**A REVIEW OF THE GLOBAL TRENDS IN ENTREPRENUERSHIP: LESSONS FOR NIGERIA**

**Abstract**

This study presents a comparative descriptive analysis of global and African entrepreneurial trends, drawing insights from recent data in the Global Entrepreneurship Monitor (GEM) 2023/2024 and the African Entrepreneurial Ecosystem Index (AEEI 2024). The GEM report reveals significant regional disparities in entrepreneurial activity. Latin America and the Caribbean lead in early-stage entrepreneurship, with countries like Panama and Mexico reporting high engagement and job creation optimism. In contrast, European countries exhibit more cautious entrepreneurship due to regulatory and structural constraints. Income-level analysis shows that lower-income economies (Level C) predominantly feature consumer service startups, while higher-income economies display more diversified ventures. Interestingly, some Level C countries like India and China rank high in entrepreneurial context indices, highlighting the role of supportive ecosystems over income levels alone.

The AEEI offers a regional lens on Africa, ranking Mauritius, South Africa, and Tunisia as top performers due to favorable policy frameworks, infrastructure, and access to finance. Conversely, nations like Zimbabwe, Uganda, and Burkina Faso face systemic challenges including weak institutions and limited resources. In Nigeria, entrepreneurship—primarily through Micro, Small, and Medium Enterprises (MSMEs)—plays a critical role in job creation and GDP contribution. With approximately 39.7 million MSMEs, Nigeria’s entrepreneurial landscape is vibrant but still challenged by registration bottlenecks and limited funding access.

The study emphasizes lessons for Nigeria, recommending improvements in infrastructure, regulatory efficiency, and financial accessibility. Successful collaboration between the Corporate Affairs Commission (CAC) and the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) is highlighted as a model for simplifying business formalization. Enhancing digital infrastructure, expanding innovation hubs, and improving institutional transparency are identified as essential strategies to boost entrepreneurial growth and resilience. These insights contribute to understanding how contextual factors shape entrepreneurship globally and provide actionable pathways for strengthening Nigeria's entrepreneurial ecosystem.

**Keywords**: **Entrepreneurial Ecosystems, MSMEs, Global Entrepreneurship Monitor (GEM), African Entrepreneurial Ecosystem Index (AEEI)**

**JEL Code**: L26, O55, and O10

1. **Introduction**

The term *entrepreneur* is derived from the French verb *entreprendre*, which means “to undertake” (Yemenici, 2022; Sharma, 2021). It typically refers to individuals who assume the risk of initiating and managing new business ventures. The concept of forming and operating such ventures is known as *entrepreneurship*. The origins of the term can be traced back to the early 18th century, when Irish economist Richard Cantillon, residing in France, defined an entrepreneur as someone who engages in arbitrage and is willing to bear the uncertainty and financial risks of new economic activities (Kowo & Akanmu, 2021; Wennekers & Thurik, 1999). Over time, the concept has evolved, taking on broader interpretations across disciplines. Modern definitions of entrepreneurship often emphasize innovation, value creation, and the strategic use of resources to exploit market opportunities. According to Sharma (2021), entrepreneurship entails not only the creation of new enterprises but also the nurturing of a vision-driven team, effective resource utilization, and the pursuit of long-term financial and societal gains. In this context, entrepreneurship serves as both an economic function and a catalyst for societal transformation (Acs, Autio, & Szerb, 2014).

Additionally, Cantillon defined an entrepreneur as someone who assumes the financial risks associated with arbitrage and new ventures, emphasizing the importance of risk-taking and resource allocation. This foundational idea laid the groundwork for modern interpretations of entrepreneurship (Ahmed and Bello, 2022). Entrepreneurship has evolved over time, and its definitions and scopes have expanded significantly. It is now understood as more than the creation of businesses; it encompasses the identification of opportunities, innovation, value creation, and leadership. Entrepreneurs build sustainable businesses, leverage resources, and explore market opportunities to generate wealth, create employment, and address societal challenges (Veleva, 2021).

Entrepreneurship has been shaped by diverse economic, cultural, and social factors over the centuries. The early focus was on economic arbitrage and resource allocation. Cantillon and later economists, such as Jean-Baptiste Say, highlighted the entrepreneur's role in combining production factors to maximize value (Koven, 2021). Say described entrepreneurs as "agents of change," emphasizing their ability to transform ideas into tangible economic outputs. In the 20th century, Joseph Schumpeter expanded the concept by introducing the idea of "creative destruction," which portrays entrepreneurs as innovators who disrupt existing markets with groundbreaking products, services, or business models. According to Schumpeter, entrepreneurship drives economic progress through innovation and competition (Cearra, Saiz and Barrutia, 2021).

Today, entrepreneurship is viewed through various lenses, including social entrepreneurship, which focuses on addressing societal and environmental challenges, and digital entrepreneurship, which leverages technology to create new business models and opportunities (Gregori and Holzmann, 2020). These perspectives underscore the adaptability and relevance of entrepreneurship across diverse contexts. Entrepreneurship plays a pivotal role in economic development (Munyo and Veiga, 2024). According to (Osano, 2023) entrepreneurs introduce new technologies, improve productivity, and enhance competitiveness in domestic and global markets. Small and medium-sized enterprises (SMEs), often spearheaded by entrepreneurs, are particularly important in developing economies, where they contribute significantly to employment and income generation.

