

THE POLITICAL ECONOMY OF THE IGBOS OF SOUTHEASTERN NIGERIA:  
ANALYZING THE IGBO ENTREPRENEURSHIP MODEL (IEM).

by

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Liberty University

A Dissertation Presented in Partial Fulfillment  
Of the Requirements for the Degree  
Doctor of Philosophy in Public Policy – Economics Cognate  
Liberty University

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## ABSTRACT

This study examines the relationship between culture and economic development using the case of the Igbo ethnic group of Southeastern Nigeria. The Igbo traditional apprenticeship system has been widely described in contemporary political economy literature as a model for stakeholder capitalism and shared prosperity for sustainable entrepreneurial development. This study draws a sample of 2,000 entrepreneurs from five business clusters across Nigeria in Aba, Onitsha, Nnewi, Lagos and Abuja to ascertain if there is a significant difference between the entrepreneurs who passed through the traditional apprenticeship system and those who did not. The study employs a Propensity Score Matching technique to analyze the data to answer the research questions: whether the Igbo apprenticeship model affects business growth and survivability, the role of family on the success of the Igbo enterprise, and whether societal culture has a significant effect on Igbo entrepreneurial development. The study finds a significant relationship in all the hypotheses, noting that apprenticeship training enhances weekly revenue, business inherited from family has more years of survival and an entrepreneur who received financial settlement from mentor has more start-up capital. The Igbo society could be described as one of the most socially stable and economically prosperous ethnic groups in sub-Saharan Africa due to their hard work and perseverance. This study recommends that policy makers should formalize these enterprises to enhance their contribution to the economy of Nigeria. Furthermore, small business capital should be accessible to entrepreneurs and other ethnic groups should be encouraged to emulate the Igbo traditional apprenticeship system for social stability and economic progress.

*Key Words:* Entrepreneurship, Traditional apprenticeship, Political Economy, Igbos, Southeastern Nigeria, Stakeholder Capitalism, Shared Prosperity, Propensity Score Matching.

## **DEDICATION**

This study is dedicated to the Almighty God for seeing me through the enormous task of course work and dissertation writing. I strongly thank God for his grace to complete this huge academic task at the right time without undue interruptions. I also dedicate this work to my wife, Celestina, and my children; Ezenwa, Ikechukwu, Onyinyechi and Uchechi for their encouragement, patience, and sacrifice.

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### **List of Abbreviations**

Government Enterprises Empowerment Programme (GEEP)

Human Development Index (HDI)

Igbo Entrepreneurship Model (IEM)

Necessity Entrepreneurs (NE)

Opportunity Entrepreneurs (OE)

Propensity Score Matching (PSM)

Small and Medium Enterprises Development Agency (SMEDA)

United Nations Development Program (UNDP)

United Nations Guiding Principles (UNGP)

## **CHAPTER ONE: INTRODUCTION**

### **Overview**

This chapter introduces the entire study; by providing a broad background statement on the Igbos of southeastern Nigeria and the historical, political and economic review of the traditional apprenticeship system and its overall impact on their entrepreneurial role in the economic growth and development of Nigeria. The basic problem that the study envisages is articulated in this chapter and the purpose statement, the significance of the study and research questions are stated, accordingly.

### **Background to the Study**

This study explores the relationship between culture and economic development using the Igbo Entrepreneurship Model (IEM) as a parameter of analysis. The IEM is studied to elicit the importance of stakeholder capitalism to foster shared prosperity for sustainable development. Unlike a pure capitalist system where business owners strive to get a substantial percentage of the market or if possible, drive out the competition, stakeholder capitalism entails a principle of deliberate sharing of the market with other known competitors, by contributing immensely to the success of other businesses within the community. The Igbo society of southeastern Nigeria has been practicing a system of stakeholder capitalism for centuries, through a communal apprenticeship system that requires a mentor to take up a mentee to learn a trade or skill that will provide financial empowerment to the mentee, to facilitate an independent and self-sustaining life (Osiri 2020; Ekekwe 2021). The Igbos have embraced this traditional method of skill transfer and wealth creation for centuries to the envy of other ethnic groups. The financial success and economic progress of the Igbos have been worthy of note in the context of understanding the political economy of developing countries, particularly in sub-Saharan Africa. Igbo apprenticeship system has produced world class business moguls, through trading and artisanship. And scholars have

generated a reasonable amount of literature to understand the complexity of this model of apprenticeship leading to entrepreneurial success.

There are two major events that marked the turning point in the socio-economic stance of the Igbos of southeastern Nigeria – the transatlantic slave trade and the Nigeria-Biafra civil war of 1967 – 1970. These two events were critical junctures in the political economy of the Igbos. These events spurred the ingenuity of the Igbos to create and innovate for survival. Whilst the transatlantic slave trade regenerated Igbos for the diaspora, especially for the Americas from the seventeenth century to the nineteenth century, the civil war brazenly refocused the Igbos towards a more self-sustaining method of survival. The Igbos realized after the civil war that self-employment and entrepreneurship is the key to a sustainable means of livelihood. Although, one would be tempted to argue that the Igbos are inherently industrious and creative, looking at the data of successful Nigerians and Africans in business during the colonial times. For instance, Sir Louis Phillip Odimegwu Ojukwu (1909 – 1966), an Igbo, was a successful billionaire businessperson and merchant during the colonial era, before Nigeria's independence and the civil war. This study takes a broader look at the role of some Igbo entrepreneurs in the political and economic development of the Igbo society and Nigeria in general. Nonetheless, during the transatlantic slave trade, the Igbos were involved either as victims, slave dealers or human traffickers. The Arochukwu slave merchants were the major dealers and exporters of slaves from the Igbo hinterland through the Bight of Biafra to the New World. Igbos are guided spiritually by the belief in one supreme being, *Chukwu* (God) as the ultimate creator and invincible controller of man, and the culture of *Onye kwe, chi ya ekwe* (if you agree, your god will agree) propels the Igbo entrepreneurial spirit. Igbos are oftentimes misunderstood by other ethnic groups in Nigeria as being too capitalist or money conscious, but the truth is that the Igbo man is afraid of being

seen as a failure. To this end, the Igbo entrepreneur works hard to elevate himself and at the same time being his “brother’s keeper” to sustain socioeconomic equilibrium.

Whereas human nature strives to drive out competition, Igbo entrepreneurship model encourages competition. In the present scheme of things, the world of business needs to learn from this system of stakeholder capitalism, which promotes shared prosperity. This system enhances economic equilibrium by encouraging businesses to support one another in a cooperative rather than competitive manner. The Igbo apprenticeship system entails working under a mentor and learning the secrets of the mentor’s trade and innovation for some years. Often, the agreement between the mentor and mentee is verbal without any legal connotation (Iwara, Amaechi and Netshandama 2020). The Igbo entrepreneurship model forms the backbone of the modern Nigeria commerce because it provides the bases for small and medium enterprises (Orugun & Tunde, 2014). In all the major cities of Nigeria, Igbo businesses account for about 60 percent of all commercial investments (Agozino & Anyanike, 2007). Igbos migrate to other parts of Nigeria and around the world to establish their businesses. They are always in search of fertile grounds to earn a living irrespective of the distance from home. The Igbo ethnic group occupy a small landmass in Nigeria, as a result they look outwards beyond their shores for opportunities. Unlike other ethnic groups in Nigeria, Igbos have built and invested heavily outside their homeland, in major cities like Abuja, Lagos, Kano and Kaduna, to mention but a few.

The Igbo entrepreneurial culture could be traced back to the era of slave trade through the Bight of Biafra and Benin from the sixteenth century. By the 1800’s over 770,000 Igbos have been sold at Bonny Island, as well as 50,000 at Calabar and Elem Kalabari (Isichei 1976; Lander & Lander 1832, Adamu 1979). Until the 1900’s slaves were exported from Igbo land to the Americas, even after the abolition (Ohadike 1998). Unlike other African ethnic groups, slaves from Igbo land were exposed to entrepreneurship as they become

integrated into the world economic system of spices, sugar, tobacco, cotton and industrial goods in Europe and America. The Igbos in the New World demonstrate their inherent entrepreneurship skills as observed by Du Bois (1899, pp. 11-12): “The African Negro is a born trader, and despite the communism of the slave plantation, considerable barter went on among the slaves, and between them and the whites [...]. While then trade and property was not unknown to slaves, yet the Negro merchant is distinctly a post-bellum institution. The Negro grocery and general merchandise store is the direct descendant of the “storehouse” on the old plantation.” Suffice to say that three-fifth of all the Africans that came to the United States of America through the transatlantic slave trade were of Igbo stock (Nwokeji 2010; Hollingsworth 2020). They brought with them a good sense of entrepreneurship and skill acquisition to encourage one another to improve their lots in time of need.

Ohadike (1998) observed that the Igbos emerged as the leading exporters of palm produce to the industrial centers of Europe following the abolition of slave trade and the arrival of colonialists. A reasonable percentage of Igbos in pre-colonial times were craftsmen and women, engaged in blacksmith and bronze carving. The culture of artisanship and entrepreneurship have been transmitted to their offspring, and the enterprising spirit ensues. In the same vein, Attoh and Ajeyomi (2021) observe that the Igbo trader applies a special skill in business negotiation that is strategically rooted in a culture of persistence. This culture of persistence is a negotiation technique which the Igbo trader applies to sustain a good relationship with his customer that is not common with traders from other ethnic groups in Nigeria.

The Igbo trader is groomed in the various categories of entrepreneurial development. There are basic categories identified in the literature of Igbo Traditional Business School (I-TBS) as the stages a mentee passes through under the supervision of a mentor - *Igba boi* or *Igba odibo* (serving a mentor), *Imu ahia* or *Imu Oru* (learning a trade or craft) and *Igba oso-*

*ahia* (being a middleman in the market). Adeola (2021) opines that to maintain business value and basic cultural orientations, the Igbos have a strategic system for recruiting and managing talent for sustainable business growth and performance. The Igbo traditional business model is a well-structured informal business and entrepreneurial method of skill transfer and business expansion that reflects the cultural values of the Igbo society to fit into a universal socio-economic environment, given the right circumstances. In addition, there are basic financial practices, sales negotiation techniques and conflict management principles that are peculiar to the Igbo entrepreneurship system that this study highlights. However, the impact of this far-reaching culture of apprenticeship as a means of sustainable economic development in the Igbo society has not been empirically ascertained. Despite the efforts of some scholars, data constraints impose limitations for any comprehensive empirical analysis of the Igbo entrepreneurship model on the economy of Nigeria. To this end, this study intends to fill this gap.

To provide a better understanding of the Igbos of southeastern Nigeria and the events leading to a culture of apprenticeship and entrepreneurial system, this study discusses in detail the political and economic development of the Igbos and their encounters in the transatlantic slave trade and the Nigeria-Biafra civil war.

### **Nigeria: Political Structure and Economic Development**

Nigeria is a country located in the West Coast of the continent of Africa. Nigeria was so named in 1897 by Lady Flora Shaw-Lugard, the wife of the then colonial Governor General Lord Frederick Lugard. In 1914, the Northern and Southern Protectorates of Nigeria were amalgamated into one country with diverse ethnic groupings and linguistic complexities. According to Lord Lugard, the merger was occasioned for administrative convenience, “merging the rich Lady with substance and means (south) with the poor husband (north) would lead to a happy life for both.” But little did Lord Lugard realize that they are strange

bedfellows, and the relationship could lead to a life of misery. Before the Europeans arrived, in the territory called Nigeria several civilizations existed, and their presence are still being felt today. In the north, there is a predominance of Islamic culture and religion comprising two empires: Sokoto Caliphate and Bornu empire. In the southwest are the Yoruba speaking towns and villages with a common animist culture and traditional religion in Oyo empire with headquarters in Ile-Ife. In the southeast to the Niger River delta were autonomous towns and villages bound together by a common linguistic and cultural trait, the Igbo Kingdom with headquarters in Nri.

The British arrived Nigeria for colonization in 1861, occupying the coastal area of Lagos for trading purposes and to prevent the further conquest of Uthman Dan Fodio's Islamic Jihad to the south. To protect the Christian converts, and further the anti-slavery campaigns in coastal west Africa. The Northern protectorate was occupied between 1900 and 1903 by the British, and the south was technically governed alongside the north until the official amalgamation in 1914. There are over 300 linguistic ethnic groupings in Nigeria, but majority of the citizens speak English as an official language and at least one of the major languages of Hausa, Igbo and Yoruba, The Hausa tribe are found in the North, the Igbos occupy the southeast zone, and the Yoruba are in the southwest. At independence in 1960, the political structure of Nigeria comprises of three regions: Northern, Western and Eastern Region. Each region enjoys reasonable autonomy in a Westminster styled parliamentary system. In 1966 following a military coup that ousted the first republic civilian government, the military government adopted a unitary system and another counter coup in 1967 caused the creation of the Mid-west region and subsequent twelve states leading to the civil war of 1967 – 1970.

The mainstay of the Nigerian economy gradually moved from agriculture at independence in 1960 to crude oil sales within a few years. Unfortunately, crude oil

exploration and revenue generated became a resource curse to Nigeria instead of a blessing. The country moved from the enviable giant of Africa in the 1970s to the poverty capital of the world in 2016 due to mismanagement of the enormous oil revenue by the political class.

Nigeria was divided into its present 36 states structure in 1991 and a subsequent zonal arrangement was agreed upon in a political conference in 1998 giving rise to the North-East, North-Central, North-West, South-East, South-South and South-West. Under this arrangement all the zones have at least six states except the northwest with seven states and the southeast with only five states. This also goes to show the extent of ethnic annihilation that the southeast suffers in the Nigeria political space. Under the 1999 constitution, Nigeria is currently a Federal Republic with the leadership of a President and Commander in Chief elected every four years for a maximum of two terms. Each of the 36 states is under a Governor, elected every four years for a maximum of two terms. There is a National and State Assembly and the Judiciary arm for both federal and state respectively. The National Assembly is comprised of a Senate and a House of Representatives, while the State Assembly legislates in every state of the federation. Figure 1.1 shows the current map of Nigeria with the political zones marked in colors.



