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The Nigerian Entrepreneurial Ecosystem and Its Effect on Entrepreneurs' Performance in Lagos State

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Abstract- Despite the potential of entrepreneurship to drive wealth creation, job creation, and alleviation of poverty, the performance of entrepreneurs and their activities are either hampered or complemented by factors like governmental trade policy and implementation, amongst others. This research examined the Nigerian entrepreneurial ecosystem's influence on the performance of entrepreneurs in Lagos State, Nigeria. The objectives of the research were to describe the socio-economic characteristics of the entrepreneurs, the ways in which trade policies affect entrepreneurial growth, determine the level of relationship between finance, sales and revenue performance of entrepreneurs, and also identify the kind of influence that culture and social norms have on the sustainability of business. This was achieved by employing a survey research design to select a total number of four hundred and fifteen respondents consisting of entrepreneurs in different business sectors of the study area. Data was gathered using a five-point Likert-scale questionnaire and analyzed using tables, percentages, factor analysis, and statistical tests such as correlation and Chi-Square. Results showed that the majority of the entrepreneurs were female (51%) within the ages of 36-45 years (32%) and married (50%). It showed that (41.8%) had BSc as their highest level of education and (40.8%) had between 0-5 years of experience as an entrepreneur. The result further showed that one of the ways in which trade policies affect entrepreneurial growth is that it's not properly implemented. It showed that lack of finance affects the sustainability of business and that the majority of the entrepreneurs maintain their business with personal funds. The research addressed and impacted the performance of entrepreneurs in Lagos state, Nigeria. It recommended that loans for entrepreneurs should be de-risked to encourage participation. It also recommended that policies regarding import prohibition, import quotas, duty rates, restrictions and local content requirements should be revised as they discourage the continuity of entrepreneurial activity.

Indexed Terms- Entrepreneurs, Trade Policy, Entrepreneurial Ecosystem, Nigeria, Entrepreneurial Performance JEL CLASSIFICATION: M0, M1, O0, O2

I. INTRODUCTION

Researchers and practitioners have yet to reach a consensus on the precise definition of entrepreneurship and the functions of the entrepreneur because it is a complex and polysemous concept (Amit 2018). The following is a list of the key definitions:

Several scholars have given their perception of Entrepreneurship. For example Chrisman, Chua, & Steier (2015) examined entrepreneurship as the process of producing something new and useful by spending time and effort, taking risks, and earning financial and personal freedom. Furthermore, Morris, Kuratko, & Covin (2019) explained entrepreneurship as the ability to recognize, assess, and capitalize on possibilities/opportunities and also manage and develop a business enterprise to be able to innovate, take risks, and produce value for stakeholders. Similarly, Nwachukwu (2020) considers entrepreneurship to be the process of spotting and evaluating business opportunities, putting together the resources required to take advantage of them, and launching the essential steps to achieve success. Also, Acs, Stam, Audretsch, & O'Connor (2017) claims that the system of entrepreneurship is "the dynamic, institutionally ingrained interaction between entrepreneurial attitudes, skills, and goals held by individuals, which drives the allocation of resources through the formation and operation of new businesses."

Despite the lack of a single definition of entrepreneurship, we can simply say it is the process of identifying business opportunities and also organizing a successful business activity. Entrepreneurship has three essential attributes. The first is the capacity to discern business opportunities that are worthwhile and profitable. Secondly, you as an entrepreneur must be willing to exploit these opportunities that have been perceived, and thirdly, is need to have some necessary skills that are associated with bringing a business venture to life. An entrepreneur is an individual who creates value, transforms this creation into an idea that churns out profit steadily, and manages this profit until it becomes a thing of success. Entrepreneurs have always played a central role in nation-building, as entrepreneurship is regarded as a core component in boosting economic development (Walter, 2018).

Due to the multifaceted nature of entrepreneurship, it's safe to infer that the same could apply to its ecosystem. Stam (2015) explained that, generally speaking, the ecosystem is related to biology and highlights the interaction between actors. However, Audretsch and Belitski (2017) defined an entrepreneurial ecosystem as a network of institutional and organizational actors that interact to identify and commercialize entrepreneurial opportunities. Also, the entrepreneurial ecosystem is the network of human and institutional actors that start, support, fund, and promote new businesses in a community. It can further be explained as a group of people and interdependent actors who interact in a specific area and change over time in order to support the growth of new firms. These factors and actors which could also be referred to as the domains of entrepreneurial ecosystem includes: culture, policy, human capital, finance, market, and environmental support, etc. It is widely accepted that success breeds success, hence, once these domains are strong enough, they become relatively self-sustaining. The entrepreneurial ecosystem is one that captures all the factors and more that contribute to the eventual success or failure of the entrepreneurs' journey (Stam & Spiegel, 2017).

Universities also have a significant impact on entrepreneurial ecosystems, but not to the extent that is frequently thought. Programs for educating students about entrepreneurship are created to encourage them to start their own businesses (Kakouris & Georgiadis, 2016). Formal methods of entrepreneurship education and training include enrolling in entrepreneurship modules or taking entrepreneurship training courses, where students learn from instructors. (Martin 2013).
The study of entrepreneurial ecosystems focuses on topics such as the impact of the local environment on the creation of new ventures, interactions among the numerous actors that make up the ecosystem, and a special focus on fast-growing businesses (Sheriff & Moreno, 2019).

