**Institutional Change and Entrepreneurial Governance** **in Sub-Sharan African: Implications for Inclusive Growth and Development**

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**Abstract**

A key focus for entrepreneurial development strategies for many economies is to facilitate sustainable and inclusive growth that will create jobs and reduce poverty. SSA are confronted with institutional challenges in bringing these objectives into fruition. We draw from institutionalism and entrepreneurial governance theory (Scot 2001; Hart 2003) to explore institutional context and challenges to entrepreneurial development and inclusive growth in Africa. We theorize that entrepreneurial governance and public policy must focus on policy direction, enterprise enabling institutions for nascent entrepreneurs, seed funding and local embeddedness to eliminate institutional voids. We provide a dynamic view of institutional context and offer a policy framework to uncover challenges to entrepreneurial emergence and sustainable development in Africa. The study submits that enabling entrepreneurial activities for inclusive growth and sustainable development in Sub-Sharan Africa requires the right institutional and supporting ecosystem.

Key Words: Institutions, entrepreneurial governance, inclusive growth, policy, Africa

1. Introduction

The 2020 Africa economy outlook highlights relative stability and improvement in Africa’s economic growth fundamentals (AFDB,2020, GEM, 2019), While entrepreneurship has contributed to this new growth or economy outlook, it is important to note that the growth has been less than inclusive (Herrington and Coduras,2019). Just about one third of African countries have realized sustainable and inclusive growth, which reduces poverty and inequality (AFDB,2020; Herrington and Coduras,2019). Research on poverty reduction and inclusive growth has often emphasized the importance of regulatory environment, government legislations, budgetary allocations, external charitable institutions and programmes in creating equal opportunity and empowering entrepreneurial action for economic activities (World bank, 2018; Autio, 2015; Lim et al.,2010; Welter, 2005; Anderson, 2000; Busenitz et al., 2000; Baumol, 1990). Similarly, various measures by governments, intergovernmental and nongovernmental institutions have also been geared towards inclusive growth through entrepreneurship in Africa. Despite these measures, Sub-Saharan African seems to be lagging far behind other developing regions in terms of institutional framework for ending extreme poverty and inclusive growth. Amid increasing income inequalities, civil unrest, terrorist activities, sluggish economic growth from falling oil prices and policy uncertainty, poverty reduction in Sub-Saharan Africa is proceeding very slowly and continue to be a great challenge (Perkins et al., 2013; Rodrik & Rosenzweig, 2010; Riddell,2007). In our opinion, a unitary approach or dimension of government legislation on ease of doing business may be limited in addressing the regulative, cultural and normative institutional void needed for the desired entrepreneurial ecosystems.

 In this paper, we recogniz~~e~~ institutional void as the most serious challenges impacting the emergence of opportunity-driven entrepreneurship in Sub-Saharan African. As such, the study draws insights from a neo-institutional analysis and entrepreneurial governance theory (Scot,2001; Hall and Soskice, 2001; Hay,2004; Ring et al., 2005) to explore entrepreneurial governance framework that addresses these institutional challenges. Following a multidimensional approach this paper develops a co-evolutionary framework that links the interactive dynamics of change in the entrepreneurial ecosystems. In this paper, we posit that it is crucial for the field of entrepreneurship to acknowledge the broad implications of how governance arrangements and enterprise policy orientation impact the political power of small business for inclusive growth and entrepreneurial survival. We suggest that it is high time for action directed entrepreneurial governance and public policies that will trigger a radical shift from the current institutional void. In order to put the study in perspectives, we identify Institutions as the multidimensional, long-lasting, durable social structures, and we conceptualize our entrepreneurial governance model as the active diffusion of institutional structure for entrepreneurial opportunities and inclusive growth. We theorize that entrepreneurial governance and public policy must focus on policy direction that provides support for nascent entrepreneurs, seed funding and local embeddedness to eliminate the current institutional voids. For this study, entrepreneurial governance model involves the interactive and dynamic relationship between governments, intergovernmental and nongovernmental institutions in the formation of economic/entrepreneurial policy.

This entrepreneurial governance model will generate the needed incentives and create opportunities that will impact entrepreneurial dynamics and inclusive growth in Sub-Sahara Africa (Cumming, 2007; Begley et al., 2005; O’Gorman & Kautonen, 2004; Venkataraman, 2004; Hawkins, 1993).