Figure 1.1: The current political map of Nigeria.

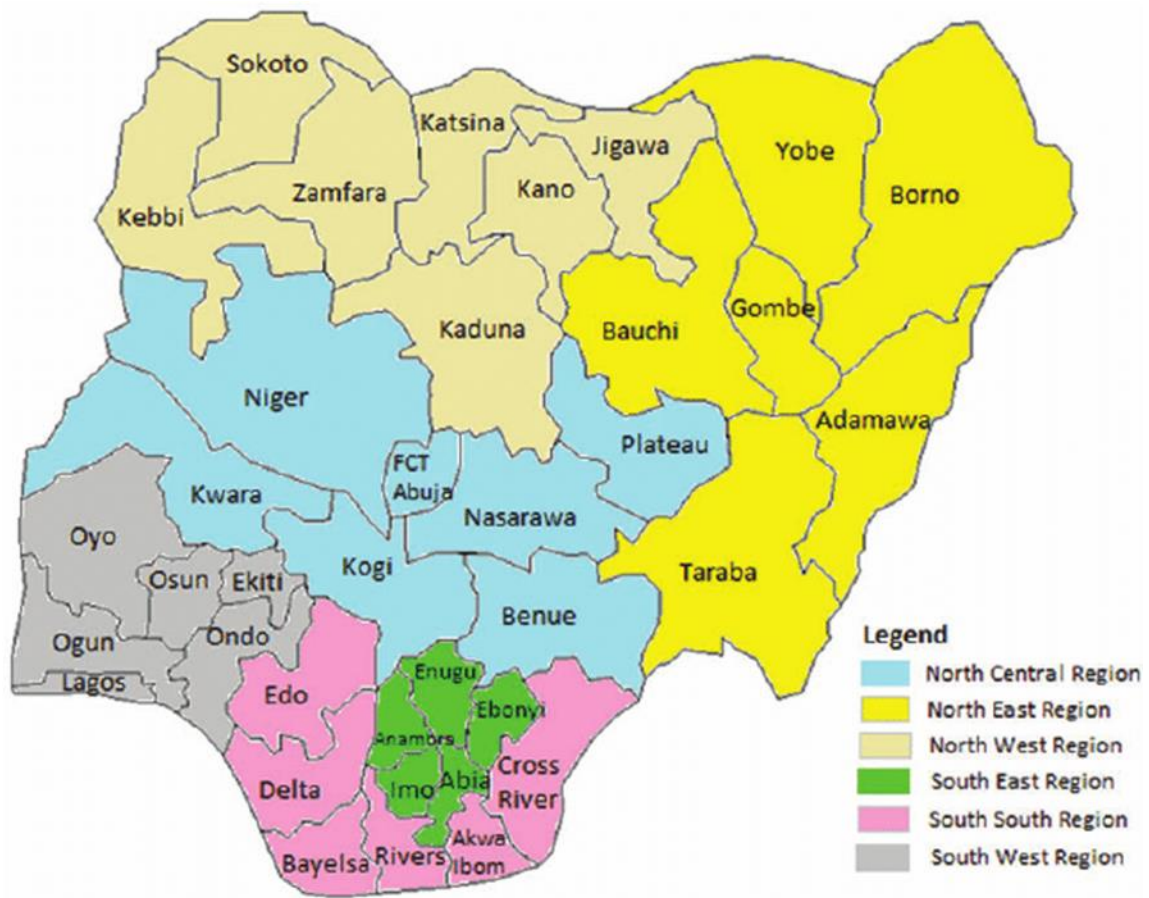


Table 1.1: Economic indicators of 36 states in Nigeria and the federal capital territory Abuja

States and Federal Capital Territory	1	2	3	4	5	6	7	8
Abia	3,727,347	3,003	11.2	94.2	52.7	63.4	87.85	760.68
Abuja	3,564,127	3,287	21.1	78.8	54.8	80.2	65.54	468.53
Adamawa	4,248,436	1,417	33.8	55.8	52.3	80.7	37.68	109.78
Akwa Ibom	5,482,177	2,779	18.4	78.8	52.1	62.8	65.54	794.52
Anambra	5,527,809	1,615	12.2	92.1	56	68.0	74.89	1,136.24
Bauchi	6,537,317	983	41.4	19.3		83.7	35.02	133.09
Bayelsa	2,277,961	2,484	23.9	86.8	57.3	57.9	39.51	251.46
Benue	5,741,815	1,592	14.2	73.7	55.4	74.1	43.65	186.42
Borno	5,860,183	1,214	29.1	23.1	54.1	61.1	32.30	80.71
CrossRiver	3,866,269	3,150	18.2	89.0	53.2	59.7	46.62	177.46
Delta	5,663,362	3,990	27.2	87.4	56.3	70.1	64.60	331.04
Ebonyi	2,880,383	1,232	23.1	77.8	53.5	80.4	68.34	450.06
Edo	4,235,595	3,623	35.2	90.5	54.1	72.5	86.76	220.75
Ekiti	3,270,798	1,169	12.1	95.8	53.5	59.1	75.57	601.8
Enugu	4,411,119		25.2	89.5	55.4	72.1	40.75	585.49
Gombe	3,256,962	1,036	38.7	29.1	48.3	59.9	46.01	190.47
Imo	5,408,756	3,527	26.1	96.4	53.9	79.8	83.21	1,022.84
Jigawa	5,828,163	673	35.9	25.1	50.9	57.3	69.90	250.28
Kaduna	8,252,366	1,666	30.3	47.3	49.1	79.0	31.91	194.26
Kano	13,076,892	1,288	21.3	38.1	53.0	73.0	65.58	644.82
Katsina	7,831,319	1,017	28.1	10.4	52.5	72.3	56.99	332.38
Kebbi	4,440,050	993	25.3	20.5	47.4	82.0	26.89	120.05
Kogi	4,473,490	1,386	14.4	83.9	49.5	80.5	40.04	161.22
Kwara	3,192,893	1,585	7.1	69.7	54.1	73.5	67.97	89.42
Lagos	12,550,598	4,333	8.3	96.3	54.7	74.3	53.46	3,418.85
Nassarawa	2,523,395	1,588	36.5	59.2	52.8	59.2	48.67	87.82
Niger	5,556,247	1,480	30.4	22.9	53.5	71.7	52.24	80.61
Ogun	5,217,716	2,740	22.9	81.8	57.8	43.6	74.72	318.15
Ondo	4,671,695	2,392	12.5	81.2	54.4	69.0	66.38	295.30
Osun	4,705,589	2,076	3.0	90.6	54.7	57.0	87.50	521.34
Oyo	7,840,864	2,666	8.9	80.3	55.3	47.5	80.97	295.88
Plateau	4,200,442	1,587	25.3	63.7	52.7	60.7	42.18	154.73
Rivers	7,303,924	3,965	25.5	95.8	54.5	79.7	84.09	690.68
Sokoto	4,998,090	1,274	17.9	15.0	48.6	58.6	28.87	179.63
Taraba	3,066,834	1,446	12.7	72.0	52.9	86.4	23.62	54.49
Yobe	3,294,137	843	35.6	7.23	49.9	76.3	59.74	70.68
Zamfara	4,515,427	1,237	42.6	19.2	52.5	79.6	51.48	119.04

Note:

- 1: Population 2016
- 2: Gross Domestic Product (GDP) per capita 2007 (\$)
- 3: Percentage (%) unemployment in 2011
- 4: Literacy Rate (%) in 2010
- 5: Life Expectancy Rate (No. of Years) @ 2021
- 6: Poverty Incidence (%) in 2010
- 7: Percentage (%) using improved sources of drinking water
- 8: Population density per square kilometer.

Source: National Bureau of Statistics: Open data portal accessed 05/09/2023;  
<https://nigeria.opendataforafrica.org/apps/atlas>

Nigeria has an estimated population of about 213.4 million people as at January 2021. The Gross Domestic Product as at 2021 is 440.8 billion US dollars. The current exchange rate of the local currency Naira to the US Dollar is 725 naira to 1 USD. As at 2010, the exchange rate was about N122 to the US dollar. The unemployment rate as at 3<sup>rd</sup> quarter of 2018 was 23.1% and nominal GDP in billion naira as at December 2019 is N134,950 billion. The average life expectancy in Nigeria is 52.89 years as at 2020. The Nigerian economy has dwindled so badly over the years due to economic mismanagement. From Table 1.1 above, we observe that states of the southeast and south-south with majority Igbo population; Abia, Anambra, Delta, Ebonyi, Enugu, Imo and Rivers all had an average per capita GDP of over \$3000 as at 2007, above the national average of USD2,065.75 as at 2021. Other states with minor Igbo population are Edo, Benue, Akwa Ibom and Cross River. The huge population in Lagos, Kano and Abuja are largely due to Igbo migrants who have moved to those cosmopolitan areas to carry on with their businesses and economic life. Lagos, Abuja and Kano are the economic nerve centers of Nigeria and hence increasingly attracts Igbo migrants. Overall, in Nigeria the Igbos constitute the second largest population in any state after the indigenous ethnic group.

From Table 1.1, we observe that the unemployment rate in Igbo dominated states is relatively low compared to other non-Igbo states. The literacy rate in Igbo dominated states is

as well relatively higher than the other states, likewise there is low poverty incidence and high percentage of those using improved sources of drinking water. The economic indicators as stated in Table 2.1 above show favorable levels of human development indices in all the Igbo dominated states and where they constitute a reasonable percentage of the population.

### **A brief overview of the Igbos of Southeastern Nigeria**

Although, there are more than three hundred ethnic groups and languages in Africa, Igbo is one of the major and most populous ethnic groups. The Igbos are found majorly in five states of Nigeria; Abia, Anambra, Ebonyi, Enugu and Imo. Other states in Nigeria with large population of Igbos are Delta and Rivers, minor population in Cross River, Benue, and Edo. Igbo is a major ethnic group in Nigeria with a population of about 50 million people (about twice the population of Texas) worldwide. The geographical land mass of Igboland is small, about 15,800 square miles (about twice the area of New Jersey) or 41,000 square kilometers (about twice the area of Vermont), making it one of the most densely populated areas in the world. Little wonder that Igbos settle in any place they find comfort. They are very resourceful and known to possess the proverbial “Midas touch” with their business ingenuity. Igbos are closely knitted and nurture a broad sense of community. In recent times, Igbos have built modern communities with their wealth than any other ethnic group in Africa. They have developed a more concise support system of living to the advantage of every member of the community. In all the major cities in Nigeria, Igbos constitute the second largest population after the indigenous people. From Lagos in the Southwest to Kano, Kaduna in the North, Igbos have established their businesses and living with the communities to the envy and admiration of the indigenous people. Wherever they find themselves the secret of their success is the inculcation of a sense of brotherhood and enterprise.

FIGURE 1.2: MAP OF IGBO HOMELAND IN SOUTHEASTERN NIGERIA.