Therefore, the entrepreneurial ecosystem method gives a unique viewpoint on the concentration of economic activity. First, there is a clear emphasis on entrepreneurship, particularly in high-growth companies. The focus is also on local and regional environments, as well as the conditions that support and promote ambitious entrepreneurship. Third, it emphasizes the interaction of local and regional geographical circumstances and framework conditions. The policy agenda that follows, which emphasizes a far more facilitative approach, differs from the typical "economic development," "innovation," and "cluster" policies as a result of this unique perspective.

The notion of an "entrepreneurship ecosystem" has recently piqued the interest of academics, practitioners, politicians, and leaders, as entrepreneurship is increasingly seen as a critical component of national economic success (Spencer and Gomez, 2014).

Nigeria has the largest economy in sub-Saharan Africa, according to the International Monetary Fund (2023). Nigeria has the largest consumer market in Africa, with a population of 170 million people, making it a highly appealing market for prospective businesses. Furthermore, the enormous domestic market offers chances for corporate growth and expansion across a wide range of sectors and value chain segments. The Nigerian entrepreneurship ecosystem is composed of a varied group of actors from the public, commercial, nonprofit, and development sectors who work together to perform a variety of ecosystem activities that have an impact on and decide the outcomes of entrepreneurship in Nigeria (Fate Foundation, 2021).

Following Joseph Schumpeter's (The Father of Entrepreneurship and Creative Destruction) initial discoveries, entrepreneurship is now widely recognized as the engine of economic growth; it plays a significant role in innovation, job creation, wealth creation, and poverty reduction. Schumpeter (2015) explained entrepreneurship as a creative destruction procedure that contains the introduction of new goods, services, or organizational structures, as well as the creation of new markets and the disruption of old ones. It is commonly believed that entrepreneurship is the search for possibilities to generate value through creating or expanding economic activity, as well as identifying and exploiting market defects and other sources of profit (Zahra, Wright & Abdelgawad, 2019). Furthermore, entrepreneurs ensure that societies are prepared to grow, compete, and prosper in today's technology-driven, rapidly changing globalized economic world. As a result, no economy can thrive without a critical mass of entrepreneurs with the ability to construct learning organizations, generate wealth, and open Pandora's Box of economic development. Governments all over the world are doing a good job by putting in place policies and programs that encourage entrepreneurship, train a large number of entrepreneurs, and build enterprise promotion projects to help people start their own businesses.

Expectedly, less developed nations like Nigeria are attempting to internalize the enterprise culture, whereas entrepreneurship has become so ingrained in the developmental DNA of industrialized and certain rising economies that it is the main reason they can produce money at will and are affluent.

For a populous country like Nigeria, promoting its entrepreneurial ecosystem is important to drive wealth creation, job creation, and poverty reduction. This inquiry seeks to probe and gain a better understanding of the entrepreneurial ecosystem that's exploitable in Nigeria and consider how its elements, factors, and actors (entrepreneurial finance, government policy, entrepreneurship education, commercial and legal structure, market openness, business support services, and cultural and social morals) positively or negatively impact the performance of its entrepreneurs. This study, would reveal how the ecosystem may result in the rise of innovation commercialization at academic institutions via joint ventures with private and public bodies and start-up creation (Huggins and Williams, 2011). The research addresses the crucial linkage between organizational and contextual factors resulting in new knowledge creation and implementation of innovation by entrepreneurs (Wurth et al., 2021).

The research questions that will be examined in the course of this study are as follows:

I.) What are the socio-economic characteristics of entrepreneurs?
II.) In what way do trade policies affect entrepreneurial growth?
III.) What is the level of relationship between finance and the sales and revenue performance of entrepreneurs?
IV.) What influence did culture and social norms have on the sustainability of business?

The major limitations of the study were: inadequate access to finance, poor infrastructure, corruption, inconsistent government policies, and limited market opportunities. However, the study involves the use of questionnaires in a cross-sectional survey research design to collect necessary data from respondents, therefore, other limitations include: poor internet connection limiting access to the study population, lack of time and funding necessary to carry out a survey, the lower priority for carrying out a survey because of competing urgent tasks.

II. ENTREPRENEURIAL ECOSYSTEM

The ecosystem provides potential entrepreneurs with playing fields, training grounds, leagues, coaches, mentors, and other services. The healthier the ecology, the greater the likelihood of star formation. The essence of an entrepreneurial ecosystem is its people and the culture of trust and collaboration that allows them to interact successfully. An ecosystem that allows for the fast flow of talent, information, and resources helps entrepreneurs quickly find what they need at each stage of growth. Entrepreneurs make business decisions despite ambiguity. One of the earliest definitions of entrepreneurship is combining resources creatively (Foriwaa & Akuamoah-Boateng, 2013).