The study makes several contributions to entrepreneurship research. First, we synthesize and extend exiting literature on institutionalism. We conceptualise entrepreneurial governance to provide insight for practitioners and scholars on the importance of interactive, dynamic social structure and policy framework for inclusive growth and poverty eradication. In this sense, our study contributes to the discussion on institutional environment and entrepreneurial ecosystem for inclusive growth and development in Africa. Second, the paper submits that entrepreneurial governance and public policy can provide direction and support for nascent entrepreneurs, through seed funding and local embeddedness to eliminate institutional voids. Third, we provide a framework that offers a recursive relationship among the dimesons of institutional context and entrepreneurial enabling institutional policy that will eliminate institutional voids. Additionally, our framework provides policy implications, where governments can focus investments, to improve entrepreneurial capacity and engagement. This will help to alleviate poverty and produce more inclusive growth needed for wealth creation and development in Africa. Overall, our study identifies institutional gaps and offers a multi-dynamic view of embeddedness through institutional and entrepreneurial governance framework to uncover the barriers to inclusive growth and entrepreneurial activity in Africa. By integrating entrepreneurial governance for institutional change, our study recogniz~~es~~ institutional void as the most serious challenges impacting the emergence of opportunity-driven entrepreneurship in Sub-Saharan African. Hence, this study builds a common insight that provide context for entrepreneurial research in Africa to continue its trajectory towards rigorous and relevant research.

In the following sections we provide theoretical foundation for institutional context and uncover how institutional environment impact on entrepreneurial activities and new venture creation. Furthermore, we draw on the dimensions of institutional context to explore institutional change and entrepreneurial governance and we provide framework and policy implication that may uncover the needed foundation that may trigger entrepreneurial activity, and inclusive growth.

**2.0 Institutional Theory**

Institutional theory with it is origin in sociology has now spanned across disciplines of economics, political science and business study (Busenitz et al., 2000). The foundation of institutional theory can be traced to the early years and development of the social sciences (Scott, 2013). The works of social scholars such as Emile Durkheim, Max Weber and Berger and Luckmann in the fifties and early sixties and Meyer in the seventies revealed that social stability and order are functions of societal norms and social rules that is not only constructed within the society but also influences human behaviours (Scott, 2013). Though Durkheim, and Weber did not make reference to the word institutions, their idea of social and cultural systems can be well related to the current thoughts on institutions. The scholarly works of Meyer and Rowan (1977) on process organisational studies, particularly on the examination and analysis of the impact of institutional factors on organisation can be referred to as the beginning of the contemporary and new institutionalism. Adding to the work of Meyer and Rowan (1977), on the process of organisation and how social norms, rules and rationality occupied an important role in the formation of formal organization., DiMaggio and Powell (1991) further extended the organisation theory using network arguments. They established the significance of organisational network that conveyed the normative pressures from both formal and informal institutions influencing the conducts and actions of actors. Thus, to DiMaggio and Powell, all regulatory authorities, agencies, consumers and supplier can be referred to as institutional environments (Scott, 2013; 2008).

Similarly, Scott (2013) defined institutions as a collection of structures and activities that provide stability and meaning for social behaviour and action. He further reminded us that there are varying levels of analysis and application of institutional theory depending greatly on the focus of the investigation, and the unit of analysis whether micro or macro phenomena. The arguments from put forward from institutionalism is that the contextual environment within country impact on subjective decision and action. The formal and informal dimensions of institutional context of a country, such as the political structure, policies, rules and regulations, social network, trust and cooperative norms may come together to influence the formation and performance of organisations and development within a country.

**2.1 Institutions as Enabling and Constraining Forces for Entrepreneurial activities**

A number of studies acknowledge that the institutional context affects entrepreneurial activity and that these institutional conditions vary in developing economies and contribute to different market expectations compared to developed economies (Wigren-Kristofersen et al. 2019; Escandon-Barbosa et al. 2019; Autio, 2015) Institutional theory suggests a multidimensional long-lasting social structure that influence individuals’ actions and expectations within the context of a society (Clemenns and Cook, 1999; North, 1990). According to North (1990), Institutional context for entrepreneurship serves as a society’s incentive system and structure, which can help to reduce risk and uncertainty that is connected with entrepreneurial activities. Therefore, Institutions as the incentive structure for the society determines entrepreneurial behaviour.