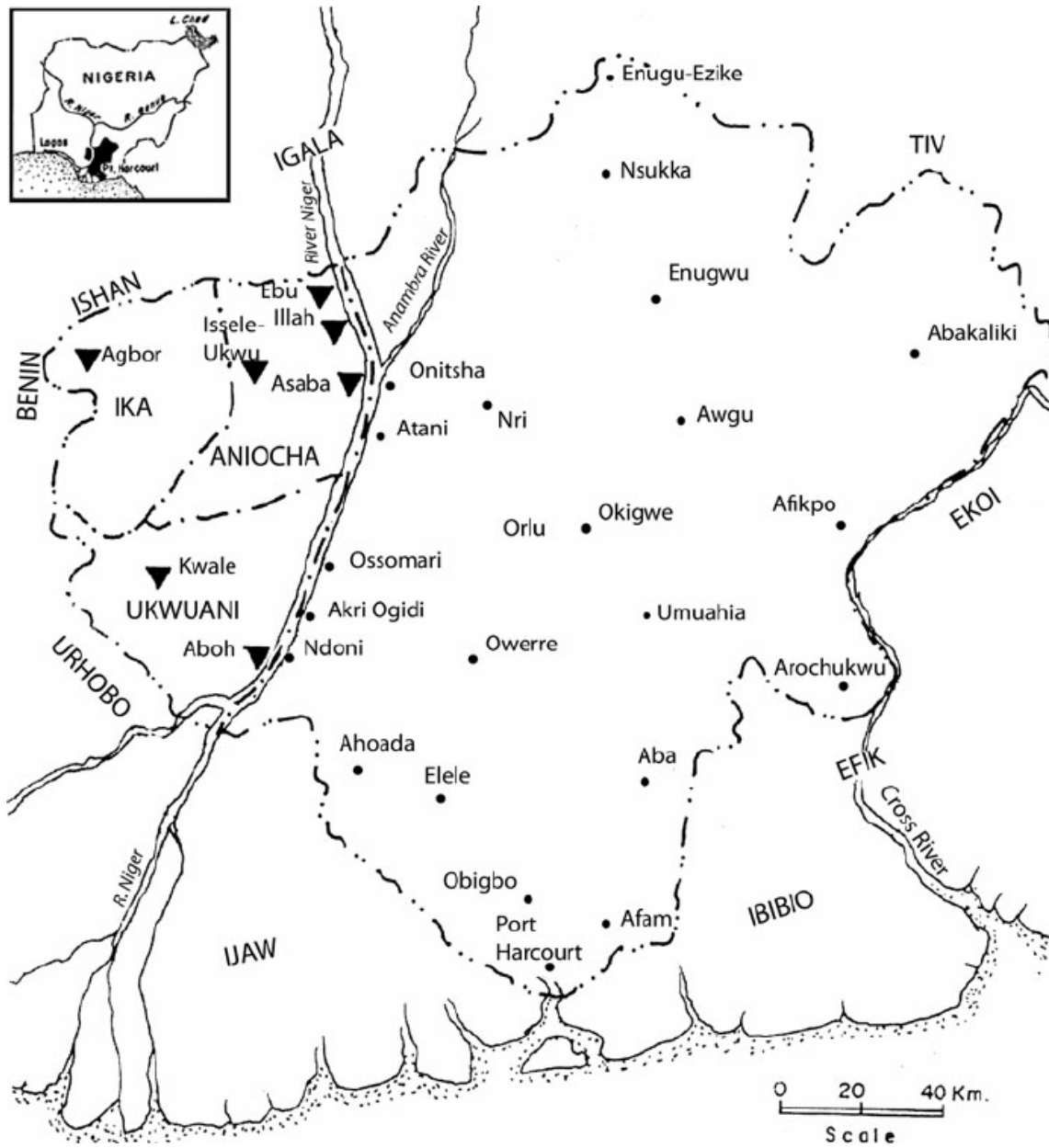
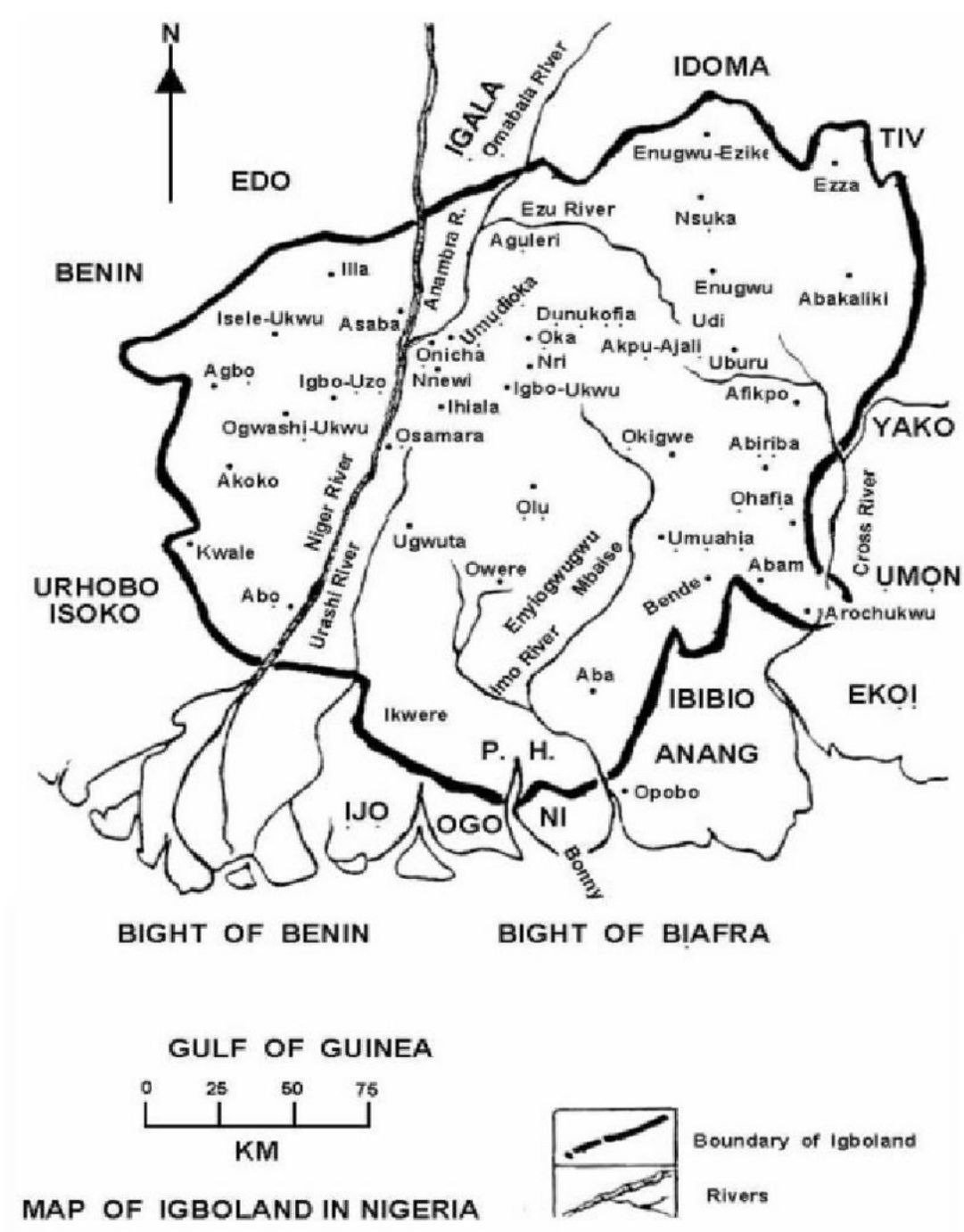


FIGURE 1.3: MAP OF IGBO SPEAKING GROUPS IN NIGERIA.



The Igbo nation is bordered in the west by Edo, Urhobo and Isoko tribes, in the north by Igala, Tiv and Idoma tribes, to the east by Yako, Umon, Ekoi, Ibibio and Anang tribes, at the south by Ijo/Ijaw and Ogoni tribes. The river Niger runs through the Igbo heartland to the

delta region into the Bight of Benin and Bight of Biafra. There is a flux of cultural similarities with neighboring tribes because of centuries of cultural exchanges and intermingling through marriage and commerce. The vegetation in the Igbo country is dense tropical rainforest and partly mangrove close to the delta region. Igbo native economy thrived on agricultural output and iron smelting, but modernity and education have rapidly transformed the economic landscape to commerce and industry.

The Igbo enterprise runs on a support system that is partly rooted in family connection or kinship (Igwe *et al.* 2018). The family identifies a relative who is doing well in business and would want their son to emulate his footsteps. The family may take the first step to seek the support of the relative, who eventually becomes the mentor. On the other hand, a successful businessperson may decide to go home to pick a family member, preferably a young boy who lives with him for a specified number of years to undergo a training program under his tutelage. The mentee learns the trade and at the end, the mentor provides financial support to enable the apprentice to start up his own small business, even going the length of providing the initial customers. This method of business expansion has been practiced by the Igbos for centuries.

The Igbo entrepreneurship system found expression in the era of slave trade and has been carried along through generations to the times of the civil war in Nigeria, between 1967 and 1970. The Igbos were formidable business partners to European slave merchants in the seventeenth century. Although Igbos were farmers before the arrival of European slave traders, they quickly embraced commodity trading and slave merchandising. Historically, the traditional religion of the Igbos shared a lot in common with European Christian worship, and that informed the reason the Igbos quickly embraced the Christian doctrine from European missionaries and till date constitute the largest Christian ethnic group in Africa. The Igbo traditional belief is anchored in one God, called *Chi*, through whom the virtues of life are

begotten. Nonetheless, the Igbos are survivalists; from transatlantic slave ships to the New World, to the present political annihilations in Nigeria, they have showed resilience coupled with abundant grace from the Creator.

In the Igbo cosmology, every individual has a god that determines his destiny. This god, however, is controlled by a supreme God, who created the heaven and the earth and all that is found within. Igbos like the Kikuyus of Kenya never had chiefs and kings before the arrival of European colonialists (Elkins 2005). The political leadership of the Igbo society rested on a council of elders and age grade system. With the arrival of Europeans, village heads and warrant chiefs were appointed to oversee the tax system imposed on the natives (Osiri 2020, Nnadozie 2002). The Igbo political system is based on consensus both at the family and the community level. Most disagreements and disputes that arise during business are resolved at the family and communal meetings. The co-existence of the spirit of communalism and a good sense of economic upliftment is at the core of Igbo entrepreneurship.

The Igbo traditional religion is based on *Ofoism*; which is a belief in ancestral worship. The *Ofo* is considered a link between the eldest man in the family and his ancestors. The elder can pacify the god of his ancestors through incantation made with the *Ofo*. The elders sanctify the land if there is sacrilege and pacify the supreme God called *Chineke* with the *Ofo*. Igbo culture honors selfless service. The political structure of the Igbo society is governed by self-regulation and leadership attained through visible achievements and dedication to service in the public interest (Onyeiwu, 1997). In the study of humanistic economics, one understands how conflicts are resolved based on mutual understanding and sacrifice, unlike individualistic societies where conflicts are resolved by litigation and uncompromising ways.



The Igbo entrepreneurship model is driven by three steps; talent identification, training and financial settlement. The last stage guarantees that the apprentice is given a head-start to begin the process of trading or establishing a workshop to practice his skill. Often, the apprentice, now an entrepreneur, ends up as a success story reminiscent of the biblical parables. Under the Igbo apprenticeship system family businesses are transmitted to future generations without much formal education. However, based on the success recorded and academic analysis of the Igbo apprenticeship system, there are calls by academics for a formal curriculum to be established for the teaching and learning of the Igbo traditional business school (Ekekwe 2021). This formalization, some academics argue, may remove the traditional flavor and the spirit of brotherhood that encapsulates mentor – mentee relationships.

### **Origins, Settlement, and the Political Economy of the Igbos**

The discussion on Igbo origins and heritage has brought to fore so many schools of thought of comparable significance. Although scholars agree that it is difficult to trace the origin of a large group of people sharing similar ethnic and cultural heritage like the Igbos. There are still contending views in the literature that posit the Igbos have a common heritage. Some scholars are of the view that the Igbos are descendants of the Semitic tribe of Jews (Equiano, 1789; Basden, 1938; Du Bois, 1899). According to Chuku (2018), the question of Igbo migration and settlements are significant in the discussion of Igbo historiography. The account of Olaudah Equiano (1789), an Igbo slave, in his narrative of the middle passage, claims that the *Eboes* share similar characteristics with the Jews in the naming and circumcision of their newborn. Equiano (1789) and Basden (1938) both argue strongly in favor of the Jewish heritage of the Igbos. They agree that Igbos circumcise their newborn seven days after birth just like the Jews.

George Basden (1938), a European ethno-linguist, who lived and worked in the Igbo country in the colonial era for over forty years contends that the Igbo culture of life and death has been influenced by the Levitical code. He traced and compared many Igbo customs with the ideas and practices of the Levites on the rites of passage, the religiosity of the Igbos, circumcision of male and female off springs and the similarities in certain idiomatic expressions with the Hebrew language. On eschatology in the Igbo society, Ufearoh (2021) and Ebo (2019) agree that the Igbo sense of life and death is trans-migratory and similar to the Jews way of life. The Igbos do not believe that death is an end to life but a change in situation for an individual to move from the present to a more definitive ancestral and spiritual role for his community. This thought aligns with the Igbo sense of industry and service to humanity, knowing that what you do in the present time lives with you even after life (Osiri, 2020; Hallock, 2019; Ebo, 2019).

Worthy of note is that the recent circumstances of the Igbos in modern Nigeria reflects the historic struggle of the Jews. The Igbo experience during the Biafra-Nigeria civil war that lasted for thirty months (1967-70) is a clear testament of the persecution that the Igbos are going through in their quest for survival in a multi-ethnic country like Nigeria. Afigbo (1971, 1977, 1981) challenged the several Hamitic and Semitic viewpoints of Igbo origin, suggesting that the claim lack empirical evidence. He argues that these viewpoints ignored the use of multiple sources, such as oral traditions, archaeological and linguistic evidence to ascertain the origin of a large group of people like the Igbos. Suggesting that the Igbos were a group of Kwa Igbo language sub-group from the Niger-Congo family of African languages dating back to 6,000 years. Afigbo contends that the Igbos settled in the Niger-Benue River area and further dispersed to surrounding areas following climatic and environmental factors.

Another ground-breaking postulation of Igbo origin was brought to fore by Isichei (1977), who supports the claim by Afigbo on the Niger-Benue theory. She claims that though there was little evidence to back the Niger-Benue confluence theory, that the Igbos have been making pottery in Nsukka and their present places of abode for over 4,000 years. She noted that the Igbos chose not to settle at the valleys of the rivers and moved to the sandy uplands because of their historical apprehension for water bodies as a place of abode of spirits. There are other thoughts on the migration of the Igbos to their present abode, Oriji (1990) identified three cores as the center piece of Igbo migration; the Nri-Awka and Amaigbo-Orlu as the “primary core,” the Oratta-Owerri-Okigwe-Awgu-Udi-Nsukka-Agbor axis as the “secondary core,” and the Mbaise-Umuahia-Ngwa-Ikwerre-Etche-Ahoadia-Arochukwu-Afikpo-Abakaliki areas as the “tertiary core.” Albeit Nwokeji (2010) and Ohadike (1994) account for the dispersal of the Igbos beyond the shores of Africa. The Igbos account for over 40 percent of slaves transported across the Atlantic Ocean to the New world. The Bight of Biafra was a significant port of sail for millions of enslaved Africans to the Americas and Europe. Hollingsworth (2020) opines that in the new world some Igbo slaves were very restive and resisted servitude to the last breath – the *Igbo Landing* of 1803 in Georgia attests to this.

Some pre-colonial historiographers have identified the Igbos as a stateless group of people bound together by a common culture and linguistic affiliation (Oriji 2011; Daraojinmba 2021; Chuku 2018). However, studies have shown that the various independent groups were held together by a complex but developed political system. The political structure of the Igbo society was a republican styled gerontocracy system that relies on a council of elders, age grade and village assemblies. Before the advent of European colonization, the various Igbo sub-groups existed peacefully and independently (Mgbeadichie, 2021; Uchendu, 2019). They never had any need to explore their differences

or compete for space. According to Afigbo (1981), there was a high degree of mutual independence, peace, and equality before European colonization.

The economy of precolonial Igbo society was agrarian and there was self-sufficiency on food production (Okigbo 1986, Adeola 2021, Afigbo 1987). Igbos cultivated yam and other root crops to support their daily existence. They traded in farm produce like palm oil, yam and other commodities. Yam was the major crop, to the extent that men received honors for their prowess in the cultivation of yam. Those who owned large yam barns were referred to as *Ezeji* meaning “king of yam.” Afigbo (1987) referred to precolonial Igbo society as the “age of innocence,” when the Igbos and their neighbors lived in peace and exchanged goods and services with vigor and childlike innocence. He emphasized that commerce, marriage, markets, and religious meetings were factors that enhanced relationships between the Igbos and their neighbors. Equiano (1789) stated clearly that the wants of his country men are few and everyone contributes something to the common stock. The problems of ethnic dichotomy and stereotypes are off shoots of colonialism and capitalism as indigenous people began to compete for resources and power. The political structure of precolonial Igbo society was hinged on the existence and belief in deities, which help to model people’s behavior and moral conduct (Nwoko 2020). The existence and belief in deities reinforce social harmony and mutual coexistence. The people feared, and obeyed sanctions associated with deities and morality and social conduct was held in place.