Although Ireland & Webb (2015) defined entrepreneurship as the procedure of developing and/or extending a new business by mobilizing resources, taking risks, and chasing opportunities that provide value for stakeholders and Blank & Dorf (2017) also explained entrepreneurship as the process of developing and starting a new endeavor, often a startup firm, and assuming responsibility for its success or failure but entrepreneurship transcends founding or inheriting a business. People grasp opportunities, utilize resources, and produce value. Entrepreneurship is the value-creating discovery of unmet needs or transformation possibilities. Entrepreneurs see obstacles as "opportunities" and seek solutions from customers willing to pay for them. "It's simply a result of an entrepreneur's ability to identify market opportunities, effect change (or capitalize on change), and create value through solutions," the authors write.

Entrepreneurship, according to Baron (2018) is "a creative process of identifying and pursuing value-creating opportunities, often in the face of uncertainty and risk."

Those who risk their finances, time, or careers, or who demand a premium, create wealth. The novelty of the product or service is less significant than the entrepreneur's capacity to acquire and use resources and talents. Recognizing and evaluating a resource's economic potential and investing in its development while waiting for immediate satisfaction is required for long-term gains. These business endeavors are advantageous to the economy and society.

An entrepreneurial ecosystem consists of interconnected entrepreneurial actors (potential and existing), entrepreneurial organizations (firms, venture capitalists, business angels, banks), institutions (universities, government agencies, financial institutions), and entrepreneurial processes (for example, the rate at which new businesses are established, the number of high-growth firms, serial entrepreneurs, and entrepreneurial ambition).

Although the entrepreneur is a crucial player in the entrepreneurial ecosystem, other individuals may have an impact on the establishment of new ventures. Stam's concept of the entrepreneurial ecosystem—"the entrepreneurial ecosystem is a collection of interrelated actors and components organized in a way that enables effective entrepreneurship"—motivates people to take action and contribute to society.

Isenberg (2010) defines entrepreneurial ecosystems as variables that foster entrepreneurship that are interconnected and coordinated. Important are financial, intellectual, legal, and regulatory structures. These characteristics improve entrepreneurial conditions (Nicotra, 2018). Entrepreneurial ecosystems must be dynamic on all levels: local, social, institutional, and cultural, in order to promote the establishment of new businesses and the growth of existing ones. They have been used to investigate entrepreneurial activity in different geographic and economic sectors.

Entrepreneurship may be encouraged in a positive, negative, or both ways by the ecosystem. A positive and supportive ecology consists of all environmental variables that encourage and liberate entrepreneurship.

2.1.1 Components of Entrepreneurial Ecosystems

Given the correct collection of institutions and resources, a healthy entrepreneurial ecosystem is more likely to thrive, expand, and influence the surrounding environment since it is composed of interdependent components. These institutions and resources constitute an entrepreneurial environment.

Financial capital must be available to provide early-stage financing and, as enterprises develop, investment capital. This funding may originate from unofficial investor networks, venture capital companies, or banks.

Infrastructure: assures the availability of low-cost and low-risk energy sources, road networks, customs offices, broadband Internet access, etc. Given that roads are one of the few things that entrepreneurs cannot provide for themselves, they are very important (e.g., they can buy generators if necessary to overcome a lack of electricity).

Intermediate businesses: Organizations such as legal firms, accounting firms, credit rating agencies, employment agencies, etc., offer critical support services at important junctures in the establishment of any new business.

Institutions of higher education and scientific research provide the manpower, teaching, and knowledge transfer that developing start-ups and rapidly expanding corporations demand. Occasionally, they also provide training for company owners.

Culture: Entrepreneurship thrives in an environment where failure is tolerated and entrepreneurial success is celebrated. Entrepreneurship is made simpler when individuals are provided with the tools, encouragement, and practical and psychological support they need to develop their own firms and upset the status quo. Risk-taking culture is shaped by the media, professional groups, social organizations, schools, families, and the government.

The rule of law—the role of courts, police, and property rights in conserving assets, enforcing contracts, and defending firm owners' rights—is vital. In nations where traditional courts are unable to address the demands of small businesses, the development of commercial courts may be essential. If the police are corrupt, they might be a significant impediment to the creation of new businesses.

Social networks based on racial, religious, intellectual, professional, church, union, or other connections transfer information, contacts, and assets across enterprises, contributing to the growth of the ecosystem. They also urge participants to collaborate for the sake of the ecosystem.

In addition to capital, entrepreneurs need skills to begin and grow their businesses. These talents might vary from basic legal knowledge to appraisal of individuals, grasp of customer needs, and financial management. Many of these skills are acquired on the job or as a firm grows.

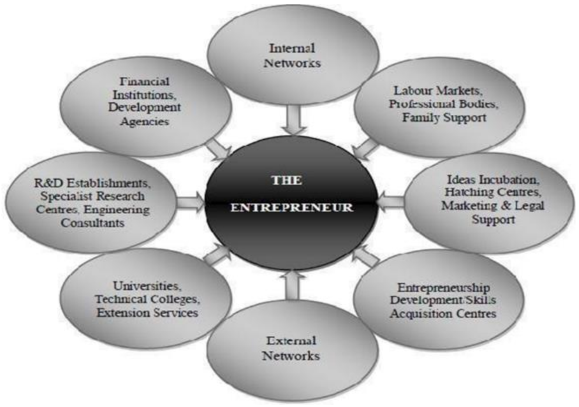
Establishing standards and granting new enterprises access to markets, marketing channels, suppliers, and supply networks are the responsibilities of incumbent corporations. Through their corporate social responsibility or innovation programs, they may also be a significant source of personnel, capital (via investments or merger and acquisition transactions), and, in some instances, direct assistance in the development of a robust entrepreneurial ecosystem within the industry in which they operate.

