = Unemployment experience.

PI = Previous income

GS = Government support

β = Parameter

μ = error term

3.2 Defining and Measuring Entrepreneurship

To measure entrepreneurship, business ownership is used as proxy like in the other previous studies (Stel, 2006; Mondragon-Valez and Pena, 2009). This proxy is considered suitable based on the argument of Frank Knight that entrepreneurs are those taking risk by committing their capital to exploit business opportunities (Evans and Jovanovic, 1989).

3.3 Research Design

The study involves mix of both qualitative and quantitative design. Survey was used to gather data on the determinants of entrepreneurship using questionnaire and interview. Questionnaires were distributed to the selected respondents and interviews were conducted with the key informants for the sake of exploring more information about micro and small entrepreneurship activity in Kano state.

3.4 Population and Sampling

The population of this study is composed of micro and small enterprises operating in Kano State. The definition of micro and small enterprises is adopted from national policy on micro, small and medium enterprises which define micro enterprises as businesses that employ 1 to 9 workers, and small enterprises as businesses that have 10 to 49 employees. There is no available sampling frame because most of the micro and small businesses do not register officially with the government agency. Therefore, purposive/ judgmental sampling technique was used to select a practical samples of 500 as utilized by similar studies (Marcucci, 2001; Bekele and Muchie ,2009; Berihun, Tsegaye, Kidane and Hanna, 2009 and Bekele and Worku, 2008). Additionally, 25 key informants who are micro and small business owners were only selected for the purpose of providing complementary information that cannot be obtained through the use of questionnaire.

3.5 Data Analysis

Simple linear regression method was used to estimate the parameters α and β . This method is selected because of its simplicity and accuracy in estimation of the parameters. Other test conducted were Kolmogorov- Smirnov and Sphapiro-Wilk for normality and Spearman's rank order correlation to check for multicollinearity.

4. Results and Discussion

4.1 Characteristics of The Respondents

The data in Table 3 (see appendix) indicates that most of the respondents (48%) are young people between the ages of 18 to 30. The data also shows that majority of the respondents (83%) are men and 77% are educated. The

data further reveals that most of the respondents (56.2%) were employed before starting their own business. The data indicates that 35% of the respondents have monthly income between N1,000 to N19,000 and only 5% of them have income of more than N50,000 (\$943). This is a clear indication that most of those starting a business were not absolutely poor because they have an average income of not less than N412 (\$2.62 dollars) per day.

The data in Table 4 (see appendix) indicate that only 37.4% of the respondents registered their business officially and 45% of them were motivated to start up their own business in order to become independent. Most of the respondents (58.8%) use their personal savings to start up their business. The result also shows that only 2.8% and 1.6% of the respondents successfully secured fund from bank and government respectively. This means that banks and government institutions/agencies are playing very insignificant role in financing micro and small enterprise.

4.2 Model Estimation

Prior to the estimation of the variables, diagnostic tests were carried out to understand the nature of the data. The results indicate that the distribution of the data is not normal in both Komogrove-Smirnov and Shapiro-Wilks test. The data have been transformed into natural logarithm in order to have robust estimation. Spearman’s rank order correlation was used to detect multicollinearity. The result shows that the relationships among some variables are significant but the strength of the relationships is very weak.

Table 1: Result of Multiple Regressions

Variables	B	Std. error	t-statistics	p-value
Constant	1.736	.474	3.517	.000
SC	.857	.041	21.015	.000
GD	.227	.109	2.079	.038
AG	.008	.005	1.740	.083
EA	.016	.009	1.771	.080
FB	.077	.083	.922	.357
UE	-.031	.032	-.984	.326
PI	.009	.009	1.053	.293
GS	.001	.252	.004	.997

In Table 1 the initial estimation of the model shows that start-up capital and gender have significant influence on entrepreneurship at 5% level. Age and education attainment

also influence entrepreneurship positively but statistically significant at 10% level. The other independent variables family background, previous income and government support also influence entrepreneurship positively while unemployment experience affect entrepreneurship negatively but the results are not statistically significant.