The dimensions of institutional contexts make up of representative components as families, economic, consumers and suppliers, cultural norms and systems of belief. It is important to understand that the formal and informal dimensions of institutional environments vary significantly in terms of how they affect entrepreneurial activities (Ogunsade and Obembe, 2016; Lim et al., 2010). For instance, the formal contextual environment such as the regulatory framework for the entry and exist of new business start-ups can impact the development of economic activities and entrepreneurship (Van Stel et al. 2007). The formal environment also provides the regulative structures of laws and regulation, government enactments, rules and policy direction that encourage and promote a set of behaviour and control or limit others. Formal institutions that greatly affect entrepreneurial activities are contract and bankruptcy laws, social policies and welfare structure for families and women, as well as property law.

Formal institutional contexts are critical determinants of entrepreneurial activities and behaviours (Acs, et al., 2008, Baumol, 1990). The regulatory dimension of institutional environment influences among other things, the quality of governance, ease of doing business, access to financing, infrastructure and importantly the individual entrepreneurial perceptions and mindsets.

The World Bank (2018) study of ease of doing business and starting a new venture, indicates that regulatory environment in most Sub-Saharan Africa African countries still rank below the general average that is desirable. The factors such as dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency and employing workers that contribute to the ease of starting a business still require significant improvement in most Sub-Saharan African countries. The entrepreneurial ecosystem and the prevalence of or type of entrepreneurial activity found in any society can be impacted by the regulatory environment directly or indirectly (Roundy et al., 2018).

Studies have acknowledged the importance of institutional contexts as both drivers and inhibitors of innovative entrepreneurial venture for economic growth (Wigren-Kristofersen et al. 2019, Jacobides et al; 2018) Though institutional contexts limit actors within the institutional structure, it nevertheless enabled action and meaning. The void of appropriate institutional supporting environment can impose restrictive conditions which inhibit entrepreneurial mindsets and new venture creation among people. Institutional environments can enable and limits or constrains human behaviour through rules, norms and having a taken for granted assumption. Evidence from empirical research point to the fact that institutional environment can both enabled and constraint entrepreneurial activities (Bruton & Ahlstrom, 2003; Scott, 2008). Entrepreneurs are affected by their institutional context because institutional supports in a particular environment limits and defines entrepreneurial opportunities. According to North, (1990) institutions determine the fundamental causal relationship of risk and reward. The perception of risk and reward within an institutional context can impact the attractiveness of individual behaviour to the pursuit of a particular course of activity or action such entrepreneurship. Scott (2013, 2008) noted that countries differ significantly when it comes to institutional framework. Contemporary studies emphasized this notion by point to the fact that countries differ significantly in terms of institutional environment and their support for new venture creation (Lim et al., 2010; McMullen et al., 2000).

Institutions can direct economic actions towards new business start-ups through the provision of vital resources in which new venture may depend to survive (McMullen et al., 2008). Scholars found that institutional contexts impact entrepreneurial opportunity, affects the type, rate and size of venture creation (Hwang & Powell, 2005; Kim et al., 2006). Hwang and Powell (2005) acknowledged the impact of market support incentives and capital availability as important institutional factors for entrepreneurship activity. It is evident that formal and informal institutional context affect the creation of new business.

It is important to note that institutional contexts inferred that the emergence of entrepreneurs and venture creation activities involves the interactions of both formal and informal institutional contexts. Factors within the external context that exist within the socio-economic environment, the cultural, legal, technological and political institutions will may either impair or enhance the emergence of entrepreneurial engagement and new venture creation (Veciana and Urbano, 2008). As we opine that the context has a significant impact on developing entrepreneurial behaviours, it would be essential to review these institutions to develop our understanding and provide a framework that will support entrepreneurship development of the African context.

**3.0 Methodology**

In this paper we engaged a conventional literature approach to understand entrepreneurial governance and institutional factors that impact productive activities. This traditional approach enables researchers to review existing studies and uncover main trends, patterns and gaps in previous studies (Arksey and O’Malley, 2005; Shkedi,2004; Cooper and Hedges,1994). Engaging multiples review of literature independent of a quantitative data set provide different theoretical perspectives to understanding the challenges and relationship among the dimensions of institutional context and how they impact inclusive growth and poverty alleviation in Africa. In addition, the traditional literature review method allows us to conceptualise our study (Torrac,2005) and to drive a framework condition that would facilitate the necessary entrepreneurial governance for inclusive growth. Whilst, there is an increasing study on institutional context and how they impact entrepreneurial engagement, there are limited studies looking at the issue from a multi-dimensional perspective (Spring, 2015; Bruton, 2012; Hayton et al., 2002). Therefore, our entrepreneurial governance model contributes to the discussion on context and provide path for entrepreneurial research in Africa.