Government: guarantees that red tape does not hinder innovative projects by establishing the proper regulatory structure (e.g., registration, insolvency, taxes, etc.). In addition, it tolerates failed businesses and caters to the specific demands of entrepreneurs. In the early phases of ecosystem growth, government assistance may be required to bridge market gaps, such as a shortage of finance, via grants and loans with guarantees. Long-term, government development and small business assistance groups are also necessary for closing institutional gaps and ensuring that an ecosystem provides the greatest possible support for the establishment of new firms.

Many of the individual components must be developed concurrently in order to be effective, due to the roles they play in the development of the other components. By interacting, they provide a network effect. For instance, it is more probable that a market will have a greater number of service providers and a greater richness of skill if the incumbent businesses are more powerful. The greater the quality of educational institutions, the greater the likelihood that the government, courts, and corporations will operate properly and possess the necessary skills. (Kansheba, 2020).

The entrepreneurial ecosystem should support the traditional educational system, foster the growth of human capital, increase access to information, capital, and markets, foster and cultivate ideas through incubation, and translate innovative concepts, designs, and inventions into tangible products, processes, and services. In addition, they should help domesticate the culture of entrepreneurship and educate prospective entrepreneurs with certain skill sets and competencies (Gertler, 2018).

Figure 1.: The Entrepreneurial Ecosystem



SOURCE: Gertler 2018

2.1.2 Nigeria's Entrepreneurial Ecosystem

Nigeria, being the largest economy in sub-Saharan Africa, according to the International Monetary Fund (2016) with a population of 170 million people, boasts of Africa's biggest consumer market, making it a very attractive location for business. Corporate development and growth across sectors and value chains are made possible by the vast domestic market. With a shortage of electricity, lousy infrastructure, inadequate money, and an absence of supporting governmental frameworks to help businesses succeed, Nigerians continue to demonstrate to the rest of the world that success is attainable with tenacity and concentration. Over 37% of the country's GDP is now generated by the micro, small, and medium enterprises sector, which also employs over 84% of the workforce.

For the sake of this study, we'll pay particular attention to the following components or factors in Nigeria's entrepreneurial ecosystem: governmental trade policy; entrepreneurial finance; and culture and social norms.

2.1.3 Governmental Trade Policy and Regulation

Depending on the regulations and policies in place, a company's capacity to start out and grow might be boosted or stifled. Developing trade policies and regulations is a top priority for the Nigerian government in an entrepreneurial environment. For the federal government, implementing policies and initiatives that stimulate business creation and expansion is a top priority. Entrepreneurial activities are also regulated by the federal government, which does so via a variety of agencies. State and local governments have also recognized the significance of entrepreneurs in stimulating economic development and have taken steps to aid them. The Lagos State Employment Trust Fund (LSETF) was recently established to support SMEs and boost job creation, while the Kaduna State Government launched the Kaduna Startup and Entrepreneurship Programme (KAD-STEP) to encourage the development of innovative businesses in the state.

In 2013, the Federal Ministry of Industry, Trade, and Investment (FMITI) launched the National Enterprise Development Program (NEDEP), headed by the Small and Medium Enterprise Development Agency of Nigeria (SMEDAN), the Bank of Industry (BOI), and the Industrial Training Fund (ITF). Undoubtedly among the most thorough MSME programs to date, NEDEP covers several issues linked to company expansion. The program's top priorities include strengthening the institutional framework, developing a revised national MSME policy, putting in place a strong delivery and monitoring system, boosting market access, improving company development skills, improving technical skills, and encouraging youth inclusion while lowering high operational expenses.

The new national MSME strategy was released by the federal government in 2015 after being established in 2007. The general criteria, standards, and guidelines under which MSME programs, interventions, and initiatives would be developed, carried out, monitored, and assessed are clarified in this policy, which overcomes the weaknesses of the previous policy. The approach also rests on a strong partnership between the public and commercial sectors. The strategic objectives of the policy include: streamlining the registration process for businesses; lowering the standards for registering land and streamlining access to land for business use; lowering the regulatory burden of taxes on MSMEs; incorporating entrepreneurial and industry skills into secondary and tertiary institutions' curricula; strengthening ties between academia and industry; enhancing information access; expanding the availability of business development services; and developing the policy's implementation strategy.

However, there are lots of barriers to trade put in place by the government. Nigeria employs a combination of tariffs and quotas, such as import prohibition, import quotas, duty rates, and fines. Laws requiring local content are also becoming more prevalent throughout Nigeria's economy. Local content rules were initially put in place to ensure local participation in the oil and gas industry's labor force and along the entire value chain. However, they have slowly started to encroach on other industries, like entrepreneurship. Additionally, the government has a number of import substitution policies that, through subsidies, taxes, quotas, and other trade restrictions, seek to increase domestic production over imports.