The model has been re-estimated to include only significant variables in order to have a more robust and reliable estimation as shown in Table 2. The re-estimated model indicates that start-up capital positively and significantly influence to entrepreneurship. This result is consistent with the result of Evans and Jovanovic (1989) and Buera (2009). Many people are constrained by lack of start-up capital to engage in entrepreneurial activity. There are various sources of finance for business start up but it all depends on their position and economic status. Some people convert their assets to capital for business start-up. The use of personal savings is very common among micro and small entrepreneurs. Evans and Jovanovic (1989) found positive correlation between asset and probability to start up business. This indicates that people with assets or income are more likely to partake in entrepreneurship than those without either assets or income.

Table 2: Result of Multiple Regressions (Re-Estimation)

Variables	B	Std. error	t-statistics	p-value
Constant	1.977	.479	4.131	.000
SC	.867	.039	22.205	.000
GD	.250	.107	2.338	.020
R = .713				
R2 = .508				
F=257.015 (0.00)				

In Table 4 (see appendix) it is shown that most of the respondents started with small amount of capital of less than N100,000 (\$645). Many micro and small entrepreneurs are unable to access money from bank and government agency. Mulfinger (2010) found similar result that majority of entrepreneurs (70%) used their personal saving to start up their business. Evans and Jovanovic (1989) and Fizzari, et al. (1987) discover that small business entrepreneurs are more likely to suffer liquidity constraints than big business owners. The unemployed who have no income and those working without savings are not likely to start up business. It is equally difficult for them to get loan or borrow money from other people.

The essence of microfinance policy in the country is to address the financial problem of micro and small entrepreneurs. But unfortunately, many entrepreneurs are still suffering from lack of capital for business start-up and expansion. In spite of government efforts to provide microfinance, many entrepreneurs are still facing financial problem. Banks fail to process and issue loan to them because of inadequate information about the business and credit worthiness of the individual entrepreneurs (Cowling and Mitchell, 2003 and Steijvers et al., 2008). The entrepreneurs have the same problem when trying to access money directly from the government. The key informants during the interview expressed their pessimism in securing money from official source. They stated that:

It is difficult to get money especially from the government because it is a matter of whom you know in the government, if you didn't have any top government functionary or politician you can't get the money

I thought of sourcing money from bank but it is not easy especially for a new business like my own. I may not get the loan because I don't have collateral required by the bank

Moreover, the result shows that gender positively and significantly influences entrepreneurship. This means that men are more likely to engage in entrepreneurship than their women counterpart. This result is consistent with the findings of Scherer et al. (1990) Henley (2005), Bergmann and Sternberg (2007), Leoni and Falk (2008) and Mulira et al. (2011). GEM research involving 34 countries reveals that men are more active in entrepreneurship than women in all the countries. In middle-income nations men are 75% more likely to be active entrepreneurs (Lotti, 2006). In some countries such as Japan, Peru, Slovenia, and Uganda women involvement in entrepreneurship is between 1.6% and 39.1 %.

The distribution between men and women in entrepreneurship is associated with each country's economic conditions. The difference between men and women is reducing in high-income countries due to well articulated programs and women entrepreneurial education (Lotti, 2006). But in Kano, there are several factors militating against women entrepreneurs which in turn affect their propensity to entrepreneurship. The women's selection into entrepreneurship is not dependent only on the existing opportunities in the market but is affected by other environmental factors. It is found that

women are not free to engage in business like their men counterpart. Their decisions are mostly being influenced by their parents or husbands. They are restricted to partake in business and paid employment as a way of protecting them so that they cannot be exposed to business risk and mingle with men. In accordance with the Islamic doctrine, the men consider the provision of basic needs to their wives and family members as their primary responsibility, hence majority of the women remain at home to take care of their children and carry out other domestic functions.

The fact that women entrepreneurs are being influenced by their husbands or family members has been confirmed during the interview with some of the key informants. They stated that:

There is nothing a woman can do if her husband does not allow her to do business or work.