**4.0 Institutional change for entrepreneurial emergence and implications for policy framework**

In this section, policy framework condition based on entrepreneurial governance, public policy and entrepreneurial ecosystem for institutional change and innovation is presented. We derive the policy framework from a basic assumption that entrepreneurial emergence is a result of institutional contexts that impact individual entrepreneurial decision. Individual entrepreneurial decision to pursue a given opportunity while considering the associated risk, skills and other normative sentiments occur within this business environment. Hence, Institutional voids within the socio-economic environment are likely to impact entrepreneurial propensity and nascent entrepreneurs. Therefore, socio-economic structure represents a central focus in the development of a well-functioning social and institutional setting for a sustained economic growth and entrepreneurial emergence. Entrepreneurial governance framework must facilitate policy formulation contingent upon the stability and innovativeness of the socio-cultural, political and economic context. This is represented through entrepreneurial governance, public policy and ecosystem frameworks (EGPFs) for institutional change and innovation. Our position is that the quality of entrepreneurial governance, public policy and ecosystem at both national and local level must include specific, deliberate and evidence-based policies for entrepreneurial finance, taxes and bureaucracy, business incubators. Hence, in our framework we recognise the critical important role of various stakeholders which include policy makers, private sectors, non-governmental organisations, and educational institutions in facilitating and creating the enabling institutions and ecosystem for nascent entrepreneurial emergence. Our framework prescribes that government need to invest in regulation, build physical infrastructure and socio-cultural norms to enable internal market dynamics, development and economic growth. First Specific policy on venture capital, knowledge and innovation to stimulate the economic and encourage productivity is vital. This will come in government and private sector coming together to identifying entrepreneurial opportunity and specific policy oriented for five to ten-year plans to provide guidelines and incentives for entrepreneurs. Second, the symbiotic relationship among government, private and non-governmental actors including local associations and universities important decision making. Also, specific policy for normative and social network opportunities, policy for both rural and urban infrastructural development that will impact on the structure of the economic and create incentives and market opportunities. We further emphasis that the objective of governance is the creation of value through effective policy that enables opportunity, knowledge and innovation within the business environments. We elaborate on this policy framework in the following sections.

NASCENT ENTREPRENEURIAL EMERGRNCE

Policy

Figure 1Entrepreneurial Enabling Institutional Framework

**4.1 Entrepreneurial governance and public policy**

Our concepts of entrepreneurial governance and public policy for SME can be understood from the viewpoint of the important role of government in the society (Mamman et al., 2019; Gilbert et al., 2004). Prior to the 1980s, little attention was paid to small businesses as engines for economic growth and poverty alleviation (Ribeiro-Soriano, 2017; Gilbert et al., 2004). There is now an increasing understanding that government policy support instrument plays an important role in national entrepreneurial economy (Mamman et al., 2019; Brenner, 2004; De Clercq et al. 2010; Jessop, 2002). Institutionally, the role of government regulation and supports differ considerably in respect to entrepreneurial governance and policy instrument to encourage new business starts-ups (Mamman et al., 2019, McMullen et al., 2008).This role can manifest through public policy where government exercise its power deliberately to affect an outcome (Dheer, 2017; Hart, 2003). For examples, government policy initiatives directed to supporting entrepreneurship and small business stimulate new venture and high growth technology firms in Australia (Cumming, 2007). It was found that investment that includes education, provision of risk capital, grants and facilitation of networks have stimulated nascent and early stage start-ups activities (Parker, 2008; Cumming, 2007; O’Gorman and Kautonen, 2004). On the other hand, studies also acknowledged government bureaucracy, incoherent or inconsistent government policies and implementation as barriers to entrepreneurship (Parker, 2008; Hawkins, 1993). Entrepreneurial governance and public policy can therefore be seen in this instance as a specific, coherent manifestation of national entrepreneurship and industrial policy through a participative multi-stakeholder action that will manifest/facilitate the needed institutional change and ecosystem for entrepreneurial success.

By entrepreneurial governance and public policy, we refer to the integration of entrepreneurial governance concerns into national industrial policies that will not only reduce policy inconsistency but also provide synergies in addressing effectively institutional challenges confronting entrepreneurial and venture creation success. This paper suggests that entrepreneurial governance must take into consideration these challenges when adopting a particular entrepreneurship policy. As some of the potential barriers are product of incoherent governance models and incompatible new policy preference.