In addition to economic contributions, entrepreneurship addresses societal needs by developing solutions for challenges such as poverty, education, and healthcare. Social entrepreneurs, for example, focus on creating impact-driven ventures that prioritize social value alongside financial returns (Alabi, 2024). Entrepreneurship is defined by several distinctive characteristics that set it apart as a vital economic and social activity. First, risk-taking stands as a hallmark of entrepreneurship. Entrepreneurs operate in uncertain environments, often venturing into untested markets or introducing novel ideas. This willingness to take calculated risks is what enables them to innovate and create value, even when faced with the possibility of failure (Kuratko and Fisher, Audretsch, 2021).

1. **Literature Review**

Entrepreneurship has been a subject of scholarly interest and practical exploration for centuries, evolving in response to changing economic, social, and technological contexts. Over time, the definition of entrepreneurship has expanded to include various perspectives, reflecting shifts in global markets, technological advancements, and the emergence of new business models. Below are the trend definitions of entrepreneurship across different eras, each of which contributes to the modern understanding of entrepreneurship today.

As early as 1921,Frank Knight provided a foundational view of entrepreneurship, focusing on the risk-taking aspect. Knight argued that entrepreneurship involves the assumption of uncertainty and risk. Unlike other economic agents, entrepreneurs face situations where the future is unknown, and they make decisions that could either result in profit or loss (Bélyácz and Daubner, 2021). Knight’s theory highlighted the entrepreneur’s ability to navigate uncertainty and bear risk in a way that others in the economy might not, ultimately creating value through these calculated risks. His work laid the groundwork for understanding the relationship between entrepreneurship and risk, a theme that continues to be central to modern entrepreneurial theories.

Joseph Schumpeter is often regarded as one of the most influential theorists in the field of entrepreneurship. Schumpeter, in 1934, defined entrepreneurship in terms of creative destruction, a process through which entrepreneurs drive economic growth and transformation by introducing innovative products, processes, and technologies that disrupt existing market structures. According to (Ziemnowicz, 2020), Schumpeter, the entrepreneur is the catalyst for change in the economy, creating new markets while rendering old products, processes, or business models obsolete. Schumpeter’s view was revolutionary at the time, as it emphasized entrepreneurship as an agent of economic development and change, rather than simply a business activity focused on profit generation.

In the 1970s, Israel Kirzner introduced a market opportunity discovery theory of entrepreneurship. Kirzner shifted the focus from innovation to entrepreneurial alertness, which he defined as the entrepreneur’s ability to identify gaps or inefficiencies in the market and seize opportunities for profit. He argued that entrepreneurs do not always innovate in the traditional sense but rather act as agents of market correction by identifying previously unnoticed opportunities. According to (Casonato and Angeli, 2021, March), Kirzner’s work emphasized that entrepreneurship is about recognizing what others have overlooked, often through the ability to see opportunities for arbitrage or value creation that others fail to perceive. His work expanded the scope of entrepreneurship beyond just new products or technologies to include the discovery of market opportunities.

Bill Drayton, in the 1980s, pioneered the concept of social entrepreneurship, a trend that emerged in the 1980s as a response to the growing realization that business success should not be measured solely by profit. Drayton argued that social entrepreneurs use innovative approaches to solve complex social problems, often in underserved communities or for marginalized groups. Social entrepreneurship focuses on creating social value, addressing issues such as poverty, education, healthcare, and environmental sustainability (Kickul and Lyons, 2020). Entrepreneurs in this field often operate non-profits or hybrid organizations that aim to achieve both social impact and financial sustainability. Drayton’s work shifted the lens of entrepreneurship to include broader societal goals beyond individual wealth creation, marking the rise of a more inclusive definition of entrepreneurship.

The concept of entrepreneurial ecosystems was developed by Daniel Isenberg in 2010. He argued that entrepreneurship is not solely about individual efforts but is embedded in a complex network of stakeholders that includes governments, investors, educational institutions, and the wider community (Dollar, 2021). Entrepreneurial ecosystems emphasize the importance of collaboration, access to resources, and supportive policies in fostering entrepreneurial success. According to Isenberg, the role of entrepreneurs is to interact with and leverage these networks to maximize their chances of success. This view positions entrepreneurship as a collective process that benefits from synergies between different actors within a community or region, rather than being the isolated endeavor of an individual.

With the rise of the internet and digital technologies, Eric Ries, in 2011, introduced the Lean Startup methodology, which transformed how entrepreneurship is perceived in the digital age. In his book, *The Lean Startup*, Ries emphasized the importance of rapid prototyping, customer feedback, and iterative development as key components of successful entrepreneurship (Scheuenstuhl, et al, 2020). The Lean Startup model advocates for testing business ideas quickly and cheaply, gathering customer feedback, and making continuous improvements to products or services. This approach is particularly suited to the fast-paced digital and technology sectors, where traditional business models may be less applicable. The Lean Startup method has since become a staple for entrepreneurs in tech industries, providing a framework for navigating uncertainty and optimizing resources while focusing on customer needs.