The advent of colonialism brought to fore the 3C’s of Christianity, Commerce and Civilization on the colonized Africans. Western Europeans landing on African shores, making an in-road to the Igbo hinterland in the 17<sup>th</sup> century changed the trajectory of world socio-economic development. According to Nwokeji (2010), Dike & Ekejiuba (1990) by the 17<sup>th</sup> century the Igbo economy was integrated to the world economy through the Bight of Biafra, though the major export was slaves. In return the European merchants brought sugar,

spices, and other commodities of need to Africans (Hollingsworth 2020). Following the abolition of slave trade in the nineteenth century and the subsequent return of some slaves to Sierra Leone, the Igbo society was infiltrated by western Europeans, whose goal was the processing of palm oil and other agricultural produce for use in European industries. A major tool that was used by the Europeans to penetrate the African hinterland is Christianity. Although, the idea of salvation in the European concept was different from the African context, Ngele *et al.* (2017) finds that eschatological experience in Igbo traditional religion is dependent on the use of coercion and enforcement of traditional code of conduct to transmit to the ancestral world.

The Christianization of the Igbo society began in 1841 and pioneered by Africans repatriated from Sierra Leone, mostly of Igbo origin, with the work of Simon Jonas, a Sierra Leonean of Igbo parentage. Subsequently in 1857 the Church Missionary Society (CMS) was established in Onitsha under the leadership of Samuel Crowther and John Christopher Taylor (Chuku 2018). The activities of these men helped to minimize culture shocks and resentment of the Igbos to the missionaries. The arrival of European missionaries of different denominations amplified evangelism and the formal education of Igbo youths.

### **Igbos and Transatlantic Slave Trade**

Arochukwu merchants of Igbo ethnic origin were the intermediaries in the movement of slaves from the Bight of Biafra. According to Nwokeji (2010) the Arochukwu slave merchants were supplied with produce, captives, and portage services by their neighbors, while in return they received guns and gun powder from Europe, cloth (george) and clothing materials from India and Netherlands, tobacco from Chesapeake Bay in the United States produced by Biafrans exported as slaves. The Arochukwu people reaped huge profits from slave trade and expanded the reach of their ethnic enclave. In the 1740s there was a huge surge in slave trading across the Atlantic to the English-speaking colonies in the Americas.

From the Bight of Biafra, an annual average of 13,800 captives were exported between 1741 and 1800, the number increased to about 20,000 a year in the 1780s (Nwokeji 2010). The slave trading activities along the Bight of Biafra was on the stretch of about 200 miles of coastline along the southeastern region of present-day Nigeria. Thornton (1998) stated that the greatest source of slaves was from New Calabar, which was the dominant port for the Igbo-speaking region. The Spanish missionary, Alfonso de Sandoval (1627) confirmed that Biafra captives were innumerable and spoke a variety of tongues. In 1790, a British House of Lords survey reported that Bight of Biafra and Central West-Central Africa accounted for almost 80 percent of the slaves in Jamaica from African ports. A similar pattern was recorded in so many other ports in the English colonies. About 40 percent of the slaves arriving the British colonies just before the abolition of slavery in 1807 came from the Bight of Biafra (Law and Lovejoy 1996). The Bonny port was the busiest slaving port in Africa, serving the Igbo heartland for the transportation of slaves, the numbers superseded the Old Calabar port between 1726 and 1750. The 1740s marked an economic boom for the merchants in the slave business across the Biafra Atlantic slave route; the turnaround time was reduced due to advancement in seafaring technology such as Compass and the like. In addition, the European merchants had developed reasonable “trust” with their African counterparts and willing to advance goods to them on credit (Lovejoy and Richardson 1997, 1999). Nonetheless, the records equally show that more females were transported from the Bight of Biafra than any other major coastal region despite the high demand for male slaves in the New World.

The Bight of Biafra is composed of many ethnolinguistic groups. The Ibibios, Ijaw, Efik and the Calabari people are other ethnic groups that are predominant in this region. The Igbo and the Ibibio ethnic groups constitute about 68.56 percent and 10.36 percent respectively (population of southeastern Nigeria in 1953) providing most of the captives

reported by the German-Moravian missionary, Oldenpord (1777). The Igbo slaves were in high demand in the 1760s for their strength and dexterity. About 40 percent of the slaves transported to the Chesapeake Bay in North America came from the Bight of Biafra and passed through the network of the Arochukwu slave merchants (Dike and Ekejiuba 1990). The Aro (short for Arochukwu) had instituted a strong socioeconomic and political structure to maintain their grip as the largest slave merchants in the coastal area of the African continent at the time. With the *Ekpe* confraternity they maintained regional peace, provided local law enforcement, and settled credit matters. They used the traditional powers of *Ibiniukpabi* oracle to instill confidence in the culture and way of life. In the precolonial times, the Aro monopolized and retained the power of learning and knowledge through the *Nsibiri* writing system (Oriji 1982).

The expansion of the Aro people and their integration into the world of commerce through the transatlantic slave trade was anchored on four phases of thought drawing from the correlation of the Aro expansion with the growth of the Biafra Atlantic trade (Nwokeji 2010). This first phase started from the 1600s through the 1730s – an era of the consolidation of the cosmopolitan Arochukwu in the Cross-River region to foray into the central Igbo region to the old Calabar as Biafra’s major port. The second period began in the 1740s – an era of great expansion in the Biafra slave export and the establishment of Aro settlements in the Biafra hinterland. This second era ended in 1808 following the abolition of slave trade by the British Parliament. The third phase of the Arochukwu expedition commenced immediately from 1808 until the end of transatlantic slave trade in 1850, leading to the export of palm produce from the region. The last phase started in 1850 running to 1902, when the British finally conquered the Arochukwu people, taking over their land and sending their rulers in exile. In the 1920s the British government commissioned a lot of literary works to be done on the Aro. This effort led to a powerful intelligence and anthropological work written

by Amaury Talbot in 1926, in addition to those written and published by A. G. Leonard in 1902.

An in-depth study of the institution of slavery will provide a lucid account of the dark cloud that loomed in the trade through the horrors of the Middle Passage. Suffice to say that there was slavery practiced in Africa before European traders came to take advantage of the opportunities they found on ground. But slaves were treated differently in Africa, they had equal rights and privileges as freeborn. An account of the method of procuring slaves on the coast of Africa, through the reprehensible middle passage leaves a researcher with the quest for a gracious overturn of events. The increasing demand for slaves by Europeans made it a booming market for the village heads and strong men of Africa to procure their supplies by any means possible – including wars and wanton destruction of villages in the process of capturing their preys. Some European slave merchants argued that some slaves procured in consequence of native wars would have been put to death if they had not stepped in (Williams 1908). The abolitionist on the other hand maintained that what the slave traders referred to as war was nothing short of man's inhumanity against man – robbery, kidnapping, cruel and sordid character. In Williams (1908) description, when slave ships arrive on the coast of Africa, the heads of the country villages sent out their myrmidons or warlike servants in their hundreds and sometimes thousandths on horseback or foot depending on the distance, to attack and burn down villages in the dead of the night. As a result, the panic-stricken villagers will run to save their lives and they are captured by the bandits, taken in as captives, men, women, girls and boys. In Williams account the captives were driven by their countrymen and sometimes assisted by Europeans to the place of sale, like sheep for slaughter, travelling over two to three hundred miles to the coast. This untold mission separates the dearest of relatives, in all cases never to be seen again on earth. Children were separated from their parents, except the suckling who are kept with their mothers for obvious



reasons. Sometimes the Europeans get the native chiefs and princes intoxicated to pillage their subjects and countrymen into bondage. Some traders carry off their brethren gagged in the middle of night so that they will not raise alarm to attract attention when kidnapped. The method of kidnapping and gagging the victim was called “panyaring.” The captains of the slave ships were careless of how the cargo gets there; their goal is to get their ship loaded quickly with human cargo. Some natives were made drunk by Europeans to sell their relations, only to get sober and redeem the sold relatives with other captives. A son sold his father, who was a slave owner, and he had to give twenty slaves to redeem himself. A trader returning from selling his captives was seized and sold by the native chief, thus becoming the companion of those he had put into misery. Occasionally slave traders were invited on board the ship to dine with the captain and they would end up being taken to the seas.

The average slave at Bonny in 1801 cost about 25 pounds sterling paid in the following goods:

One piece of Chintz, eighteen yards long.

One piece of Baft, eighteen yards long.

One piece of Chelloe, eighteen yards long.

One piece of Bandanoe, seven handkerchiefs.

One piece of Niccaonne, fourteen yards long.

One piece of Cushtae, fourteen yards long.

One piece of Photae, fourteen yards long.

Three pieces of Romalls, forty-five handkerchiefs.

One large Brass Pan, two muskets.

Twenty-five kegs of powder, one hundred flints.

Two bags of shots, twenty knives.

Four iron pots, four hats, four caps.

Four cutlasses, six bunches of beads, fourteen gallons of brandy.

Culled from Williams, Gomer (1897) "Appendix to Slave Trade Section" In *"History of Liverpool Privateers and Letters of Marque with an Account of the Liverpool Slave Trade, 1744 – 1812."* McGill-Queens University Press (2004).

The procurement process was hellish in a culture of survival of the fittest. Williams (1897) described the slave ship *Brooks*, on account of the presentation to Parliament in 1786 by Captain Parrey, who was sent to Liverpool to take the dimensions as follows: —

The length of the lower deck was 100 ft.; her breadth of beam on the lower deck from inside to inside, 25 ft. 4 in.; the depth of the hold from ceiling to lower deck, 10 feet; height between decks, 5 ft. 8 in.; length of the men's room on lower deck, 46 ft.; breadth of the men's room on lower deck, 25 ft. 4 in; length of the platform in men's room on the lower deck, 46 ft.; breadth of the same platform on each side, 6 ft.; length of the boys' room, 13 ft. 9 in.; breadth of the boys' room, 25 ft.; breadth of platform in boys' room, 6 ft. length of the women's room, 28 ft. 6 in.; breadth of the women's room, 23 ft 6 in.; length of platform in women's room, 28 ft. 6 in.; breadth of platform in women's room on each side, 6 ft. The number of air-ports going through the side of the deck was 14; the length of the quarter deck, 33 ft. 6 in., by a breadth of 19 ft. 6 in.; the length of the cabin was 14 ft., by 19 ft. in diameter, and 6 ft. 2 in. in height; length of the half-deck, 16 ft. 6 in., by 6 ft. 2 in. in height; length of the platforms on the half-deck, 16 ft. 6 in., by 6 ft. in breadth. The vessel is described as frigate-built, without fore-castle, and pierced by 20 guns. Nominal tonnage, 297; supposed tonnage by measurement, 320; number of seamen, 45. It appears from the accounts given to Captain Parrey by the slave-merchants themselves, that, when leaving the coast of Africa, she carried, besides her crew, 351 men, 127 women', 90 boys, and 41 girls, a total of 609, though only legally allowed to carry about 450. She lost by death, on her passage, 10 men, 5 women, 3

boys, and 1 girl. In 1782, the vessel arrived in Jamaica with 646 slaves on board, but number of slaves she left the coast of Africa with was not accounted for.

The ship carried the following provisions for the slaves on board: —

20 tons of split beans, peas, rice, shelled barley, and Indian corn; 2 tons of bread; 12 cwt. of flour; 2,070 yams, averaging 7 lbs. each; 34,002 gallons of water; 330 gallons of brandy, rum, &c.; 70 gallons of wine; 60 gallons of vinegar; 60 gallons of molasses; 200 gallons of palm oil; 10 barrels of beef; 20 cwt. of stock fish; with 100 lbs. of pepper. She was 49 days on the passage from the Gold Coast to the West Indies, the shortest passage of nine vessels reported being 42 days, and the longest 50 days.

According to Williams (1897), the men in the slave ship were held constantly in chains of two and two; the right leg of one to the left leg of the other, their hands being held secured in the same manner. It was impossible for the slaves to turn or shift their posture to any degree with ease. This condition would sometime last for nine or ten months until they reached their destination. The severity of this treatment account for why some of the captives died on board. Only the children and women were unfettered, others were held in chains for the fear of rebellion. Reverend John Newton in one of his testimonies to a Board of enquiry said he often saw a dead and a living man chained together. When the weather was favorable, the captives could come to the deck in the morning hours, dance with shackles fastened, during which time they would be fed, and their cabins cleaned. If the weather were bad, they would take turns in parties of ten to come to the deck for about a quarter of an hour. Sometimes the shackles peeled the skin off their legs. They sang songs of sorrow and sadness loathing in the memory of the past that could never be recovered; their friends and families they would never see again. There are accounts of melancholy noise from the captives when they fall asleep, dreaming of their past lives of happiness and liberty. The average rate of mortality across the middle passage was put at between 20 to 30 percent. Sometimes more than half of the

captives perish. Some slaves endured voluntary starvation and frequent floggings, whereas some subscribed to death as the only relief from agony. Williams (1897) recounts a remarkable instance when a young child refused all sustenance, the captain enraged at his deprecation, flogged him and even threatened to kill him if he would not eat. The child's swollen feet were put in hot water by the captain's order, despite the warning that the water was hot by the cook. This incident resulted in the child's death and the mother was asked to toss the child overboard. The mother, refusing to cast her son overboard, was severely beaten and compelled to take up the child's body, while turning her face to avoid the sight she dropped the child into the sea and continued crying bitterly for many hours.

The horrors of the middle passage cannot be fully understood without the knowledge of the caliber and character of the sailors in the slave trade.