Many entrepreneurs have complained, for example, that because SON requires the same registration procedures for goods registered with NAFDAC, the implementation of policies and finances are restricted because the government currently has little staffing and capacity to deploy its programs across the country. Government programs tend to serve as a band-aid to treat unemployment rather than addressing fundamental issues such as a lack of essential skills. Also, there is little policy consistency between the incoming and previous government administrations, resulting in a high death rate for MSME policies and programs. (Fate Foundation, 2021).

2.1.4 Entrepreneurial Finance

The study conducted by the World Economic Forum indicates a favorable association between money flows and corporate growth. Every firm needs financial resources in order to recruit employees, acquire and sell products, lease and rent space, participate in marketing and sales operations, and maintain customer records (Nieuwenhuizen, 2016). Access to finance is one of the most important factors in the development, growth, and sustainability of entrepreneurial endeavors. Entrepreneurs in Nigeria have access to both government and unauthorized financial sources. Others rely on indirect fundraising to provide resources and influence, while others provide direct funding.Formal sources include development finance institutions, banks, private equity, angel investors, and venture capital. Leasing businesses and other non-financial organizations that provide alternative financing options are also involved in this industry. The provision of informal financial services by cooperatives and organizations has been highlighted as a crucial strategy for expanding financial access. With non-performing loans at or below 5%, these groups have had remarkable success in granting their members access to credit. This strategy is successful because of the trust that has developed over time between cooperative or association members.

Depending on the sector or stage of company growth, an entrepreneur may have access to several financing sources. Family and friends, company proposal contests, angel investors, accelerator programs, and, in certain circumstances, international and local grants and seed money are all potential sources of funding during the ideation phase, when firms spend heavily on prototypes without necessarily generating a profit. The Tony Elumelu Foundation is a non-profit organization that provides considerable initial financing to startups. Grants are the most common kind of formal financing available during the startup phase. The number of angel investors is increasing, but they prefer to invest in businesses with high scaling potential. For-profit businesses with a socioeconomic impact can also benefit from effective investment.

The government plays a crucial role in supporting MSMEs' access to finance via intervention funds. Through partnerships with banks and development agencies, the Agricultural Credit Guarantee Scheme Fund (ACGSF), the Agricultural Credit Support Scheme (ACSS), the Commercial Agricultural Credit Scheme Fund (CACS), the Small and Medium Enterprise Credit Guarantee Scheme (SMECGS), the Micro Small and Medium Enterprise Development Fund (MSMEDF), and the Real Sector Support Facility (RSS) have provided approximately N1 trillion in intervention funds to MSMEs (FATE FOUNDATION, 2021).

Investments in long-term, productive businesses are few. Despite their honest efforts, small and medium-sized firms (SMEs) have been condemned by financial institutions for failing to demonstrate their long-term viability (Martin, Porter, Blaufuss, & Acheampong, 2013). Financial projections and proof of sustainability, which are necessary for prequalifying enterprises for financing, are usually absent from these loan and grant applications. After making an initial investment, the potential of a firm to earn a profit is referred to as its "sustainability."

There are excessive criteria for loan application approval. Due to its informal nature, it may be difficult for MSMEs to put together the required documents, such as business plans and cash flow and financial records, in order to get a loan from a formal source.

Due to high interest rates, about 30 percent of MSMEs polled by KPMG in 2014 did not seek commercial bank funding. This discourages borrowers from obtaining loans and increases the probability that they will default on their obligations (FATE FOUNDATION, 2021).

2.1.5 Culture and Social Norms

The connections between culture, social norms, and entrepreneurship have not been thoroughly researched or established. Although considerable study has been conducted on the topic, it is by no means exhaustive. As crucial as culture is to the entrepreneurial endeavors of many nations, more study is required to acquire a greater understanding of the social components of entrepreneurial activity. There is a view that entrepreneurial growth cannot occur without solid cultural underpinnings.

According to Pinillos and Reyes (2011), "culture" is a system of values for a particular group or community that promotes the development of certain personality characteristics and motivates individuals to behave in ways that may not be typical of other groups. It is the collection of ideals that define a society.

Culture has a significant impact on entrepreneurial success. The view of entrepreneurship as a viable career choice, the position of entrepreneurs in society, and the level of acknowledgment of entrepreneurship all contribute to the establishment of a healthy entrepreneurial culture. For a business to establish a new entrepreneurial environment, cultural support is important. According to the World Economic Forum, an organization's openness to tolerate risk and failure, attention dedicated to self-employment, celebration of innovation, success stories, research cultures, and role models are always crucial in developing cultural support. According to the Global Entrepreneurship Monitor (2012), Nigeria's national culture is a significant facilitator of entrepreneurship since it promotes personal responsibility in life management. The influence of culture on entrepreneurship is both intriguing and bidirectional.