The remaining part of this review focuses on previous empirical research related to entrepreneurship, examining the various factors, variables, and outcomes that influence entrepreneurial activities. This review provides a comprehensive analysis of prior studies, exploring their methodologies, results, and key findings in the field of entrepreneurship.

Galindo-Martín, Méndez-Picazo & Castaño-Martínez (2020) investigated the influence of innovation and institutional quality on entrepreneurship and economic growth across two country groups. Their study utilized a rigorous methodological framework consistent with the Global Entrepreneurship Monitor (GEM) classification and the World Economic Forum’s phases of economic development. Analyzing data from 31 countries, they categorized these into innovation-driven and efficiency-driven economies, providing a foundation for examining how different development stages affect the relationships among innovation, institutions, entrepreneurship, and economic performance. The researchers employed a Partial Least Squares (PLS) analytical approach. The study found that innovation positively contributes to both economic growth and entrepreneurial activity, while strong institutional quality enhances opportunity-driven entrepreneurship and broader economic development. However, several research gaps remain. First, the exclusion of factor-driven economies (typically less-developed countries) limits the applicability of the findings to the global context. Second, the analysis does not consider sectoral variations, which could reveal differential impacts of innovation and institutions across industries. Additionally, the study overlooks the potential influence of external shocks—such as economic crises or disruptive technologies—which may significantly affect the dynamics under investigation. While the research underscores the importance of institutions, it does not explore specific institutional dimensions (e.g., governance, legal frameworks, regulatory efficiency) that could differently shape entrepreneurial ecosystems and growth trajectories.

Similarly, Pradhan et al. (2020) explored the causal links among entrepreneurship, innovation, and economic growth within the Eurozone using a Vector Error-Correction Model (VECM) to analyze data from 2001 to 2016. Their findings indicate that entrepreneurship and innovation have significant long-term effects on economic growth, while strong causal relationships also exist in the short term among the three variables. Despite its contributions, this study also presents limitations. Its geographic focus on Eurozone countries constrains the generalizability of results to other regions, particularly emerging or developing economies with different institutional, economic, and cultural settings. Moreover, the study does not investigate sector-specific effects nor account for non-linear or threshold dynamics that may exist in the interplay among entrepreneurship, innovation, and growth; factors that could yield deeper and more nuanced insights. Furthermore, the time frame of 2001–2016 excludes recent developments such as digital transformation and the effects of COVID-19. Moreover, findings may not be generalizable beyond the Eurozone due to differing institutional and entrepreneurial ecosystems. Methodologically, the use of VECM assumes stable relationships over time, potentially overlooking the impact of economic shocks. Finally, while variations in short-term effects are noted, the reasons for these differences remain unexplored, limiting targeted policy recommendations.

Prasetyo and Kistanti (2020) conducted a study examining the roles of human capital, social capital, institutional economics, and entrepreneurship in promoting sustainable economic growth in Indonesia. Using primary data collected from entrepreneurs and SMEs in the Central Java and Yogyakarta provinces, the researchers employed a recursive path analysis model to explore the interconnections among these key pillars. Their analysis revealed that human capital exerts a significant direct and indirect influence on economic growth, playing a central role in shaping entrepreneurial capacity. The study also highlighted how both human and social capital contribute to the formation of new economic institutions, which subsequently enhance entrepreneurial competitiveness and foster regional economic sustainability. Furthermore, the presence of robust economic institutions was found to have a positive effect on the quality and sustainability of regional economic development (Prasetyo and Kistanti, 2020). While this study offers important insights into the dynamics of growth, it also presents several limitations. First, by focusing only on Central Java and Yogyakarta, the study may not adequately reflect the diversity of Indonesia’s broader regional economic conditions. Differences in development levels across provinces could significantly affect how these growth factors interact. Second, the study does not consider the impact of digital transformation and technology adoption, both of which are increasingly critical in shaping modern entrepreneurship and regional development. Future research would benefit from a comparative analysis between urban and rural regions, or from investigating how digitalization influences the relationship among human capital, social capital, institutions, and entrepreneurship in driving sustainable growth.

Similarly, Urbano et al. (2020) explored the interrelationship between entrepreneurial activity, institutional quality, and economic growth within the context of developing countries. Drawing on panel data from 14 countries between 2004 and 2012, the study employed simultaneous-equation modeling to investigate how institutional variables impact opportunity-driven entrepreneurship and growth. The findings indicated that factors such as the ease of starting a business, availability of private credit, and access to communication infrastructure significantly promote entrepreneurial activity driven by opportunity rather than necessity. Despite its valuable contributions, the study has notable limitations. The relatively small sample size, restricted to 14 developing countries, limits the generalizability of the results. Moreover, the use of static analysis fails to capture the dynamic and evolving nature of entrepreneurship and institutional development over time. Future studies should consider larger, more diverse samples and incorporate longitudinal or dynamic modeling techniques to better understand the long-term effects of institutions on entrepreneurship and economic performance in developing economies.