We maintained that the contexts and conditions in which nascent entrepreneurs and new business formation successfully grow and survive consist of a wide range of social and economic factors (Afdb, 2016). The accessibility of financial resources, availability of market information, skills and specialised knowledge, as well as protection of intellectual property and the legitimacy of venture are very important. We suggest that the right public policy and governance that integrate social innovation and eliminate conflicting and competing interest of all stakeholder (public and private) will positively impact entrepreneurial activity. All over the world more attention is being given to subsidisation of venture capital and research and development by government and non-governmental organisation (Cumming,2007). In fact, the apparent importance of science and technology base knowledge gave rise to many governmental programmes and the specific policy for venture capital investments provided for technology start-up firms in United State and Canada (Manigart et al., 2006). Venture capital funding from private venture capitalist and government subsidy through direct tax policy impact the development of early stage enterprises in developed economies around world (Cumming, 2007).

A robust entrepreneurial governance and effective public policy across the regulative, normative and cultural-cognitive elements of institutional environments will deliver and build a vibrant economy and stimulate the growth and survival of new businesses. First relevant and evidence-based policy decision on venture capital, information, and innovation policies are essential to nourish entrepreneurial environment so as to grow the economy and improve productivity for entrepreneurs at all stages of their businesses whether new and young start-ups or established business.

Second, the interdependent relationship among government, private and non-governmental actors including local associations and universities important decision making. The government at all levels and private sector must come together to identifying entrepreneurial opportunity and develop specific policy, five to ten-year plans to provide guidelines and incentives for entrepreneurs. Since, the regulatory institutions affect the motivation, energy and incentives for entrepreneurial engagement, government policy to stimulate and encourage productivity and innovation should be put in place for the development of the right entrepreneurial ecosystem. This must include policy direction and reforms for both rural and urban infrastructural development that will impact on the structure of the economic, social network and create incentives, market opportunities for all.

**4.2 Enterprise Supporting Institutions (ESIs)**

Entrepreneurship supportive organization are product of policy initiative for the creation of private and public institutions that are meant to build viable and successful new business start-ups for young people who do not have the finances, skills, experience or expertise to start a profitable new venture by themselves. Enterprise enabling institutions such as business incubators, venture capitalist, microfinance banks, informal networks and NGOs have been found to be remarkable in providing the needed support in fostering entrepreneurial activity and new venture in low income economies (Smith et al., 2016). However, the promise of these supportive institutions to alleviate poverty and create inclusive and sustainable economic growth in SSA have not been realized (Goel et al.2020; Smith et al., 2016). A fundamental problem is that some of these institutions lack policy direction and focus for nascent and new business venture. For instance, In Nigeria and South Africa, though there are many potential support institutions, business angels and foundations but for various reasons the funds do not get to individuals who need them. Whereas, in countries like Angola, Madagascar and Mozambique these important institutions and business support institutions are lacking (Herrington and Coduras,2019; Herrington and Kew, 2017). Therefore, we suggest that enabling entrepreneurial start-ups through embryonic activities, business angels, education and business incubators will provide individuals with needed resources and skills to only take on business opportunities but the ability and self-confidence to act on them. Local enterprises enabling support foundations such as Mowgli Foundation in North Africa, and Middle east have been found to be effective in alleviating poverty by providing the vital resources for new business (Smith et al., 2016).

Many studies have also demonstrated the impact of entrepreneurship education to include opportunity recognition, ability to evaluate business risk when starting a business and skills to successfully run the business (Dickson et al. 2008; De Clercq and Arenius, 2006J). Invariably, it also impacts attitudes, values and personal developments of young entrepreneurs in business opportunity recognition. In this regard, it is important for policy makers to create policy framework and structure that will enable early stage business venture to successfully launch their business.

**5.0 Policy Implications**

Many studies on institutional context for entrepreneurship indicates that the support institutional structure as business incubators, seed financing, microfinance, micro-angels, local cultural associations, networks and other foundations are very key in entrepreneurs’ efforts to start new venture in social context and environments with institutional voids (De Clercq et al., 2010). Whilst we acknowledge the importance of perspective in solving issues created through institutional voids, our model place emphasizes on the importance of entrepreneurial governance and public policy for the right ecosystem and entrepreneurship enabling institutions in bridging this issue. Our model helps to provide understanding of the key roles of formal and informal institutions in the process of new business start and inclusive growth through entrepreneurial economic and national development.