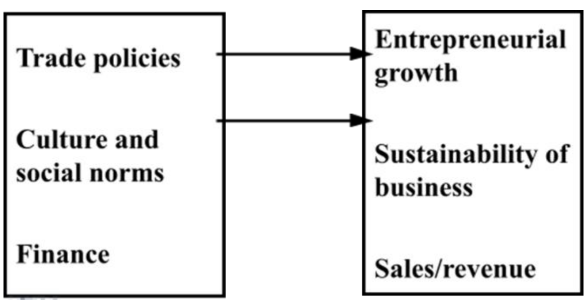
Apprenticeship programs in south-eastern Nigeria are a good illustration of how to foster an entrepreneurial spirit among the populace in order to ensure their financial stability. The various lessons that may be gleaned from this approach are discussed in Entrepreneurship Monitor (2012). For 5–7 years, parents often send their sons into the care of rich relatives or community members who serve as mentors and role models. Throughout his apprenticeship, the apprentice assists his master with routine administrative or technical tasks and frequently joins his family.An apprentice is given the chance to acquire business skills at a young age, such as industry knowledge, marketing and sales, logistics and supply management, customer service, etc. Reconciling his bank accounts on a regular basis helps him develop healthy money management practices. He also handles big amounts of money. However, unlike ordinary employees, apprentices are considered family members and are not paid regularly. The apprentice gets a lump sum of money upon completion of his apprenticeship to start his own business. On the day the apprentice gets his "independence," a small celebration with family members is conducted to symbolize society's support for company owners (FATE FOUNDATION, 2021).

Social norms may be thought of as a kind of guideline, possibly unwritten but known and shared within certain communities; they are generally accepted standards of behavior. A culture's members are required to conform to a set of established standards.
Some social traditions, such as a lack of trust and collaboration, hinder ecology. In Nigeria, for instance, many entrepreneurs would rather risk failure than work with a partner. Investors are more inclined to support a team than an individual, limiting the growth potential of these enterprises. A lack of trust also hinders company owners from collaborating and encourages unhealthy competitiveness. Lastly, Nigerian entrepreneurs typically lack the attention required to operate a firm and have a propensity to start a business because someone else is doing well.

2.1.6 International Entrepreneurial Ecosystem

The international entrepreneurial ecosystem adopts the roles of nations or triple helix (university-industry-government) as its central force in the ecosystem. These build and encourage innovation, especially open innovation that in turn infuses technology transfer and enhances absorptive capacity of the firms. The international entrepreneurial ecosystem should interweave itself with every nation's legal framework to foster open innovation and move beyond geographical boundaries. These two domains interact and integrate with each other to create products and services for economic growth and development in other nations. It is more concerned with the differences, relationships, and interactions of these concepts. However, these interactions should be viewed with cautious trade-offs given the growing challenges of pandemics, climate changes, and other grand challenges to the world.

2.2 Conceptual Framework



This study's primary objective is to investigate the connection between Nigeria's Entrepreneurial Ecosystem and the performance of its entrepreneurs. This study deploys the factors of Nigeria's Entrepreneurial Ecosystem as its independent variable. These factors are trade policy; entrepreneurial finance; culture and social norms. A brief conceptual model is proposed above.

III. RESEARCH DESIGN

A cross-sectional survey was deemed the most suitable research design for this study. This was chosen because it made it easier for the researcher to gather a substantial amount of the needed data from the study population at a single point in time, to draw a concrete conclusion.

Polit & Beck (2014) ascertain that surveys are flexible, they can cover many different areas of human behavior and conditions, and can be used with many populations. In relation to data collecting, the cross-sectional survey design primarily makes use of questionnaires. As a result, a well-structured questionnaire was used to collect data utilizing both qualitative and quantitative methodologies. The cross-sectional survey design used for this study's research allowed the researcher to make use of factors that cannot be directly observed.

3.1 Population of the Study

The population of the research comprises four hundred (415) entrepreneurs in different business sectors ranging from agriculture to manufacturing, construction, information and communication, to mention a few in Lagos state, Nigeria. The researcher administered questionnaires to the whole of 415 entrepreneurs electronically via the internet. However, only 400 responses were retrieved and considered valid for the analysis while the other 15 were not valid.

IV. ANALYSIS OF DATA

4.1.1 Factor analysis: Critical issues with trade policies affecting the performance of entrepreneurs in Lagos, Nigeria.

Table 4.1.1 Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.843	47.378	47.378	2.843	47.378	47.378
2	1.010	16.835	64.213	1.010	16.835	64.213
3	.943	15.724	79.937			
4	.513	8.551	88.488			
5	.411	6.846	95.335			
6	.280	4.665	100.000			

Extraction Method: Principal Component Analysis

Overall, the table provides valuable insights into the variance explained by each principal component, helping to understand the underlying structure of the data and identify the most significant contributors to the overall variance.

Table 4.1.2 Component Matrix

	Component	
	1	2
Trade policies regarding entrepreneurship are not properly implemented.	.699	-.406
Import prohibition on consumer goods limits the expansion of business in Nigeria.	.794	-.240
High duty rates on consumer goods limits the expansion of business in Nigeria.	.206	.705
Restrictions and fines on business operations obstruct growth.	.760	.300
Local content requirement discourages the continuity of entrepreneurial activity.	.742	-.243
Import and export costs are typically too high for the average entrepreneur.	.744	.377

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

Interpretation: from table 4.1.2 the analysis shows that Import prohibition on consumer goods with factor loading of 79.4%, High duty rates with factor loading of 70.5%, Restrictions and fines on business operations with factor loading of 76%, Local content requirement with factor loading of 74.2% and Import and export costs with factor loading of 74.4% are the critical issues with trade policies affecting the performance of entrepreneurs in Lagos, Nigeria.