Neumann (2021) conducted a systematic review to examine the impact of entrepreneurship on economic, social, and environmental welfare, as well as the determinants shaping this impact. The study aimed to update existing literature by incorporating recent research on developing countries and broadening the scope of impact to include social and environmental dimensions. The researcher systematically reviewed 102 publications, employing a qualitative synthesis approach to categorize and analyze the findings. The review focused on the determinants influencing the impact of entrepreneurship, categorizing them into already well-researched factors (e.g., survival rates, internationalization, and qualifications) and emerging factors (e.g., firm performance and the socio-cultural background of entrepreneurs). The findings revealed that entrepreneurship positively contributes to macroeconomic development, but the extent of its impact is influenced by several determinants, such as firm survival, internationalization, and entrepreneur qualifications. Social and environmental welfare impacts of entrepreneurship are less explored, with existing studies primarily focusing on economic growth.

Al-Qudah, Al-Okaily, and Alqudah (2022) investigated how social entrepreneurship influences sustainable development, specifically through the lens of economic growth, across 15 member countries of the Regional Comprehensive Economic Partnership (RCEP). Their research employed a mixed-methods approach, incorporating two analytical models: the Structural Equation Model (SEM) and a Bidirectional Causality Model. The SEM was utilized to evaluate the relationships between sustainable development and its underlying latent factors, whereas the Bidirectional Causality Model examined the mutual interactions among these factors. The study’s findings indicated that social entrepreneurship has a significant and positive effect on sustainable development within the RCEP countries. Moreover, innovation emerged as a key driver contributing to sustainable development, consistent with results from prior research.

In a related study, Gu and Wang (2022) focused on assessing sustainable entrepreneurship and its influence on regional economic growth in China. Grounded in the triple bottom line framework of sustainable development, their research introduced a novel methodological approach using a time-varying coefficient state space model. This method allowed the development of a dynamic index of sustainable entrepreneurship, encompassing three dimensions: innovation, entrepreneurial drive, and decision-making capacity. The study also analyzed both mediating and moderating factors affecting the entrepreneurship-growth relationship. Key mediators and moderators included technological research and development (R&D) and the role of financial intermediaries. Their findings demonstrated that sustainable entrepreneurship substantially enhances regional economic performance. Specifically, technological R&D acted as a positive mediator in this relationship, while financial intermediaries served as a moderating force, particularly in the early stages of the entrepreneurship-to-growth pathway via R&D (Gu and Wang, 2022). Despite its innovative contributions, Gu and Wang’s (2022) study presents certain limitations. The exclusive focus on China raises concerns about the generalizability of the findings to other national contexts, particularly those with varying institutional, cultural, or economic environments. The authors suggest that future studies should consider cross-country comparisons, especially within developing economies, where the nature and drivers of entrepreneurship might differ. Furthermore, while the study emphasizes the importance of R&D and financial systems, it omits other potentially influential mediators such as governmental policy, educational infrastructure, and social capital. Another limitation lies in the linear treatment of the relationship between sustainable entrepreneurship and economic growth; potential non-linear dynamics or threshold effects were not examined and warrant further investigation.

Meanwhile, Onyia and Okereke (2023) analyzed the role of digitalization in shaping the relationship between entrepreneurship, entrepreneurship financing, and economic growth in Nigeria over the 1990–2021 period. Their study focused on how digital transformation interacts with entrepreneurship and financing mechanisms to influence economic performance, employing the Autoregressive Distributed Lag (ARDL) model for empirical analysis. The results indicated that digitalization positively moderates the effect of entrepreneurship on economic growth. Entrepreneurship itself was found to positively contribute to economic development, while entrepreneurship financing showed a negative effect on growth. Interestingly, the interaction between digitalization and entrepreneurship financing did not produce a statistically significant impact on economic growth, suggesting a more complex relationship that may require deeper exploration.

Chukwuka (2024) conducted a study to explore the relationship between contemporary and international entrepreneurship and Nigeria's economic development. The study employed a qualitative and analytical methodology, drawing on an extensive review of contemporary and international entrepreneurial literature. A thematic classification approach was used to organize and evaluate the theoretical connections between entrepreneurship, economic development, and related frameworks. The methodology provided a comprehensive framework for linking contemporary entrepreneurship strategies such as supply chain management, information technology, and risk management to the dynamic nature of business environments in Nigeria. The findings revealed that although international entrepreneurship is in its early stages in Nigeria, it significantly contributes to economic development, particularly through foreign exchange remittances from internationalized Nigerian enterprises. The study also highlighted that contemporary entrepreneurship, characterized by innovation and competition, enables businesses to adapt to complex and evolving business landscape which promote economic development.

1. **Methodology**

This study adopt a comparative descriptive analysis of existing fact and figures on the global trends in entrepreneurship using recent data from international reports like the Global Entrepreneurship Monitor (GEM) and the African Entrepreneurial Ecosystem Index (AEEI). The GEM estimate the prevalence and characteristics of entrepreneurial activity among individuals aged 18–64 using measures such: (a) Total Early-Stage Entrepreneurial Activity (TEA) which measures the percentage of adults actively engaged in starting or running a new business; (b) Established Business Ownership which assesses the proportion of adults owning and managing businesses older than 3.5 years; (c) Entrepreneurial Intentions which evaluates the percentage of individuals intending to start a business within the next three years; (d) Perceived Opportunities and Capabilities which captures individuals' perceptions of available business opportunities and their confidence in possessing the necessary skills; and (e) Fear of Failure which determines the extent to which fear of failure inhibits entrepreneurial activity (GEM, 2024).