With respect to the mortality amongst the crews of African ships, it must be considered that many of the individuals composing them were the very dregs of the community, some having escaped from prison; others were undiscovered offenders, who sought to escape from the officers of justice. These men flock to Liverpool to join the ship as ordinary seamen, though some had never been at sea in their lives. If when at sea they became saucy and insubordinate, which was generally the case, the officers were compelled to treat them with severity; and having never been in a warm climate before, if they took ill, they seldom recovered, though every attention was paid to them (Williams 1897, p.688).

It may be interesting to note the kind of provisions the captives received on board the slave ship. Williams (1897) avers (from "Williamson's Liverpool Memorandum Book, 1753," in the possession of Richard Cyril Lockett, Esq.)

We frequently bought considerable quantities of dried shrimps from the natives to make broth; and a very excellent dish they made, when mixed with flour and palm oil, and seasoned with pepper and salt. Both whites and blacks were fond of this mess. In addition to yams, we gave them, for a change, fine shelled beans and rice cooked together, and this was served up to everyone with a plentiful proportion of the soup. On other days, their soup was mixed with peeled yams, cut up thin and boiled, with a proportion of pounded biscuit. For the sick we provided strong soups and middle messes, prepared from mutton, goats' flesh, fowls, &c., to which were added sago and lilipees, the whole mixed with port wine and sugar. I am thus particular in describing the ingredients which composed the food of the blacks, to show that no attention to their health was spared in this respect. Their personal comfort was also carefully studied. On their arrival on deck, at about 8 o'clock in the morning, water was provided to wash their hands and faces, a mixture of lime juice to cleanse their mouths, towels to wipe with, and chew sticks to clean their teeth. These are pieces of young branches of the common lime, or of the citron of sweet lime tree, the skin of which is smooth, green, and pleasantly aromatic. They are used about the thickness of a quill, and the end being chewed, the white, fine fiber of the wood soon forms a brush, with which the teeth may be effectually cleaned by rubbing them up and down. These sticks impart an agreeable flavour to the mouth and are sold in the public markets of the West Indies, in little bundles for a mere trifle. A dram of brandy bitters was given to each of the men, and clean spoons being served out, they breakfasted about nine o'clock. About eleven, if the day was fine, they washed their bodies all over, and after wiping themselves dry, were allowed to use palm oil, their

favourite cosmetic. Pipes and tobacco were then supplied to the men, and beads and other articles were distributed amongst the women to amuse them, after which they were permitted to dance, and run about on deck to keep them in good spirits. A middle mass of bread and cocoa nuts was given to them about midday. The third meal was served out about three o'clock, and after everything was cleaned out and arranged below, for their accommodation, they were sent down about four or five in the evening. Indeed, I took great pains to promote the health and comfort of all on board, by proper diet, regularity, exercise, and cleanliness; for I considered that on keeping the ship clean and orderly, which was always my hobby, the success of our voyage depended (Williams 1897, p.691).

Table 1.2: Volume of English Slave Trade from Africa (1690 – 1807)

COASTAL REGION	TOTAL NO. OF SLAVES	PERCENTAGE
SENEGAMBIA	141,300	5.5
SIERRA LEONE	111,600	4.3
WINDWARD COAST	299,300	11.6
GOLD COAST	473,800	18.4
BIGHT OF BENIN	292,700	11.3
BIGHT OF BIAFRA	776,400	30.1
ANGOLA AND MOZAMBIQUE	468,300	18.2
OTHERS UNKNOWN	16,100	0.6

Source: British Archives London

Table 1.3: Estimated Volume of Biafra Captive Exports, 1551 – 1850, by Twenty-five-year period.

Period	Bight of Biafra	All Africa	Biafra Percentage of African Total
1551 – 1575	3,383	61,007	5.5
1576 – 1600	2,996	152,373	2.0
1601 – 1625	2,921	352,843	0.8
1626 – 1650	33,540	315,050	10.6
1651 – 1675	80,780	488,064	16.5
1676 – 1700	69,080	719,674	9.4
1701 – 1725	66,833	1,088,909	6.1
1726 – 1750	182,066	1,471,725	12.4
1751 – 1775	319,709	1,088,909	16.6
1776 – 1800	336,008	1,471,725	16.7
1801 – 1825	264,834	1,925,314	14.1
1826 – 1850	230,328	2,008,670	13.0
Grand Totals	1,592,478	12,231,600	13.0

Source: Nwokeji (2010)

On the account of European writers, capturing slaves was facilitated by the native chiefs and princes. However, there is historical evidence that the Igbo society was stateless before colonization by Europeans. On this note, there is still a consensus amongst the Igbos that *Igbo enwegh eze*, meaning the Igbos have no king. Nonetheless, the studies by Nzimiro (1972) and Northrup (1981) reveal that a ruling class in Igboland was deserving of obeisance. In fact, the political authority and economic structures revolve around the figure heads who very often bear the royal crown of a monarch. Afigbo (1981) opines that the fact that Igbo

society had many rulers is not to conclude that it had none. Albeit some individuals had powers over others based on social and economic status, which facilitate the process of indigenous slavery and the transatlantic slave trade.

The *Aro* refers to a people and their culture as distinct from Arochukwu, which is a place. This distinction is necessary because it helps to distinguish between the *Aro* in diaspora and the *Aro* metropole or the people in Arochukwu homeland. The *Aro* in diaspora bears the cultural mark of the Arochukwu people that is oftentimes adulterated by the culture of the society they find themselves. The cultural developments of the *Aro* in Igboland were strongly correlated with the history of the Atlantic slave trade (Nwokeji, 2010). The expansion of the *Aro* people influenced the Atlantic slave trade in the Bight of Biafra. The *Aro* frontiers were established in the densely populated areas of the Biafra hinterland for easy access to the human cargo for export to Europe. Bonny, old Calabar and the New Calabar ports were catchment areas for the *Aro* slave trade in the Bight of Biafra. *Aro* people established trading posts beyond Igboland. These trading posts became outright settlements that constitute the *Aro* diaspora across the region. The *Aro* played a major role in the political and economic history of the Igbos regarding the Biafra Atlantic trade. Historically, trade diasporas have been cultural carriers, the *Aro* settlements stood out from their host population as they held back some unique characteristics and skills. For instance, the Senegambia trade diaspora adopt the language(s) and some aspects of the culture of the *Maraka* and the *Jahaanke* but continued to claim the Soninke origin (Nwokeji 2010). The *Aro* settlement shared the language and the culture of the Igbo communities they lived in. The closest example to the *Aro* exploits is the Jews, being one of the most widespread international trade and cultural diasporas in the world. There are other African trade diasporas under the tenets of Islam, such as the Hausa, the Soninke-speaking groups of West Africa and the Swahili of East Africa.



## **Igbos and the Nigeria-Biafra War**

The Nigerian civil war broke out in 1967 from an ethnic strife between the Igbos of the Eastern region and the Hausa-Fulani of Northern region of Nigeria. The question of the actual cause of the civil war has generated encyclopedic theses. However, some schools of thought still question the reason behind the war that met such untold hardship on the people of Biafra. Post-colonial Nigeria was tumultuous because of the amalgamation of strange “bedfellows” by the British colonialists for administrative convenience. The country Nigeria is so named by Flora Shaw (Lady Lugard), before the amalgamation of northern and southern protectorates in 1914. Northern Nigeria was slow (still is) at embracing western education and cultures, whereas southern Nigeria, with its predominant Christian population is quick at adopting western styled education and principles. When the country gained independence in 1960, majority of the top military and public servants were southerners, of the Igbo ethnic group of the southeast. The three major ethnic groups in Nigeria; Igbo, Hausa and Yoruba had nothing in common apart from being of the negroid race. At independence, the country was deeply divided amongst the Christian south and Muslim North. Though, there is a reasonable population of Northerners that are Christians as well as a reasonable number of south westerners that are of the Muslim faith, the entire southeastern Nigeria are Christians.

The Igbo culture, being receptive to change, individualistic and highly competitive, gave the Igbo man an unquestionable advantage over his compatriots in securing credentials for advancement in Nigeria (Achebe 2012). The cause of the Nigeria – Biafra war cannot be pinned to a particular political or economic disagreement, but an array of discontentment and hatred that had grown over the years following the exit of the colonizer from the economic and political administration of Nigeria. Britain had structured the political administration of Nigeria to favor the Northern Hausa-Fulani ethnic group because of their perceived intellectual backwardness and to further the cause of British imperialism after independence.

However, because the Igbos were educated, industrious and elegantly fit to take over the administration of Nigeria from the colonizer, they dominated every aspect of the political and economic life of Nigeria as soon as the white man left. According to Achebe (2012) over 70% of the Nigerian civil service were ethnic Igbo as at 1965-66, and the academic success of the Easterners far outnumbered their counterparts from the West, North and Mid-West. Achebe (2012) observes that although the Yoruba had a huge historical and geographical head start, the Igbo wiped out their handicap in one fantastic burst of energy in the twenty years between 1930 and 1950. As a result, what followed was envy and hatred against the Igbos by members of the other ethnic groups in Nigeria. The feeling of resentment put paid to the misinterpretation of the military coup of January 1966, carried out by junior officers of the Nigerian Armed Forces to be tagged an “Igbo coup.” In many other nations the success of an ethnic group as industrious as the Igbo would stimulate healthy competition and a renaissance of learning and achievement. In Nigeria, it bred deep resentment, both subtle and overt attempts to dismantle structures in place for meritocracy in favor of mediocrity, under the cloak of federal character.

The military coup of 1966 led to the killing of the Prime Minister, Tafawa Balewa, an ethnic Hausa-Fulani, and the Premier of Northern Nigeria, Ahmadu Bello also of the Hausa-Fulani ethnic origin, also killed in the coup was the Premier of then Western region. But, sparing the President, Dr. Nnamdi Azikwe, an Igbo. The military coup led by a young Igbo military officer, Major Chukwuma Nzeogwu was not intended to spare Dr. Nnamdi Azikwe. But, because of the “poor” execution, some high-ranking civilians and military officers were not killed before the coup was foiled. Consequently, the highest-ranking military officer took over the government; another Igbo military officer, Major General Aguiyi Ironsi. The general notion of Northerners and other ethnic groups including the Yoruba of western Nigeria was that the Igbos had organized a coup to take over the political administration of Nigeria.

In the aftermath, there was an underground plot by Northern soldiers to organize a counter-coup. In June 1966, General Aguiyi Ironsi, the Head of State was killed and the reprisal attacks on Igbo military and civilians living in the North and in some parts of Western Nigeria ensued. Although, at the time of the assassination of General Aguiyi Ironsi, his host Colonel Fajuyi of the Western Region had to put his life on the line to be killed alongside his boss. That was the spirit of brotherhood that some Nigerians exhibited at the time. As the resentment ensued, soldiers were used to raid and commit crimes against the Igbos. The Igbos were forced to retreat and return to Eastern Nigeria, from various parts of the country abandoning their property and workplace to flee for safety to their traditional homestead. Adichie (2007, 185) discuss how Northerners hunted to kill Igbos living in the North, calling them infidel. "The Igbo must go. The Infidel must go." Dead bodies of Igbos lying on the streets of Sabon-Gari, Kano in Northern region, whole family brutally murdered in the guise of Allah's will. Achebe (2012, 74) stating clearly the prowess of the Igbo in the socio-political affairs of Nigeria at the time,

Unlike the Hausa-Fulani, the Igbo was unhindered by wary religion, and unlike the Yoruba, he was unhampered by traditional hierarchies. This kind of creature, fearing no god or man, was custom-made to grasp an opportunity wherever possible, such as they were, of the white man's dispensations (Achebe 2012, p.74)

Eventually, the Igbo is the most migratory ethnic group in Nigeria, and easily integrates with their host. The Federal Military Government (FMG) now controlled by Northerners forcefully imposed one of their own as Head of State of Nigeria, Lieutenant Colonel Yakubu Gowon. On 5<sup>th</sup> January 1967, a meeting was held in Aburi, Ghana at the request of the leader of Eastern Nigeria, Colonel Ojukwu, as calls for secession and independence from Eastern Nigeria grew louder on the grounds that the security of lives and property of the Igbos can no

longer be guaranteed in Nigeria. Great optimism was expressed, with the belief that the Aburi Accord as it was finally called would bring a long-lasting solution to the problem of the Nigerian state. On the agenda for discussion was working out a constitutional arrangement for the future of Nigeria; the back payment of salaries to Igbo government officials who fled their duty posts as a result of the killings; a resolution denouncing the use of force and brutal killing of innocent ethnic Igbos; the outright refusal of the Eastern Nigeria to recognize the imposition of Lieutenant Colonel Yakubu Gowon as the Head of State and Commander in Chief of the Armed Forces, since he was not the most senior officer at the time.

Two months into the Aburi agreement, Gowon was yet to implement the resolutions, but he promulgated Decree 8, and later froze official communication between the East and the central government in Lagos. Unable to withstand the worst of the FMG, Eastern region Consultative Assembly mandated Colonel Ojukwu on 26<sup>th</sup> May 1967, to announce the independence of Eastern Nigeria as a sovereign state called *Republic of Biafra*. The following day, 27<sup>th</sup> May 1967, Gowon responded by declaring a state of emergency in the Eastern region and dividing the nation into twelve states. On 30<sup>th</sup> May 1967, Ojukwu citing a variety of malevolent acts directed at Igbos such as the killing of over thirty thousand, and the failure of the federal government to protect the lives and property of the Igbos of Eastern Nigeria, with the full backing of the Eastern House Constituent Assembly declared the independence of the republic of Biafra.

The Nigeria – Biafra war was the first major war of its kind that was brought to the full view of the world through the television screen. The entire world watched pictures of starving children, innocent civilians killed or maimed, mass graves and other atrocities that would amount to a genocide committed by the FMG. The moral legitimacy for Biafran demand for self-determination stem from the fact that the FMG was committing a genocide against Igbo civilians through a massacre and enforced starvation, resulting from the

blockade of food to Biafra territory (Simpson, 2014). A major challenge faced by Biafra was the failure of many states in the international community from recognizing the right to self-determination exercised by the people of Eastern Nigeria. This opposition was based on the growing fears by most European countries including Britain that granting self-determination to aggrieved minorities in multi-ethnic settings would result in the further balkanization of Africa, and perhaps an interference to the economic interest of the colonial power.