Overall, the PCA results suggest that trade policies, import/export costs, and business operation restrictions are significant factors affecting entrepreneurship in Nigeria. The analysis provides insights into the underlying structure of the data and identifies key dimensions related to the impact of trade policies on entrepreneurial activities.

4.2 Test of Hypothesis Restatement of Hypothesis Hypothesis 1.

H0 There is no relationship between trade policies and entrepreneurial growth of entrepreneurs in Lagos, Nigeria.

H1 There is a relationship between trade policies and entrepreneurial growth of entrepreneurs in Lagos, Nigeria.

TABLE 4.2.1 Correlation

		Trade policies regarding entreprene urship are not properly implement ed.	Import prohibition on consumer goods limits the expansion of business in Nigeria.	High duty rates on consumer goods limits the expansion of business in Nigeria.	Restriction s and fines on business operations obstruct growth.	Local content requirement discourages the continuity of entrepreneuri al activity.	Import and export costs are typically too high for the average entrepre neur.
Trade policies regarding entrepreneur ship are not properly implemented .	Pearson Correlati on	1	.561**	.049	.336**	.480**	.297**
	Sig. (2-tailed)		.000	.330	.000	.000	.000
	N	400	400	400	400	400	400
Import prohibition on consumer goods limits the expansion of business in Nigeria.	Pearson Correlati on	.561**	1	.113*	.410**	.565**	.425**
	Sig. (2-tailed)	.000		.024	.000	.000	.000
	N	400	400	400	400	400	400
High duty rates on consumer goods limits the expansion of business in Nigeria.	Pearson Correlati on	.049	.113*	1	.094	.110*	.139**
	Sig. (2-tailed)	.330	.024		.060	.028	.005
	N	400	400	400	400	400	400
Restrictions and fines on business operations obstruct growth.	Pearson Correlati on	.336**	.410**	.094	1	.395**	.709**
	Sig. (2-tailed)	.000	.000	.060		.000	.000
	N	400	400	400	400	400	400
Local content requirement discourages the continuity of entrepreneuri al activity.	Pearson Correlati on	.480**	.565**	.110*	.395**	1	.349**
	Sig. (2-tailed)	.000	.000	.028	.000		.000
	N	400	400	400	400	400	400
	Pearson Correlati on	.297**	.425**	.139**	.709**	.349**	1
	Sig. (2-tailed)	.000	.000	.005	.000	.000	

	N	400	400	400	400	400	400

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Interpretation: From Table 4.2.1 above, the relationship between trade policies and entrepreneurial growth of entrepreneurs in Lagos, Nigeria is based on whether Import prohibition on consumer goods limits the expansion of business in Nigeria and Trade policies regarding entrepreneurship are not properly implemented. This shows that there is a strong level of significance 56.1% between trade policies and entrepreneurial growth of entrepreneurs in Lagos, Nigeria. Thus, we accept the alternate hypothesis - There exists a relationship between trade policies and entrepreneurial growth of entrepreneurs in Lagos, Nigeria and reject the null hypothesis.

Hypothesis 2.
H0 Culture and social norms do not affect the performance of entrepreneurs.
H1 Culture and social norms affect the performance of entrepreneurs.

Table 4.2.2 Test Statistics

	Culture in Nigeria supports entrepreneurship	The process of recognition and exploitation of entrepreneurial activities stems from culture and social norms	Cultural context significantly influences the practice of conducting business	Nigeria has a culture of necessity-based entrepreneurship.	Social pressure affects people's intentions and actions regarding business creation.
Chi-Square	25.262[a]	45.424[a]	39.867[a]	24.879[a]	62.612[a]
Df	12	16	16	12	12
Asymptomatic Sig.	.014	.000	.001	.015	.000

a. 0 cells (0%) have expected count less than 5. The minimum expected cell frequency is 10.2
b. 0 cells (0%) have expected count less than 5. The minimum expected cell frequency is 17

Interpretation: from the above table 4.2.2, the related statement value in each of the Chi-square are 25.262, 45.424, 39.867, 24.879, 62.612 higher than the minimum expected cell frequency of 10.2 and 17 with the significant level less than 5%. Thus, we reject the null hypothesis (Culture and social norms do not affect the performance of entrepreneurs) and accept the alternative hypothesis.

V. SUMMARY, CONCLUSION AND RECOMMENDATIONS

The major limitations of the study were: inadequate access to finance, poor infrastructure, corruption, inconsistent government policies, and limited market opportunities. However, the study involves the use of questionnaires in a cross-sectional survey research design to collect necessary data from respondents, therefore, other limitations include: insecurity limiting access to the study population, lack of time and funding necessary to carry out a survey, the lower priority for carrying out a survey because of competing urgent tasks.