The AEEI assesses and compare the quality of entrepreneurial ecosystems across African nations. It evaluates ecosystems based on seven key dimensions: (i) Quality of institutions, regulatory frameworks, and ease of doing business; (ii) Societal attitudes towards entrepreneurship, including risk tolerance and innovation; (iii) Availability of entrepreneurial support structures like incubators and mentorship programs; (iv) Education levels, skill development, and workforce readiness; (v) Access to funding sources such as venture capital, loans, and grants; (vi) Opportunities for entrepreneurs to access local and international markets; and (vii) Physical and digital infrastructure supporting business operations (Nkontwana & Stam, 2024).

The AEEI serves as a composite measure designed to assess the overall health of a country’s entrepreneurial environment. Drawing on the conceptual framework provided by Leendertse et al. (2022), an entrepreneurial ecosystem can be understood as a network of interdependent actors and factors that are organized in a way that promotes productive entrepreneurship within a specific geographic area. The AEEI captures this multi-dimensional concept by combining a wide range of indicators into a single score for each African country. It evaluates seven key pillars that are believed to shape entrepreneurial outcomes: governance, culture, support mechanisms, finance, infrastructure, market access, and human capital. Each of these pillars is assessed through a set of 20 indicators that serve as proxies to reflect national-level ecosystem features. To derive the overall score, the values for each pillar are aggregated using a simple unweighted sum. This approach yields a final score ranging from 0 to 7, where higher values represent more robust and supportive environments for entrepreneurship. The index enables policymakers and stakeholders to benchmark their national ecosystems, identify areas of weakness, and target interventions that foster entrepreneurial growth across the continent (Nkontwana & Stam, 2024).

1. **Comparative Analysis of the Global State of Entrepreneurship**

The Global Entrepreneurship Monitor (GEM) 2023/2024 report presents notable variations in entrepreneurial activity across global regions and income groups. It identifies Latin America and the Caribbean as leading regions in early-stage entrepreneurial involvement. Notably, Panama recorded the highest proportion of adults engaged in starting or managing new businesses at 31%, followed by Mexico at 17% (GEM, 2024). This region also demonstrates strong entrepreneurial optimism, with countries such as Puerto Rico, Chile, Brazil, and Mexico reporting that over 30% of new business owners expect to generate six or more jobs within the next five years.

In contrast, European nations tend to exhibit more conservative entrepreneurial behavior. This caution is often attributed to factors such as higher employment costs and stringent regulatory environments that can discourage ambitious business expansion. The GEM report further reveals that patterns of entrepreneurship differ significantly by income level. In low-income economies—classified as Level C, the majority of entrepreneurial ventures are concentrated in consumer services due to minimal barriers to entry. Specifically, in 10 out of 14 Level C countries, approximately two-thirds of newly established businesses operate in the consumer service sector. By comparison, this trend is notably less pronounced in higher-income economies (Levels A and B), where only one nation exhibited a similar concentration (GEM, 2024).

The report further highlight that entrepreneurial environments do not always correlate with income levels. India and China, both in Level C, rank among the top 10 in GEM’s National Entrepreneurial Context Index (NECI), illustrating how policy frameworks and entrepreneurial ecosystem support can foster innovation. In contrast, some high-income countries like Canada, Sweden, and the United States have seen their entrepreneurial environments deteriorate post-pandemic, falling into the “less than sufficient” category (GEM, 2024).

However, income disparities persist, with GEM reporting that low-income economies experienced greater economic hardships in 2023. In 11 out of 14 Level C economies, over 40% of adults reported a fall in household income, compared to none in Level A economies. Ukraine, grappling with extraordinary challenges, recorded the highest proportion of income decline (over 70%). By contrast, Level B economies like Croatia reported significant income increases (57%), demonstrating the diverse impact of entrepreneurship on income dynamics (GEM, 2024).

According to the GEM (2023), countries participating in entrepreneurial activities can be grouped based on household income levels into three categories: high-income (Level A), upper-middle-income (Level B), and lower-middle to low-income (Level C) economies.

Level A economies, where average household incomes exceed $50,000, include a number of developed nations with well-established entrepreneurial ecosystems. Countries in this group are Canada, France, Germany, Italy, the Republic of Korea (South Korea), Luxembourg, the Netherlands, Norway, Qatar, Saudi Arabia, Slovenia, Sweden, Switzerland, the United Arab Emirates, the United Kingdom, and the United States. These nations typically offer supportive infrastructure, access to finance, and strong institutional frameworks that encourage entrepreneurship.

Level B economies, characterized by average household incomes between $25,000 and $50,000, include countries with growing economic capacity and developing entrepreneurial support systems. Among them are Argentina, Chile, Croatia, Cyprus, Estonia, Greece, Hungary, Israel, Japan, Latvia, Lithuania, Oman, Panama, Poland, Puerto Rico, Romania, the Slovak Republic, Spain, and Uruguay. These nations are often marked by moderate entrepreneurial activity and varying degrees of regulatory and financial support.