In 1967, Biafra had a population of approximately 13.5 million inhabitants, one of the very large countries in Africa at the time, if it had survived. The territory contained an abundance of minerals and natural resources, making it the wealthiest territory in the entire African landscape. According to Simpson (2014), no European government officially supported Biafra except France at the later time for relief materials, and public opinion surveys and media coverage by United States embassy officials revealed that most US officials though sympathetic to Biafra's humanitarian plight, feared that a recognition of its secession would jeopardize the colonial legacies left in most countries across the continent.

The British government was eager to protect its economic interests in Nigeria and was willing to take any step at its disposal to further that cause including the supply of arms to the FMG. Despite the accusations by other European powers that Britain was aiding genocide in Biafra, Harold Wilson defended his stance as a bid to foster unity and avoid a rebellious attempt to balkanize a former colony. At the end of the war in 1970, the FMG instructed all banks to pay only 20 pounds sterling to any Igbo person who had an account irrespective of how much was in the balance before the war. This policy's main goal was to impoverish the Igbos and further the annihilation process. The Igbo resilience enabled them to sustain the civil war for 30 months despite all the blockades by the FMG. During the civil war, the Igbos built high powered machine guns and so many other military equipment, refined petroleum in

local refineries to power fighter jets. The frustrations from the war made the Igbos resort to running their own private businesses than seeking public service jobs.

### **Igbo resentment and Ethno-Religious Conflicts in Nigeria**

Igbos have suffered strong resentment from other ethnic groups in Nigeria. This hostility draws from the perceived dominance of the commercial and economic space by Igbos. The resentment, however, became gruesome in the post-colonial era. As the country gained independence, Igbos had made serious incursion into Northern Nigeria and western Nigeria, dominating commerce in major cities of the North and West. Due to their entrepreneurial prowess and traditional apprenticeship system; the process of reproducing generational business with specialized trading skills was easy. Nigeria's multiethnic and multi religious society creates complex and multidimensional problems anchored on religious and tribal sentiments. Lenshie (2020) notes that the relationship between the Igbos and the Hausa-Fulani tribes of Northern Nigeria became increasingly unpalatable since the 1960's, mainly because of the perception that the Igbos dominate the informal economy of Nigeria. As a result, the Igbos are constant victims of ethnic strife and religious conflict irrespective of the origin or cause of the problem. Igbos are targeted and constantly harassed, killed and their businesses looted or burnt down in major cities of Northern Nigeria. Oftentimes, the source of provocation might be unrelated with the Igbo ethnic group, but the Muslim dominated North will often link any religious misunderstanding with Christians to the Igbos.

Orugun and Nafiu (2014) in an elaborate exploratory study of Igbo entrepreneurial activities and business success in Nigeria finds that 74 percent of the investments in Lagos, southwest Nigeria are owned by people of Igbo descent; Yoruba, Hausa-Fulani and foreign investors share the remaining 26 percent. The study further reveals that in monetary terms Igbos have about 40 trillion-naira worth of investments in Lagos, 30 trillion naira in Abuja, 10 trillion naira in Kano and Kaduna, and 5 trillion naira in other cities in Northern Nigeria.

Since after the civil war in 1970, the Igbos returned to commercial activities in most parts of Northern Nigeria, despite the hostilities meted on them by Northerners leading to the civil war. There is a general belief that many northern communities will not survive without the entrepreneurial activities of the Igbo. The Igbos boost commercial activities through their patent medicine stores and consumer goods necessary for the sustenance of life in some of the most extreme remote villages of Northern Nigeria. Historically, the Hausa-Fulani ethnic group and the Igbos have a long history of enduring economic relationship that dates to 1895, when the cattle trading community in Umuahia, in southeast Nigeria was established. Despite this early incursion, Igbo resentment grew among the Northern political class because of their continued entrepreneurial success and economic dominance in the region. In the 1960s, Sir Ahmadu Bello, the Sardana of Sokoto and then Premier of Northern region was quoted as saying,

... the Igbos are a type of people whose desire is mainly to dominate everybody. If they go to the village or a town, they want to monopolize everything in that area. If you put them as a Labourer, within a year, they will emerge as the headman of that Labour camp, and so on (Lenshie 2020, p.77).

This statement from a revered Northern leader cast aspersion on the character of Igbos in their view and many of his followers lived with such resentment and hatred for the Igbos till date. With this fear of Igbo domination, northern leaders embarked on a Northernization of Northern Nigeria public service as Nigeria was on the verge of independence from colonialism. Because Northern Nigeria was educationally disadvantaged and had not enough manpower to take over the civil service of the region, the Premier was quoted in an interview in 1953 with a foreign media,

In fact, what it is, is a northerner first. If you can't get a northerner, then we take an expatriate like yourself on contract. If we can't then we can employ another Nigerian but on contract. We cannot fight to dispense off white masters only to be ruled by new black masters called Ibo. Even here in the north, they run the post office, railways, civil service and they have taken up all the shops we create. Call them Ibo, but you can also call them Zionists, but we shall not relinquish the estate of our fathers to such wretched people who had never had an administration before (Lenshie 2020, p.77).

Despite the antagonism against the Igbos in public service, the informal economy is open for everyone to compete according to skills and talent. The Igbos took over the informal sector of the Northern economy, building an extraordinarily strong commercial base for themselves. The consequences of the perceived dominance of the Igbos were total revulsion, instead of Northerners competing they resorted to violence against the Igbos in major northern cities like Kano. Decades after the civil war in Nigeria, the north and even the southwest still see Igbos of the southeast as a threat to their economic survival because of their perceived dominance in commerce and the informal economy. In recent times, Igbo resentment spread deeply to the southwest of Nigeria especially in Lagos, where there is a huge population of Igbos providing services in all spheres of human endeavor. Igbo enterprise has risen to the envy of other ethnic groups – in banking, commerce, and engineering to mention but a few. The ethnic conflicts observed in Lagos during the 2023 general elections in Nigeria reflects the hate and ethnic bait that some Yoruba of the southwest exhibit against the Igbos. The fear of Igbo domination is now widespread and difficult to assuage and to quote a former Nigerian President Olusegun Obasanjo, there is an “Igbophobia”.



## **Problem Statement**

The goal of this research is to explore and analyze the Igbo Entrepreneurship Model (IEM) to ascertain its impact and relevance to the political and economic development of the Igbo society in Nigeria and the world at large. IEM has been described by Obunike (2016) as a traditional business school. Research findings show that IEM enhances business growth, business survival and promotes skill transfer for sustainable development both at the family and country levels (Dana & Ratten 2017). The IEM model supports the findings in Shapero and Sokoi (1982) on the ability of participants to grasp entrepreneurial education and business opportunities within informal and complex socio-cultural environments. The Igbos are a resourceful, highly enterprising group of people that exist in the West Coast of Africa, along the Bight of Biafra in what is today called southeastern Nigeria. The Igbo country states in Nigeria have the highest Human Development Index (HDI) in comparison to other ethnic groups, according to the 2019 United Nations Development Report. Albeit the Igbos are about 98 percent Christians and the other 2 percent in traditional or Islamic faith, unlike the other major ethnic groups; Yoruba (about 48 percent Christians and 45 percent Muslim) and Hausa – Fulani (65 percent Muslim and 30 percent Christians).

The problem is whether the IEM has received adequate academic and intellectual attention to enable the process to be replicated in other cultures, to maintain a sustainable level of economic growth and development in Nigeria. IEM has been described as an enduring practice by the Igbos in South-Eastern part of Nigeria, and as the most sustaining business incubator in the world (Neuwirth 2018). IEM creates new opportunities for individuals to overcome the unemployment problems in Nigeria, especially since the economy begins to dwindle due to mismanagement of the oil revenue by the political elite. The IEM is a process of grooming an individual through learning a trade or skill and at the end the mentor provides financial support for the mentee to set up own business. Albeit IEM

is primarily based on an apprenticeship system, where successful businesses provide capital for start-ups. This form of stakeholder capitalism has been practiced for centuries in Igboland and has produced very notable billionaires who have been able to contribute to the growth and development of the world economy (Ekekwe 2021). In sharp contrast with other major ethnic groups in Nigeria, Halliru (2013) observes that the Igbo apprenticeship culture encourages business growth as opposed to the Hausa system where an individual serves his master indefinitely without any plan of making him independent. The Igbo apprenticeship system provides a definite time for the individual to learn the skills required for an independent, successful entrepreneurial career.

There is a strong relationship between culture, morals and beliefs with economic progress. Max Weber (1905) was able to link the spirit of capitalism with protestant ethics. Resourcefulness and hard work could be traced to a culture of independent thinking, positive attitude and communal support. In China and Asian economies, we see the role of culture in their resilience in business. A study by Kwon *et al.* (2013) on the impact of traditional Chinese culture on business development show some basic cultural characteristics; *irenqing* (personal relationship), *Mianzi* (reputation), *chaxu-geju* (different mode of association) and collectivism, impacts on customer relations and marketing. Far from what is thought of western capitalism where the bourgeois class exploits the underclass; usually place them under a loan scheme to work and redeem themselves. Weber identifies the peculiar problems of capitalism as being sourced in trade, war, politics, or administration with the common desire to gain out of the rational organization of free labor.

The Igbos are Christians, and their mythical Jewish heritage drives their enterprise. The Igbos believe in shared prosperity, which broadens the structure of social capitalism, every member of the community has a responsibility to ensure that the other gets a good start in life. Culture and ethics obviously affect business, economic empowerment, and growth.

The Calvinist Protestants viewed work as an important means of serving God. Lutherans believe that one's secular or economic activities is dutiful obedience to God's will (Bruton, *et al.* 2018). One of the founding fathers of the United States, Benjamin Franklin ascribes his success in life to adopting his father's Calvinist ideologies (Bruton *et al.* 2018). Calvinism and Lutheranism gave rise to the protestant ethics that propelled economic progress via capitalism in the United States and Great Britain, which was further adopted by many countries of the world. Weber (1905) acknowledges that the emancipation from economic traditionalism is a factor that threatens the sanctity of the religious tradition, but all the same, the discipline that is acquired from a strict religious disposition would engender the formation of character not of indolence but of persuasion to self-emancipation. The repudiation of a life of laxity is the true essence of the Christian doctrine, of which the individual spirit is elevated to fulfilling a sense of achievement. Furthermore, the greater participation of Protestants in the position of ownership and management in modern economic life because of greater material wealth both inherited and acquired. The Igbo society has achieved a balance of wealth through cultivating a work ethic of resilience, obedience, and perseverance. The Christian identity, belief and practice have been beneficial to the Igbo sense of being.

Igbos have over the years devised a unique cultural value orientation that encourages business expansion through communal engagements. Parents identify their child's entrepreneurial ability and ambition, provide capacity through a mentor-mentee relationship or master-servant relationship. The mentee or servant is allowed to start his own business after undergoing apprenticeship training – going through three stages of talent identification, learning and final settlement (Iwara *et al.* 2019). The kinship and brotherhood cultures are major influence on the Igbo enterprise. The spirit of *onye aghala nwanne ya*, meaning 'do not leave your brethren,' carrying everyone along is the soul of the Igbo enterprise and resourcefulness. This practice encourages unity and economic prosperity amongst the Igbos.

The underlining philosophy of Igbo apprenticeship system is shared prosperity, guaranteeing every member of the community the opportunity to earn a living.

IEM is a wealth creating and employment generating process that forms the backbone of the Igbo business success. This apprenticeship system creates a value chain reproducing businesses of the same kind and sometimes in diverse fields. One of the leading automobile manufacturing companies in Nigeria and Africa, *Innoson Motors* is a product of the Igbo apprenticeship system. The founder of Innoson Group, Mr. Innocent Chukwuma started as an apprentice retail salesman under the Igbo apprenticeship scheme. Having learned the trade, he continued in practice with his mentor to diversify greatly becoming a leading force in his business. Learning a trade is the norm in the Igbo country. It is a tradition that every Igbo man strives to be self-sufficient to control his financial destiny. Little wonder, the Igbos move from one place to the other seeking opportunities and ‘greener pastures’ for a better life. The Igbos carry on their trading skills to far-away land, assimilating their host culture to excel in business.

There is a strong link between virile entrepreneurial skills and economic development (Vracheva and Stoyneva 2020; Xiong *et al.* 2018). Stoica, Roman & Rusu (2020) find that opportunity-driven entrepreneurship and early-stage entrepreneurship are key factors that drive economic growth. The Igbo entrepreneurship model is largely both opportunities driven and more responsive to the early-stage entrepreneur. This apparent link connects entrepreneurial spirit and economic development in the creation of jobs and economic self-sufficiency. Over the period the Nigerian economy has been suffering setbacks, due to maladministration and misappropriation of the huge oil revenue that accrues to the central government. Unemployment has been on the increase, despite some efforts by government to provide empowerment programs. The likelihood of business survival is at the barest minimum due to lack of basic infrastructure. Nonetheless, the traditional entrepreneurship

model has provided a leeway for the teeming youths especially those from the southeastern part of Nigeria to be employed and fulfill their aspirations for a better life.

### **Purpose Statement**

The purpose of this study is to find a relationship between a peoples' culture and economic growth and development. The Igbos of southeastern Nigeria are known for a traditional system of apprenticeship that enables a mentee to learn a trade with a mentor/master for a specified length of time, usually for five years or more. This traditional method of apprenticeship usually leads the mentee to perfect the art of the trade and to establish his or her own business with the support of a mentor. During this period of apprenticeship, the mentee receives training, which includes both moral and fiscal discipline to manage his business. Studies have revealed that many successful Igbo businesses evolved from this traditional model of apprenticeship leading to a structured entrepreneurial growth and development (Agu & Nwachukwu, 2020).

To understand the influence of the individual, family and society on the Igbo entrepreneurship model, this study examines the role of apprenticeship training on the individual entrepreneur, the impact of inheriting a family business on the growth of the entrepreneur and the effect of the financial settlement of the mentor to the mentee, which is the fulcrum of the traditional apprenticeship system, on the start-up capital of the entrepreneur. This study therefore constructs three hypotheses along the line of three research questions that hinge on the above premise. However, the primary purpose is to empirically ascertain the role of the Igbo traditional apprenticeship system on the entrepreneurial development of the Igbo society.