5.1 Summary of the Study

The main aim of this study was to investigate the effect of the Nigerian entrepreneurial ecosystem on entrepreneurs' performance, focusing on entrepreneurs in Lagos State, Nigeria. Despite the potential of entrepreneurship to drive wealth creation, job creation, and alleviation of poverty, the performance of entrepreneurs and their activities are either hampered or complemented by a number of factors. One of these factors, among others, is governmental trade policy and implementation. The federal government is in charge of encouraging policies and programs that foster an entrepreneurial climate and encourage growth; therefore, government policies can boost or stifle an entrepreneur's ability to establish and expand operations. The motivation for this study was driven by the need to evaluate the Nigerian entrepreneurial ecosystem and consider how its elements, factors, and actors (finance, governmental trade policies, and cultural and social morals) positively or negatively impact the performance of its entrepreneurs, which has been neglected in previous literature.

5.1.1 Summary of the Findings

The following paragraphs summarize the study's most important results. This study examined how the Nigerian entrepreneurial ecosystem impacted the performance of entrepreneurs in Lagos, Nigeria, using a survey research approach that involves the use of a structured questionnaire as the research instrument. The responses retrieved were analyzed using frequency and percentage distributions. Factor analysis and the Chi-square method of data analysis were employed to test the hypothesis. The findings from the study are summarized as follows:

i. The Nigerian Entrepreneurial Ecosystem affects the performance of entrepreneurs in Lagos, Nigeria.
ii. The analysis of the observations gathered from the respondents show that trade policies in Nigeria are not properly implemented.
iii. The findings from the study show that high duty rates, high import and export costs, and import prohibition limit the expansion of business and discourage entrepreneurial activity.
iv. Evidence from the study provides statistical support for the fact that lack of finance affects the sustainability of business.
v. The analysis of the observations gathered from the respondents also agrees that culture and social norms influence entrepreneurship and affect people's intentions and actions regarding business creation.

5.2 Conclusion

In this study, an attempt was made to ascertain the impact of the Nigerian Entrepreneurial Ecosystem (particularly governmental trade policy, finance and culture, and social norms) on entrepreneurs' performance in Lagos, Nigeria. In essence, the study aimed to provide answers to the following – (I.) What are the socio-economic characteristics of entrepreneurs? (II.) In what way do trade policies affect entrepreneurial growth? (III.) What is the level of relationship between finance and sales/revenue performance of entrepreneurs? (IV.) What influence do culture and social norms have on the sustainability of business?

Through a survey that was conducted among chosen entrepreneurs in Lagos, Nigeria, the relationship between the key components in this study was empirically investigated. The hypotheses were tested using correlation and the Chi-square statistical method. It shows that respondents agree that the trade policies highlighted in the questionnaire affect entrepreneurs' performance. Since governmental trade policies have such a great impact on entrepreneurs' performance, it is an affirmation the implementation of good government trade policies is indeed needed for the outstanding performance of entrepreneurs in Nigeria.

Due to this, it becomes necessary for the Nigerian government to encourage entrepreneurs by adopting trade policies that are beneficial to them to boost their performance. From the results presented in this study, some tentative conclusions can be drawn. The average Nigerian entrepreneur can only thrive if the entrepreneurial ecosystem is effectively utilized. The government needs to focus on properly implementing strategies that enhance the ease of doing business.

Nigerian culture supports entrepreneurship, cultural support is an essential factor in the entrepreneurial ecosystem. It promotes entrepreneurship, challenges the existing quo, and gives entrepreneurs the practical and psychological support they need to succeed and overcome the myriad obstacles they encounter. It is believed that Nigerians tend to engage in necessity-based entrepreneurship for economic survival due to factors such as lack of jobs/ career opportunities, discrimination or dissatisfaction. People's intentions and actions regarding business creation are influenced due to such social pressures.

The limitations of the study were said to be inadequate access to finance, poor infrastructure, corruption, inconsistent government policies, and limited market opportunities. Alslo, the study involves the use of questionnaires in a cross-sectional survey research design to collect necessary data from respondents electronically, therefore, other limitations include: poor network server limiting access to the study population, lack of time and funding necessary to carry out a survey, the lower priority for surveying because of competing urgent tasks.

5.3 Recommendations

Based on the findings of this study, the following recommendations are hereby suggested:

i. Since it was found out that trade policies regarding entrepreneurship are not properly implemented, the Nigerian government should take precautions when implementing such policies as there is little consistency in this area of implementation.
ii. Policies regarding import prohibition, import quotas, duty rates, restrictions and local content requirements should be revised as they discourage the continuity of entrepreneurial activity.
iii. Loans for entrepreneurs should be de-risked to encourage participation. Regulators can help encourage additional activity by de-risking MSME lending. Financial institutions must embrace creative methods of getting financial records for entrepreneurs to invest in creating credit relationships with them. The high interest rate of loans and capital costs should be looked into because they discourage entrepreneurs from asking for loans and also increases the chances of their defaulting.
iv. There is also a need to segment and analyze the population's characteristics to build more effective tactics to satisfy the requirements of entrepreneurs. Entrepreneurship intervention programs should be tailored to the individual needs of varied demographics/intended beneficiaries. Entrepreneurs who successfully complete a mandatory program should be eligible for funding depending on milestones.

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