In most cases women are not the head of the household and they didn't consider providing basic things to the family as their responsibility. They are generally reluctant to join business especially if their husbands have sufficient income to take care of the entire family.

Generally, women in Africa constitute part of the unexploited potentials of the region. They contribute to the low economic growth and high poverty incidence in the continent. Some of the factors that hinder women's participation in business include the norms and values of the society. Bardasi et al. (2007) report that in Africa women in some areas cannot own or inherit land, housing or other properties in their own right under both statutory and customary laws. The problem of gender inequality is not only peculiar to Kano but it cuts across the entire African region. The restriction of women due to institutions, culture and societal values are reflected in the macro views of environmental school of thought in which the women have no control. In Africa, gender is becoming very important issue in entrepreneurship where women are expected to play an active role in the informal sector.

Women without educational qualification are mostly affected by these challenges especially in setting up a business. Those with high educational achievement may show high interest in paid employment to occupy key positions commensurate with their educational qualifications. The possession of high educational qualification will indirectly affect decision of women to become entrepreneurs. Previously most of the Muslim

women especially in the northern part of Nigeria were prevented to attend formal western education beyond basic certificates and they were married at an early age. This problem led to having high population of uneducated married women with low motivation for entrepreneurship in the state.

However, the situation in Kano is beginning to change due to the present economic reality. A significant number of poor women have started their own business in order to cater for their basic family needs. This is more common to widows and to those whose husbands' income is very low. Some of the women entrepreneurs and key informants revealed that:

The situation in the country has changed. I cannot wait for my husband to provide everything for the family alone. I have to do something to support my family.

It is not easy to survive without doing something economically either at home or anywhere. I have started this business in order to meet up with my financial challenges.

My husband gave the necessary motivation to start this business. He provides the capital and other necessary support for the business.

In spite of the challenges that thwart the development of women entrepreneurship, it is noticed that there are some women entrepreneurs who have succeeded in growing their business. They established many business networks and overcome some of the difficulties inherent in women entrepreneurship. In GEM countries, it is found that women who have personal network with other women entrepreneurs are more likely participate in entrepreneurship. It was equally discovered that women are less likely to be acquainted with other entrepreneurs than men (Klyver and Grant, 2010).

5. Conclusion

There are several factors determining the decision of individuals to engage in entrepreneurship. In most cases the individual's ability to identify and mobilize necessary resources helps in successful business start up. The success of the enterprise is not solely dependent on the entrepreneur's ability but it is also determined by other factors. Therefore, understanding the determinants of entrepreneurship could help in for formulating suitable

policies for entrepreneurship development (Giannetti and Simonov, 2004 and Martins, 2007).

In an effort to promote private sector and address fundamental socio-economic problems, many governments particularly in developing countries came up with entrepreneurship development programs. Entrepreneurship is expected to boost the economy, creates jobs, and reduces poverty in developing countries. Micro, small and medium enterprises (MSMEs) are considered as vehicles through which entrepreneurship can be developed. In Nigeria generally, there are problems affecting entrepreneurial activity across the entire states but some of the problems are more peculiar to the Northern region and to particularly Kano state. Therefore, the paper attempts to examine the determinants of entrepreneurship in Kano. It is seen that the majority of the entrepreneurs are operating without registering their business with government agency which is considered as a necessary condition for accessing funds from any official source. The use of personal savings by most the entrepreneurs is a clear indication of liquidity constraint. Start-up capital and gender are statistically significant in influencing entrepreneurship.

The paper contributes significantly towards providing information on the determinants of entrepreneurship. It reveals Schumpeterian effect and entrepreneurship may not automatically reduce poverty and unemployment because majority of the poor and unemployed have no access to capital for business start up and government support.

6. Practical Implications and Suggestions for Further Research

In the face of the present socio-economic challenges in the state, there is need by the government to revisit the existing policy on micro, small and medium enterprises (MSMEs) to adequately address the financial needs of the poor and unemployed to be able to start up a business. For instance the government should come up with realistic micro and small loan guarantee scheme which will spur people with good business idea or proposal to secure fund easily for business start up. In the same vein, the government should facilitate greater level of women participation in entrepreneurial activity since there is evidence that the propensity for women to start up business is low. They should be supported through

provision of sufficient training and finance.