### **Significance of the Study**

There are two main strands for the justification of this study: one is to show the relationship between culture, entrepreneurial growth and economic development and the other applies

data and empiricism to analyze the traditional apprenticeship system of the Igbos of southeastern Nigeria. On the relationship between culture and entrepreneurial development, Madichie, Nkamnebe & Idemobi (2008) using a survey of 30 owner-managers and 236 top management staff of indigenous firms located in Nnewi Southeastern Nigeria show a strong and positive impact of culture on the entrepreneurial and managerial performance of small firms. This study lends credence to the fact that the culture of a people critically affects their business and entrepreneurial spirit. Albeit, from historical account the study reveals that the Nnewi stock of the Igbo nation have cultural traits that propel innovativeness, resilience and the willingness to survive independently. Through the “Afia Olu” and “Ikwu Aru” festivals celebrated annually, the spirit of industry is cultivated amongst the Nnewi people. This cultural tradition awakens the ethos and beliefs that embolden the entrepreneurial spirit of the natives, like the Taos Pueblo in North America and the Kibbutz communities in Israel.

According to Ajaekwe (2008) cultural traits in entrepreneurial pursuits could be factored into several attributes: family background, religion, history, ideology, and enterprise culture. Family business background constitute a rudimentary source of transmitting entrepreneurial skills in Igbo land. Many entrepreneurs develop their enterprise through the network of family. The Igbo apprenticeship scheme is nurtured by the extended family system that is inherent in the Igbo culture. Many Igbo businesses have survived through the passage of time, keeping pace with prosperity and economic gains by weathering the storm of macroeconomic fluctuations. The Igbo entrepreneurial resilience originates primarily from indoctrination and a culture of perseverance and preservation of family values. The family is the primary institution in the Igbo traditional enterprise, regulated by ethics and cultural norms. The transfer of skill and property is the foundation of the Igbo enterprise. Many successful Igbo businesses were transferred through inheritance.

Religion plays a key role in the cultural milieu of the Igbos of southeastern Nigeria. Igbos embraced the Christian faith following the advent of European colonizers into their enclave. The European colonizers came with the 3C's, Christianity, Commerce and Civilization. The Igbo society was traditionally monotheist before the arrival of Europeans and their strong belief in one Universal God called *Chi (Chukwu)* share strong similarities with the European Christian doctrine. As a result, the Igbos became easily assimilated into the faith and are considered the largest Christian ethnic group in sub-Saharan Africa. With a population of about 50million people (about twice the population of Texas), the Igbos are strongly linked with the Christian faith and their keen sense of value and business resilience is rooted in the scriptural love for one-another. The Igbo entrepreneurial spirit inculcates a powerful sense of perseverance, hard work, and an everlasting hope in the grace of God. The role of religion in the cultural development of any society cannot be overemphasized. Some social scientists argue that the economic growth and development of nations cannot be explained without understanding the role of culture more deeply as it relates to the religion of the people (Landles 1998; Norris and Inglehart 2004). In the same vein morals, values, culture, institutions, and religion need not be studied in isolation (Friedman 2008, Bowles 1998). Similarly, Qayyum, Anjum & Sabir (2019) argue that nations have unique origins and ideologies that are shaped by the religion they inherit. Oftentimes, the path to national development and institutional philosophy springs from the complexities of religiosity. All the same, the indoctrination of the people of a nation into a particular religion draws from the perception of the people and the social contract that governs human conduct and formal institutions. Although the role of religion in the economic development of nations has not been fully examined in the development literature, it remains convincing that religion has shaped the perception of work and survival ethics, which guard human progress. According, to Weber (1905), capitalism flourished in western Europe due to the work ethic and pursuit of

industry of Calvinists and Lutheran tradition. To this end, the Christian religion adopted by the Igbos could be argued to be among other elements that have contributed to their resourcefulness and a good sense of entrepreneurship.

The history of the origin of the Igbos is another factor that contributes to the development of the apprenticeship system. The Igbos have suffered persecution in the country called Nigeria, having found themselves among ethnic groups that are less endowed in natural abilities for commerce and industry. Between 1967 and 1970, the Igbos of southeastern Nigeria faced extinction through a civil war, which led to the killing of over 3 million Igbos and a deliberate official pauperization of the Igbo people through the payment of 20 pounds sterling to every Igbo indigene who had a bank account in any bank in Nigeria, irrespective of how much was in the account balance before the civil war. This attempt by the Nigerian government to impoverish the Igbos was borne out of envy for the relative success that the Igbos enjoyed before the civil war. Igbos had upper hand in the political administration and commerce in Nigeria before the war in 1967. From Sir Louis Odumegwu Ojukwu, first African billionaire businessperson in Pounds Sterling through Dr. Nnamdi Azikwe, who was the first President of Nigeria to General Aguiyi Ironsi, the first military Head of State after the coup of 1966 that ousted the first republic civilian administration in Nigeria. The Igbo ethnic stock excelled both in business and public service.

Another major historic event that put the Igbos on the path of entrepreneurship and economic emancipation was the slave trade. The transatlantic slave trade engaged the Igbos in business dealing with Europeans. The British archival records show that over 40% of the total number of slaves transported to the New World were Igbos from the Bight of Biafra and Bight of Benin, making them the highest number of any ethnic group in the slave trade. The Igbos engaged the Europeans in the trading of spices, cowrie shells and other commodities of



interest during this era. In fact, the consequence of history has a significant role in entrepreneurial growth and economic development (Madichie *et al.* 2008; Ajaekwe 2008).

Ideological and indigenous social practices is another major contributing factor to the cultural milieu of entrepreneurial development observed by Madichie *et al.* (2008). A society's social structure helps build an ideological base for economic progress and self-reliance. The Igbo society is egalitarian in nature and every individual struggle to be self-sufficient. The idea that Igbos have no King trumps up the instinct of building on one's ability to succeed individually. As Chinua Achebe, the world-renowned writer stated in his book:

The Igbo culture, being receptive to change, individualistic and highly competitive, gave the Igbo man an unquestioned advantage over his compatriots in securing advancement in Nigerian colonial society. Unlike the Hausa/Fulani, he was unhindered by a wary religion, and unlike the Yoruba, unhampered by traditional hierarchies (Achebe 2012, p. 42).

The prevalence of an entrepreneurial culture is an essential ingredient of the Igbo enterprising society. The average Igbo man believes he has something to sell to someone to make a living. Whereas the Hausa ethnic group in Nigeria believe that although qualities like hard work and perseverance can enhance one's entrepreneurial ability, success is ordained by God (Halliru 2013). Unlike the Igbos who believe that entrepreneurial success is solely dependent on individual effort. Hence the saying '*Onye kwe, Chi ya ekwe*' meaning 'if you agree, your god will agree,' is common among the Igbos. The crux of a socio-economic order in the Igbo society is the balance between demand and supply for goods and services. Previous studies have examined the Igbo entrepreneurial model using qualitative and quantitative analysis (Madichie *et al.* 2008; Ekesiobi and Dimnwobi 2021; Agu *et al.* 2020). However, these studies have applied data from a few clusters where the Igbos do business. This study differs,

not only in the number of clusters to be investigated but expanding the literature on the historiography of the Igbo society to draw a link between the Igbo peoples' culture and entrepreneurial prowess. There is need to understand the extent of stakeholder capitalism in rebuilding the fault lines of business structures, especially for communities in the developing world where there is little social protection from government.

### **Research Questions**

The research questions for this study will be anchored on three premises:

1. What is the effect of apprenticeship training on the revenue earned by an entrepreneur?

This can be ascertained by examining the difference between revenue generated by entrepreneurs that passed through the Igbo apprenticeship system and those who did not.

There is no doubt that what drives every business enterprise is the profit motive. For a business to make a profit it must generate sufficient revenue. The question of revenue generation becomes the ultimate drive for the apprenticeship system under the Igbo business model. The Igbo entrepreneurship model is more of a traditional way of sustaining an entrepreneurial spirit that is driven by a communal support system of mentor-mentee relationship. Ekekwe (2021) describes the Igbo apprenticeship system as a modification of *stakeholder capitalism* – a structure of capitalism that allows the business owner to promote the interest of his competitors alongside his own interest. The traditional capitalist system encourages the entrepreneur to drive out competitors by acquiring a significant percentage of market share. In the model of stakeholder capitalism, the entrepreneur seeks to empower members of his community through an apprenticeship scheme, which includes financial support and relinquishing of market share to providing support for start-ups.

2. To what extent do family relationships affect business success and survivability of the Igbo entrepreneur?

The family plays a tremendous role in the skill transfer process of the Igbo entrepreneurship model. Some businesses revolve around the family and through skill transfer the business is sustained from generation to generation (Igwe *et al.* 2020). Another major area is the support the family provides to the individual to acquire training from a mentor identified by the family. The mentor-mentee relationship is often strengthened by the relationship between the parties. The Igbo Entrepreneurship Model (IEM) is based on a mentor-mentee relationship and has been described as a traditional business school (Obunike 2016, Ekesiobi and Dimnwobi 2021). Research findings indicate that the IEM enhances business growth, business survival, promotes skill transfer for sustainable development through shared prosperity (Dana & Ratten 2017). In this case the average weekly revenue measures the business success and the number of years in business will measure survivability, whether the business was inherited from family will capture family relationships.

3. What is the impact of societal apprenticeship culture of financial settlement on the start-up capital of the Igbo entrepreneur?

According to Igwe *et al.* (2020), the Igbo apprenticeship culture is assimilated through a mentor-mentee relationship – *Igba boi* or *Igba odibo* (serving a mentor), *Imu ahia* or *Imu Oru* (learning a trade or craft) and *Igba oso-ahia* (being an intermediary in the market). The culture of a people significantly affects their economic well-being. Whether the mentor (master) provides financial support or settlement to the mentee after training is the core of the apprenticeship culture, considered a key factor determining the success of the entrepreneur at the early stage as a start-up. The amount of start-up capital available to the mentee could

determine the extent of business success. There is a tendency that an entrepreneur who receives financial support from the mentor may have more start-up capital at his disposal.

### **Hypothesis**

The following null hypothesis springs from the research questions:

1. Apprenticeship training has no significant relationship with the amount of revenue generated by an entrepreneur.
2. Whether the business was inherited from family has no significant relationship with the number of years in business.
3. Whether the entrepreneur received monetary support from mentor has no significant relationship with the amount of start-up capital.

### **Scope of Study**

This study explores the entrepreneurial behavior of the Igbos with a view to analyzing the apprenticeship system that is integral to the political economy of the society. This study will adopt an empirical perspective to estimate the outcome variables that are relevant to understanding the Igbo Entrepreneurship Model (IEM). The study will delve into the political and economic history of the Igbo society to elicit some of the underlining factors for the role of culture and tradition in the economic prosperity of a nation. The study will concentrate on the empirical analysis of variables that affect entrepreneurial behavior and less on biographical facts. This study is limited by data availability and spatial constraints of Igbo business clusters, where the information is sourced through an interview process. Whilst this sort of primary data's reliability may be questionable, some econometric data filtration methods will be applied at the time of analysis.

As this study will demonstrate, there is ample evidence that Igbos through their entrepreneurial endeavors contribute immensely to the economy of Nigeria. But it is difficult to treat separately the contributions of Igbos to the economy of Nigeria. The Igbo people

being an integral part of the Nigerian society have made significant individual and corporeal investments to the growth and development of the economy. This study cannot segregate the contributions of the Igbo entrepreneurs to the gross domestic product (GDP) of Nigeria.

Although, the GDP of southeastern states could be ascertained but the Igbos have investments in other parts of Nigeria and these investments cannot be treated in isolation from the entire Nigerian economy.

This study is presented in five chapters. Chapter one covers the entire study's introduction, the second chapter features the theoretical and empirical literature. The third chapter presents the research design and method of analysis, chapter four is on data presentation, analysis, and discussion of results. Chapter five concludes the study.

### **Chapter Summary**

This chapter introduces the entire study, by stating the reason, motivation, and problems the study intends to solve. In this chapter we present the statement of the research problem drawing from the nature and structure of the traditional apprenticeship system of the Igbos of southeastern Nigeria. The apprenticeship culture is the foundation of the Igbo entrepreneurship model, which is rooted in a mentor-mentee relationship. In this chapter, the research questions are presented, and the hypothesis equally stated. The scope of study are presented, and the chapter specifications highlighted.

## **CHAPTER TWO: LITERATURE REVIEW**

### **Overview**

This section reviews relevant literature on the Igbo entrepreneurship system along the concept of stakeholder capitalism and its role in the development of the informal sector of the Nigerian economy. The causal relationships between variables and the applicable conceptual and theoretical framework deduced from the literature is also presented in this chapter.

### **Conceptual and Theoretical Framework**

The Igbo entrepreneurship model springs from a traditional apprenticeship system viewed by many scholars as a vehicle for economic empowerment and shared prosperity. The products of the Igbo apprenticeship system generate industrial and artisan clusters. The marketplace in Onitsha and other parts of the country constitute clusters of traders and craftsmen dealing in various kinds of wares. The Igbo businesses span through large manufacturing conglomerates like Innoson Motors, Coscharis Group, Ibeto Industries, to mention but a few, to a body of informal trading stores. All these ventures are focused on generating employment and meaningful source of income for the owners. In a country where there is no social protection, the Igbo society has designed for themselves a veritable system of socio-economic equilibrium. This informs the reason Igbo states have the highest level of human development of all the ethnic groups in Nigeria (UNDP 2019). Igbo entrepreneurship model (IEM) is one of the biggest business incubators in the world (Neuwirth 2018). The model is an enduring practice, which involves grooming an apprentice through an informal mentor-mentee system. IEM creates business clusters, while equipping beneficiaries with skills and business aptitude. This skilled manpower acquires the tools of trade through apprenticeship. Apprenticeship and entrepreneurship in this context complement each other. The process of apprenticeship in the Igbo society leads to self-reliance, which paves the way for business ownership and entrepreneurship.