Entrepreneurship enabling institutions and governance can direct economic actions towards new business start-ups through the provision of vital resources in which new venture may depend to survive (McMullen et al., 2008). While, Van Stel et al., (2007) found that the regulatory environment and support affects the rate of new business, Mitchell et al., (2000) noted that prevailing sociocultural values within a particular context impact the rate of new business start-ups. Bowen and De Clercq (2008) emphasized the importance of the formal institutions in channelling vital resources such as finance in which new business venture required to thrive. New business often requires significant external capital resources for start-up, the financing may be derived from personal savings or network resources, and from external financial sources which may come from banks and angel investors.

Additionally, our model emphasis that entrepreneurial governance goes beyond access to finance; instead, it gives nascent and early stages entrepreneurs exposure to skills, information, network and knowledge that is required to be successful. Our model of entrepreneurial governance framework policy focuses more on government, private local and international NGOs partnering together to invest in creating infrastructure and business ecosystem that will enable the development of entrepreneurial opportunity, reliable and affordable electricity, digital infrastructure. Government policy and investment support can accelerate the development institutions and structure to fill the institutional voids.

**5.1 Theoretical implications**

The present study provides opportunities to enrich entrepreneurship literature on nascent entrepreneurship and institutions governance in SSA. The study contribute to the understanding how institutional environment and entrepreneurial governance can influence nascent entrepreneurial activities and the success of SMEs in SSA. In our opinion, entrepreneurial success transforming beyond the gestation stage to start-up is dependent on different dynamics and characteristics of societies. Sub-Sharan Africa have different variations and incidence of institutional change which makes institutional environment more pertinent in understanding entrepreneurial emergence.

We extend studies on institutional embeddedness for entrepreneurship by identifying institutional voids and contextual challenges limiting high growth and nascent entrepreneurship; and we provide a policy framework to bridge these voids. Furthermore, unlike many single layered perspectives of contextual determinant, our study in this paper offer a multi-layered account to further understand entrepreneurial engagement (Wigren-Kristofersen et al., 2019). We demonstrate the importance of embeddedness, entrepreneurial governance and supportive ecosystem for nascent entrepreneurial activities (Wigren-Kristofersen et al., 2019; Welter et al., 2019; Jabeen *et al.,* 2017). Accounting for the contextual challenges, we theorize that entrepreneurial governance and public policy must focus on policy direction support for nascent entrepreneurs, seed funding and local embeddedness to eliminate institutional voids. We submit that this will help to create new venture, inclusive growth and effective diffusion of formal and informal institutional structure in SSA.

**5.2 Limitation and Future Research**

We suggest that future studies should explore these challenges as well as explore how interaction of multinational enterprises, and the local small businesses can become effective for knowledge transfer and technical skills. We believe that the knowledge constraints of nascent ventures can be overcome through bridging the technical know (knowledge spill-over) and resources to facilitate inclusive growth and socio-economic development in Sub-Sharan Africa.

**Conclusion**

We contended that institutionally, the business environment constitutes many challenges to nascent entrepreneurs and new business survival in SSA. Some of the constraints identified are issues of market opportunity, corruption, low education, access to credit or finance and skills and knowledge to successfully transform the business ideas from gestation to start-ups. In addition to challenges of the regulatory environment, the normative and cultural-cognitive environments all come together to impact nascent and opportunity driven entrepreneurial activities among young people. It has been shown that individual with the required skills, technical know-how and wealth of informal network of social capital are able to be successful business owners. Therefore, our study draws policy framework that identify the importance of enterprise enabling institutions and entrepreneurial governance to direct economic actions towards new business start-ups through the provision of vital resources in which new venture may depend to survive. Hence, entrepreneurial governance and public policy must focus on policy direction support for nascent entrepreneurs, seed funding and local embeddedness to eliminate institutional voids. We submit that this will help to create new venture, inclusive growth and effective diffusion of formal and informal institutional structure. Further, we contribute institutional framework that offer a recursive relationship of institutional context and entrepreneurial enabling institutions. And finally, policy implications, where governments can focus investments, to improve entrepreneurial capacity and engagement that will alleviate poverty and produce more inclusive growth needed for wealth creation and development in Africa.

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