Level C economies, with household incomes below $25,000, represent developing and emerging markets where entrepreneurship is frequently necessity-driven. This group includes Brazil, China, Colombia, Ecuador, Guatemala, India, Iran, Jordan, Mexico, Morocco, South Africa, Thailand, Ukraine, and Venezuela. In these contexts, startups are often concentrated in consumer services due to lower entry barriers and limited access to formal employment opportunities.

Across Africa, the quality and strength of entrepreneurial ecosystems vary greatly from one country to another, as highlighted by the 2024 African Entrepreneurial Ecosystem Index (AEEI, 2024). According to this ranking, Mauritius, South Africa, Tunisia, Morocco, and Cape Verde lead the continent, showcasing favorable conditions for entrepreneurship. Conversely, Zimbabwe, Uganda, Burkina Faso, Lesotho, and Angola rank lowest, reflecting challenges such as limited resources, regulatory constraints, and economic instability (Nkontwana & Stam, 2024).

AEEI (2024) provides a comparative overview of the entrepreneurial environments across 29 African countries. Mauritius ranks first with the highest score of 4.73, indicating the most robust entrepreneurial ecosystem on the continent. It is followed by South Africa (3.91), Tunisia (3.55), and Morocco (3.53), all of which demonstrate relatively strong support for entrepreneurship through favorable governance, infrastructure, and access to finance.

In the mid-tier range, countries such as Cape Verde (3.23), Algeria (3.06), Namibia (3.05), Senegal (2.84), Egypt (2.84), and Botswana (2.80) exhibit moderately supportive ecosystems. These countries are making notable progress but still face challenges in areas such as market access and human capital development (AEEI, 2024).

Ghana also performs relatively well (2.87), slightly above Rwanda (2.48), Nigeria (2.37), and Kenya (2.24), all of which show potential but require significant improvement across several ecosystem pillars. Nations like Côte d’Ivoire, Togo, Cameroon, and Mali follow closely behind, scoring between 2.04 and 2.28(AEEI, 2024).

At the lower end of the spectrum, Zimbabwe ranks last with a score of 1.38, preceded by Uganda (1.52) and Burkina Faso (1.53). Other countries with weak entrepreneurial environments include Lesotho, Angola, Tanzania, Ethiopia, Benin, and Guinea, all scoring below 2.0. These countries generally struggle with foundational challenges such as limited access to finance, inadequate infrastructure, and weak governance structures (AEEI, 2024).

In Nigeria, the significance of Small and Medium Enterprises (SMEs) to national development has been underscored by several studies, including one conducted by the global consulting firm PricewaterhouseCoopers (PwC). Their findings indicate that SMEs are essential drivers of employment creation, poverty alleviation, and economic growth in the country. These enterprises are estimated to account for roughly 80% of employment opportunities and contribute over 40% to Nigeria's Gross Domestic Product (PwC, 2020).

Data from the National Bureau of Statistics (NBS) further supports this view. As of 2020, there were approximately 39.7 million Micro, Small, and Medium Enterprises (MSMEs) in Nigeria. Of this total, micro-enterprises represented the vast majority (96.9%), while SMEs made up only 3.1%. Collectively, MSMEs contributed about 46.3% to the country’s GDP, were responsible for 6.21% of gross exports, and provided employment for more than 84% of the workforce. Regarding business ownership structures, 96.2% of MSMEs operated as sole proprietorships. The rest were comprised of partnerships (3.3%), faith-based organizations (0.1%), and other forms of entities (0.4%). Gender distribution among business owners showed that 67.1% of MSMEs were male-owned, while 32.9% were owned by women. Additionally, a significant majority (around 86%) of SME owners fell within the age range of 20 to 60 years, highlighting the dominance of youth and working-age individuals in entrepreneurial activities (NBS, 2020).

The Nigerian government has implemented several key interventions to support entrepreneurship, one of which is the enhancement of the Corporate Affairs Commission (CAC). Budding entrepreneurs can now register their businesses more efficiently compared to previous years. The CAC now allows individuals to register their businesses under Part B of the Companies and Allied Matters Act through the Business Name Registration process. This procedure accommodates a range of business categories, including general companies, incorporated companies, and incorporated trustees, thereby facilitating the formalization of business operations in Nigeria.

To further support entrepreneurship and ease the registration process, the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) has partnered with the CAC to accelerate business registration for Micro, Small, and Medium Enterprises (MSMEs)—without requiring legal assistance. As part of this collaboration, SMEDAN desk officers are now present in CAC offices nationwide, and CAC officials also serve as resource persons during SMEDAN’s Entrepreneurship Training Programmes (ETPs), providing entrepreneurs with practical guidance on registration procedures. The review highlights significant progress in improving business registration processes in Nigeria. Through the collaboration between the CAC and SMEDAN, these initiatives have enhanced accessibility, reduced bottlenecks, and raised awareness, thereby fostering growth and strengthening the state of entrepreneurship in the country.