There is need for concerted effort between the government and various stakeholders in education sector to develop enterprise specific knowledge not necessary within the confine of conventional business school. The specific skills and training on various entrepreneurial programs will allow the prospective, nascent and already established entrepreneurs to build competence on any business they have chosen. The government should place high priority in boosting electricity generation and supply so as to reduce the cost of operation and make the business environment healthier for entrepreneurial activity. There is need to encourage business registration by simplifying the process. There is need for further research on women enterprises in various regions in Nigeria for the purpose of making comparison across the states.

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Appendix

Table 3: Frequency Distribution of Demographic Variables

Variable	Frequency	Percentage %
1. Age (years)		
18 -30	241	48.2
31 -40	173	34
41- 50	66	13.2
51 and above	20	4.0
2. Gender		
Male	414	82.8
Female	86	17.2
3. Marital status		
Single	185	37
Married	315	63
4. Educational attainment		
No Schooling	55	11
Primary	60	12
Secondary	224	44.8
Diploma/NCE	114	22.8
HND/Bachelor/Higher	47	9.8
5. Family background		
Self employed	283	56.6
Employee	110	22
Unemployed	15	3
Retiree	55	11
Others	37	7.4
6. Unemployment experience		
No	281	56.2
Yes	219	43.8
7. Duration of unemployment (years)		
Nil	281	56.2
<1	38	7.6
1 -5	177	35.4
6 and above	4	0.8
8. Previous income level		
No Income	219	43.8
N1, 000 - N19, 000	175	35
N19, 001- N30, 000	65	13
N30, 001- N40, 000	8	1.6
N40, 000- N50, 000	8	1.6
N50, 001 and above	25	5.0

Source: Field survey 2011

Note: US\$1 is equivalent to N15

Table 4: Frequency Distribution of Business Information

Items	Frequency	Percent%
1. Official status of the business		
Not Registered	313	62.6
Registered	187	37.4
2. Motive for business start up		
To be independent	229	45.8
To be my own boss	49	9.8
To get income	48	9.6
To become wealthy	27	5.4
To increase my income	19	3.8
To become self employed	120	24
Others	8	1.6
3. Business duration (years)		
=< 1	29	5.8
2 - 6	182	36.4
7-11	131	26.2
12- 18	99	19.8
19 and above	59	11.8
4. Employment status		
Working alone	66	13.2
With workers	313	62.6
With Family unpaid workers	51	10.2
With apprentices	70	14
5. Number of workers and apprentices		
Nil	66	13.2
1 - 9	372	74.6
10 - 20	51	10.2
31 - 30	7	1.4
31 and above	3	.6
6. Start-up capital		
<N100, 000	280	56
N100, 000 - N400, 000	109	21.8
N400, 001 - N800, 000	55	11
N800, 001 - N1, 000, 000	28	5.6
N1, 000,001 and above	28	5.6
7. Main source of start-up capital		
Bank loan	14	2.8
Government	8	1.6
Personal savings	294	58.8
Family and friends	177	35.4
Other sources	7	1.4
8. Present capital employed		

	<i>Items</i>	<i>Frequency</i>	<i>Percent%</i>
	<N100, 000	185	37
	N100, 000 – N500, 000	149	29.8
	N500, 001 - N1, 000,000	95	19
	N1, 000,001 –N10, 000,000	62	12.4
	N10, 000,001 and above	9	1.8
9. Current asset value			

	<i>Items</i>	<i>Frequency</i>	<i>Percent%</i>
	<N500, 000	340	68
	N500, 001 – N1, 000,000	101	20.2
	N1, 000,001 – N5, 000,000	49	9.8
	N5, 000,001 - N10, 000,000	10	2

Source: *Field survey 2011*

Note: *US\$1 is equivalent to N157*