1. **Summary and Lessons for Nigeria**

Entrepreneurship is widely recognized as a catalyst for economic development, driving innovation, job creation, and competitive markets. Globally, reports such as the Global Entrepreneurship Monitor (GEM) and the African Entrepreneurial Ecosystem Index (AEEI) reveal regional disparities in entrepreneurial performance, with contextual differences shaping outcomes. The GEM report highlights high entrepreneurial activity in Latin America due to favorable demographics, while Europe struggles with regulatory constraints that dampen entrepreneurial enthusiasm.

In Africa, the AEEI ranks Mauritius, South Africa, and Tunisia as regional leaders, supported by robust infrastructure and governance systems. Conversely, countries like Zimbabwe and Uganda face challenges such as economic instability and weak institutional support. These findings contrast with Nigeria’s entrepreneurial ecosystem, which is characterized by the dominance of Micro, Small, and Medium Enterprises (MSMEs). Reports from PwC highlight Nigeria’s vibrant entrepreneurial potential, fostered by government initiatives aimed at reducing business registration barriers and enhancing enterprise growth. Based on the findings, the study recommends the following to strengthen Nigeria's entrepreneurial ecosystem and address its challenges:

1. Nigeria should build on the success of its collaboration between the Corporate Affairs Commission (CAC) and the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). Streamlining business registration processes and eliminating bureaucratic bottlenecks will encourage more entrepreneurs to formalize their businesses and foster an enabling environment for growth.
2. The success of countries like Mauritius, South Africa, and Tunisia, as highlighted in the African Entrepreneurial Ecosystem Index (AEEI), underscores the importance of robust infrastructure. Nigeria must prioritize investments in key areas such as transportation, energy, and digital connectivity to reduce operational costs for businesses and enhance market access.
3. To address the financial challenges faced by entrepreneurs, the government should implement accessible funding programs such as low-interest loans, grants, and partnerships with venture capitalists. Creating financial platforms that cater to the needs of Micro, Small, and Medium Enterprises (MSMEs) will empower businesses to scale operations and innovate effectively.
4. Establishing innovation hubs, incubators, and skill development centers can help entrepreneurs acquire the necessary technical, managerial, and digital skills. Supporting research and development initiatives will also encourage innovation and foster the creation of disruptive products and services that can drive competitiveness.
5. Learning from the challenges faced by countries like Zimbabwe and Uganda, Nigeria must bolster the efficiency and transparency of its institutions. Strengthened governance and consistent policy enforcement will provide entrepreneurs with the confidence needed to invest and grow their enterprises.

**REFERENCES**

Acs, Z. J., Autio, E., & Szerb, L. (2014). *National systems of entrepreneurship: Measurement issues and policy implications*. Research Policy, 43(3), 476–494. <https://doi.org/10.1016/j.respol.2013.08.016>

**AEEI (2024). The Africa Entrepreneurial Ecosystem Index.** <https://africa.ecosystem.build/wp-content/uploads/2024/04/AEEI_dataset_april2024.xlsx>

Ahmed, H., & Bello, A. (2022). Policy Interventions for Promoting Sustainable Entrepreneurship: Insights from Nigeria. Journal of Economic Policy and Planning, 25(3), 89-104

Alabi, M. (2024). Social Entrepreneurship: Balancing Social Impact and Financial Sustainability. <https://www.researchgate.net/publication/385775042_Social_Entrepreneurship_Balancing_Social_Impact_and_Financial_Sustainability>

Al-Qudah, A. A., Al-Okaily, M., & Alqudah, H. (2022). The relationship between social entrepreneurship and sustainable development from economic growth perspective: 15 ‘RCEP’countries. *Journal of Sustainable Finance & Investment*, *12*(1), 44-61.

Bélyácz, I., & Daubner, K. (2021). Uncertainity of risk and increasing risk of uncertainty in business decisions. *Economy and Finance: English-Language Edition Of Gazdaság És Pénzügy*, *8*(3), 264-312.

Casonato, L., & Angeli, E. (2021, March). A History of the Trajectory of Kirzner’s economic Thought toward the Consolidation of His Theory of entrepreneurship. In *Research in the History of Economic Thought and Methodology: Including a Selection of Papers Presented at the 2019 ALAHPE Conference* (pp. 107-131). Emerald Publishing Limited.

Cearra, J., Saiz-Santos, M., & Barrutia, J. (2021). An empiric experience implementing a methodology to improve the entrepreneurial support system: creating social value through collaboration and Co-creation. *Frontiers in Psychology*, *12*, 728387.

Chukwuka, E. J. (2024). Contemporary Entrepreneurship: An International Entrepreneurship perspective for Economic Development of Nigeria. *World*, *2579*, 0544.

Dollar, A. (2021). Entrepreneurial Ecosystem Building in in Athens, Alabama. <https://irbe.library.vanderbilt.edu/server/api/core/bitstreams/a2e73228-02a8-479f-90da-ba573ca01d52/content>

Donald F. Kuratko & Greg Fisher & David B. Audretsch, 2021. "[Unraveling the entrepreneurial mindset](https://ideas.repec.org/a/kap/sbusec/v57y2021i4d10.1007_s11187-020-00372-6.html)," [Small Business Economics](https://ideas.repec.org/s/kap/sbusec.html), Springer, vol. 57(4), pages 1681-1691, December. DOI: 10.1007/s11187-020-00372-6

Galindo-Martín, M. A., Méndez-Picazo, M. T., & Castaño-Martínez, M. S. (2020). The role of innovation and institutions in entrepreneurship and economic growth in two groups of countries. *International Journal of Entrepreneurial Behavior & Research*, *26*(3), 485-502.

GEM (2024). Global entrepreneurship monitor 2023/2024 global report. Retrieved from <https://www.gemconsortium.org/report/gem-2023-2024-global-report>

Gregori, P., & Holzmann, P. (2020). Digital sustainable entrepreneurship: A business model perspective on embedding digital technologies for social and environmental value creation. Journal of Cleaner Production. , Article 122817. <https://doi.org/10.1016/j.jclepro.2020.122817>

Gu, W., & Wang, J. (2022). Research on index construction of sustainable entrepreneurship and its impact on economic growth. *Journal of Business Research*, *142*, 266-276.

impacts, and future opportunities. *Journal of Cleaner Production*, *283*, 124658.

Kickul, J., & Lyons, T.S. (2020). Understanding Social Entrepreneurship: The Relentless Pursuit of Mission in an Ever Changing World (3rd ed.). Routledge. https://doi.org/10.4324/9780429270406

Koven, S.G. (2021). Entrepreneurship and economic development: the people and their environment. Lexington Books.https://books.google.com.ng/books?id=h6ZvzgEACAAJ

Kowo, S. A., & Akanmu, M. D. (2021). Entrepreneurship education and youth empowerment in Nigeria. *Journal of Entrepreneurship and Innovation in Emerging Economies*, 7(2), 134–147.

*Metaverse*, *2*(2), 71-82.

Munyo, I. & Veiga, L. (2024). Entrepreneurship and economic growth, Journal of the Knowledge Economy, 15(1), 319-336. DOI: 10.1007/s13132-022-01032-8

**NBS (2020). National Survey of Micro Small & Medium Enterprises (MSMEs) https://radionigeria.gov.ng/2022/01/12/smedan-nbs-report-shows-decline-in-businesses-nationwide/**

Neumann, T. (2021). The impact of entrepreneurship on economic, social and environmental welfare and its determinants: a systematic review. *Management Review Quarterly*, *71*(3), 553-584.

**Nkontwana, P., & Stam, E. (2024).** AEEI: Methodology & Data. Africa Ecosystem Builders. <https://africa.ecosystem.build/wp-content/uploads/2024/04/AEEI_data_methodology_april_2024.pdf>

Onyia, C. C., & Okereke, S. F. (2023). The Moderating Role Of Digitalization On Enterpreneurship, Enterpreneurship Financing And Economic Growth Nexus In Nigeria. *Journal of Interdisciplinary Research in Accounting and Finance (JIRAF)*, *10*(4), 1-9.

Osano, H. M. (2023). "[Global scaling by SMEs: Role of innovation and technology](https://ideas.repec.org/a/taf/ucsbxx/v4y2023i3p258-281.html)," [Journal of the International Council for Small Business](https://ideas.repec.org/s/taf/ucsbxx.html), Taylor & Francis Journals, vol. 4(3), pages 258-281, July. DOI: 10.1080/26437015.2023.2201896

Pradhan, R. P., Arvin, M. B., Nair, M., & Bennett, S. E. (2020). The dynamics among entrepreneurship, innovation, and economic growth in the Eurozone countries. *Journal of Policy Modeling*, *42*(5), 1106-1122.

Prasetyo, P. E., & Kistanti, N. R. (2020). Human capital, institutional economics and entrepreneurship as a driver for quality & sustainable economic growth. *Entrepreneurship and Sustainability Issues*, *7*(4), 2575.

**PwC (2020). MSME Survey 2020:** Building to Last, Nigeria Report**.** <https://www.pwc.com/ng/en/assets/pdf/pwc-msme-survey-2020-final.pdf>

Scheuenstuhl, F., Bican, P. & Brem, A. (2020). How can the lean startup approach improve the innovation process of established companies? an experimental approach. *International Journal of Innovation Management*. 25. 2150029. 10.1142/S1363919621500298.

Sharma, M. (2021). *Entrepreneurship and small business management*. New Delhi: Global Academic Publishers.

Urbano, D., Audretsch, D., Aparicio, S., & Noguera, M. (2020). Does entrepreneurial activity matter for economic growth in developing countries? The role of the institutional environment. *International Entrepreneurship and Management Journal*, *16*(3), 1065-1099.

Veleva, V. (2021). The role of entrepreneurs in advancing sustainable lifestyles: Challenges,

Wennekers, S., & Thurik, R. (1999). Linking entrepreneurship and economic growth. *Small Business Economics*, 13(1), 27–56.

Yemenici, A. D. (2022). Entrepreneurship in the world of Metaverse: Virtual or real?. *Journal of*

Ziemnowicz, C. (2020). Joseph A. Schumpeter and innovation. In *Encyclopedia of creativity, invention, innovation and entrepreneurship* (pp. 1517-1522). Cham: Springer International Publishing.