The context of IEM is embedded in the Igbo traditional worldviews of morality, brotherliness, and community engagement. There is no formal agreement that links a mentor and a mentee, but the activities are formalized at the family or kinship level. Often, the parties to this informal agreement hardly renege on the oral contract. They are guided by culture and tradition. Because both the mentor and mentee share a common goal of prosperity and helping the community grow economically to reduce poverty and crime. The social bond that exists between the mentor and mentee is also rooted in the Christian faith as the scriptures command in 1 Timothy 5:8 (KJV) “But if any provide not for his own, and especially for those of his own house, he hath denied the faith, and is worse than an infidel.” There is an insatiable desire for family support in the Igbo society. Successful businesspeople are given chieftaincy awards and various honors for their ability to carry their relatives along.

There are several entrepreneurship theories with relevance to the broad spectrum of this study. The **anthropological theory**, which focuses on the role of culture in directing and managing a formidable entrepreneurial ability has been discussed by North (1990) and Baskerville (2003). This theory stipulates that social norms and cultural setting play significant roles in entrepreneurial success (Omonijo *et al.* 2018). Anthropological theory best describes why the Igbos quickly adjust to the culture and norms prevalent in their host communities. A major attribute of the Igbo enterprising skill is the ability to adapt to their business environment. The Igbos have been known to adjust quickly to the lifestyle of their host communities, speaking their language, inter-marrying. The Igbo business success is rooted in the ability to integrate completely with the host community.

Second, there is the **opportunity-based entrepreneurship theory** linked to Drucker (1985) and Stevenson and Jarillo-Mossi (1990). This theory relies on the opportunity tactics for business advancement. The theory predicts that entrepreneurs discover new opportunities in every technological or customer preference change. This theory negates the Schumpeterian

principle of entrepreneurs responding quickly to evolving business practices (Drucker 1985). Proponents of this theory argue that entrepreneurs adjust to business circumstances by exploiting opportunities. The IEM being a communal based model provides opportunities for growth. Mentors relinquish market share for their mentees to enable them to grow in the initial period. There is a reasonable level of support from the community to enable the entrepreneur to learn new skills and career advancement.

Another relevant theory in literature is the resource-based theory, which is regarded as an extension of the opportunity-based entrepreneurship theory (Stevenson and Jarillo-Mossi 1990). Adherents to this theory argue that entrepreneur access to resources is a critical predictor of the opportunity-based entrepreneurship theory and the growth of innovative business decisions (Alvarez and Busenitz 2001). Financial, social, and human resources are important in entrepreneurial development (Aldrich 1999). The access to resources enhances the ability of an entrepreneur to harness opportunities at his disposal. The IEM naturally supports the adoption of all these resources for skill development. Nonetheless, the social aspect addresses the desire to acquire skills, while the financial aspect focuses on the settlement that the mentee derives from the master at the end of the training.

There is also an **entrepreneurial-event theory** that is postulated by Shapiro and Sokol (1982). This theory states that the event of entrepreneurship is a result of the interaction of social factors, which comprises of an interaction between diverse ethnic groups influenced by cultural and social factors. The theory recognizes three basic constructs (perceived visibility, perceived desirability, and propensity to act) as the drivers of entrepreneurial development (Agu and Nwachukwu 2020). This theory lends credence to the analysis of cultural and social context of Igbo entrepreneurship model, which explains the mentor-mentee relationship. The mentee needs to want to succeed before starting the training scheme. The perception of the apprentice of his entrepreneurial engagements will form the



basis of subsequent support from the mentor. Irrespective of the support that comes from family and community, the underlining factor is whether the mentee has a desired goal to succeed in his chosen career.

Whilst the above theoretical framework applies to the relationship between mentor-mentee in a traditional apprenticeship system leading to entrepreneurship, there is a need to review some theories that apply to entrepreneurship intentions as well. Agu *et al.* (2022) applied the theory of planned behavior model in a study of entrepreneurial intentions. The theory holds that attitude, subjective norms and perceived behavioral control are the three main determinants of the intention to engage in a particular behavior, which transforms into the actual behavior of the individual (Ajzen 1985). Entrepreneurial intention is the self-acknowledged desire of anyone working towards setting up their own business in the future. In fact, the Igbo Entrepreneurial model relies on the intention of the mentee to work towards a business goal.

The **theory of planned behavior** presumes that the individual in this case, the entrepreneur who had passed through the process of apprenticeship must hold a positive view of himself to make progress. Thus, individuals who conceive themselves with positive perception in life are better placed to starting up an enterprise that will eventually succeed. In the same vein, a negative perception contrives the tendency to fail. There is a strong connection between entrepreneurship intentions and attitude and perception to succeed (Agu *et al.* 2022; Agu & Nwachukwu, 2020). Therefore, there is a subjective norm that is implied on the apprentice by social pressure to perform to redeem his image and earn the trust and confidence reposed on him by his family and community. This process becomes cyclical; the mentee who has succeeded today, becomes a mentor tomorrow and so on. This process of stakeholder capitalism and shared prosperity inures in the Igbo society till date.

In another dimension, Osiri (2020) applied the **theory of structural functionalism** to examine the Igbo management philosophy by focusing on how institutions in ancient Igbo society were able to create a sustainable economic system that served the individual purpose and that of the community. The framework suggests that the Igbo entrepreneurship model springs from the interdependence of traditional institutions and the complexity of the Igbo society. The philosophical underpinning of the apprenticeship system is to provide support to someone who needs a helping hand to start a business of his own. To this end, the model encourages an enduring sense of perseverance, a desire to succeed and to create value for the community. Entrepreneurs who have found success in this process are those poised to learn a trade, with obedience and attention to details. At the end, the fruit of every diligent labor and sacrifice is success. The Igbo Entrepreneurship model, like every other process of economic and business empowerment requires a prosperous vision and ability to push through difficult circumstances.

The **structural functionalism theory** has been criticized by scholars because it does not explain social and cultural changes that are major factors in business survival (Subedi 2010). Albeit the assumption that the dynamism of societies should be captured in the framework of business management is of significance in this respect. Nonetheless, the conflict theory of Karl Marx (1859) postulates that societies are always in conflict because of competition for scarce resources. This theory suggests that those with wealth often dominate and to maintain stability they suppress the underclass (the proletariat). This conflict theory explains capitalism, but the Igbo entrepreneurship has sidetracked the vagaries of pure capitalism through a process of stakeholder capitalism, that imbues a cooperative sense rather than competitive. The principal is guided by cultural vocation and ethics, remains loyal to a traditional system that compels him to carry his community along as a responsibility to

prosperity. This concisely could be referred to as leadership at the community level. So, the criticism of structural functionalism does not apply to the Igbo society.

The Igbo entrepreneurship philosophy draws its values from hard work, enduring hardship, the spirit of sacrifice and posterity (Nnadozie, 2002). The family is the core of the Igbo institution, which prepares the youth for the world of the marketplace, where societal interaction determines success. The apprenticeship system is a formal ground for preparing the youth to take over a family business, artisanship or business skill and craftsmanship that could be transmitted across generations (Osiri, 2020). Although, the Igbo society is no longer as tightly knitted, because of the infiltration of modern capitalism into the society, there is still compelling evidence of the traditional model and notable successes observed in the Igbo country. This premise underscores the goal of this research, to explore the extent of the traditional model of the Igbo apprenticeship system on the development of the economy and the stability of the society.

### **Related Literature**

The Igbo values of sacrifice, hard work, integrity, honesty, kindness, co-prosperity, truth and justice are the important values that allow business and economic life to flourish (Osiri 2020, Okolie *et al.* 2021). The family is the nucleus of the transmission mechanism of Igbo cultural values (Arthi & Fenske 2018, Iwara *et al.* 2019). It is the most important institution in traditional society for the cultivation of ethics. The Igbo family unit drives the apprenticeship system, which allows businesses to be handed down from one generation to another (Nnadozie 2002, Uchendu 2019). Integrity and honesty are important cultural values that build trust among the Igbos. The communal support that holds the fabric of the apprenticeship system is rooted on trust, since there is no written contract to bind parties.

The Igbo entrepreneurship model is a business formation that promotes the interest of shareholders alongside the members of a community, workers, and consumers alike (Agu *et*

*al.* 2022). Ekekwe (2021) describes this form of business as stakeholder capitalism, because the owner of a business grooms his competitor, provides the necessary financial support and relinquishes a proportion of the market to the mentee. Sometimes the mentor leaves the market outright for the mentee to take over the entire customers. This method enables businesses to grow and expand rapidly. This traditional method of skill transfer has produced many successful businesses owned by Igbos across the globe (Ekekwe 2021). The Igbo entrepreneurship system creates small scale businesses through skill transfer based on a master – servant relationship. The successful business takes a family member or a young man from his community willing to learn the trade. After training, the master provides the necessary financial and moral support for the young man to set up his own business, usually beginning on a small scale (Ekesiobi and Dimnwobi 2021).

Some empirical research studies have been performed to understand the impact of the apprenticeship system on business survivability and revenue generation using samples from two clusters, which is not enough to garner the required information for policy formulation. Ekesiobi and Dimnwobi (2021) used only two clusters in Onitsha and Nnewi, all in the southeastern region of Nigeria. However, this study intends to widen the scope of the empirical research on the Igbo entrepreneurship model by using data from five industrial clusters across the country to capture a more generalizable sample for the population of the study. The subsequent review of literature will focus more on relevant quantitative and qualitative research in this area.

Agu & Nwachukwu (2020) in examining the relevance of the Igbo Traditional Business School argues that perceived desirability, perceived feasibility, and propensity to act are significant predictors of entrepreneurial intention. The paper applied a multiple regression on a sample of 122 micro-entrepreneurs (welders) who passed through the traditional apprenticeship program to conclude that mentors should aim at providing mentees the

advantage of owning a business to continue the regenerative process of entrepreneurship. Applying the entrepreneurship event model and the cognitive apprenticeship theory, the study revealed that Igbo traditional apprenticeship system through the process of learning a trade or skill transfer effectively employs economic factors of production; land, labor, and capital to achieve a desired level of economic growth and social equilibrium. Also, Obunike (2016) in a study of 106 entrepreneurs in Onitsha found that there is a significant and positive relationship between serving a mentor in the traditional sense (*Igba-boi* or *Igba Odibo*) and effective customer relationship and profitability in business as an entrepreneur. In the same vein Udu (2015) found that formal educational qualification has no significant impact on entrepreneurial business growth, but the level of service quality and business expansion significantly affects profitability of the business.

Amaechi *et al.* (2021) in analyzing whether the traditional indigenous practices of *Igba-boi*, *imu-ahia* and *Igba oso ahia* embedded in the Igbo apprenticeship system provide appropriate explanation for understanding the success of Igbo-run small and medium scale enterprises in Limpopo South Africa. The study finds that in data of 111 participants, the Igbo traditional apprenticeship system significantly affects entrepreneurial success, through increase in business revenue, opening of new businesses, ability to train new entrepreneurs; and customer acquisition. The study concludes that the Igbo entrepreneurs in the diaspora constitute the most innovative set of businesspeople in terms of business start-ups and engagements. Despite the sociopolitical constraints as immigrants, they struggled to overcome the odds to emerge successful in the South African business community.

In many developing countries, businesses are largely informal due to the lack of social security provisions. These businesses are unregistered and hence do not pay taxes to the government, although they provide employment for the teeming population, especially the youths. Even when the small businesses are registered, government lacks the capacity to

implement policies to formalize their contribution to the national economy. Many of the Igbo enterprises fall into the category of informal organizations set up by individuals to provide a means of livelihood as opposed to an outright business formation incorporated in the business registry of the country. However, some of these informal organizations develop large business outfits with huge monetary balance sheets. Nonetheless, many registered companies in Nigeria still operate in the informal economy due to their size and the inability of government to produce policies that will attract them to the formal economy, such as paying the requisite taxes and providing incentives for growth. The informal economy contributes about 65 percent to the GDP of Nigeria (Etim & Daramola, 2020). Madichie, Gbadamosi & Rwelamila (2021) observe that a major problem in Africa's business development is the neglect of the informal sector.

The informal sector is the largest employer of labor in developing countries, composed of several small and medium enterprises (SMEs) (Madichie et al. 2020). Davies & Thurlow (2010) opine that two factors account for the neglect of the informal sector, first is the general notion that there are two sectors in the economy: private and public sectors, and the second is that the educational system produces graduates for employment and not for entrepreneurship or self-employment. This structural imbalance and the lack thereof of government support hampers the growth of entrepreneurship through the informal sector. Another major problem in the development of the informal sector is access to capital (Iwara & Netshandama, 2021). Many in the developing world resort to traditional means of funding to raise capital for small business development. The African model of informal saving and investment has been significant in the growth and development of small businesses. With the advent of colonization, some of the traditional African ways of business financing have given way to "formal" sources of funding, thereby reducing capital mobilization for small business growth in the traditional sense (Adeola 2020, Iwara et al. 2019). Iwara & Netshandama

(2021) in their study conceptualized the stokvel system practiced in south Africa and the *esusu* system in Nigeria, as means of capital mobilization in traditional African societies to support entrepreneurs for business growth, job creation and poverty reduction in rural areas. The stokvel system is an indigenous South African version of Accumulating Savings and Credit Associations (ACSAs), provides the platform for community members with a common goal to agree for the mobilization of funds across their membership. The members pool funds together, periodically, for the benefit of a member and ensure that the funds go round all the members, for the actualization of their business goals. An agreed amount is contributed by every member at a given period and they take turns to receive the lump sum from the scheme, one member at a time. This traditional system is based on trust and mutual coexistence and has helped in the development of enterprises in so many African societies. It is called *gam'iyas* in Egypt (Adams 2009), known as *chama* in Kenya (Sile & Beth, 2015) and *esusu* in Nigeria (Moses et al. 2015). This informal savings and loan system is still being practiced in Africa to alleviate the problems encountered in accessing funds through the formal economy. The *esusu* system has helped entrepreneurs under the Igbo entrepreneurship model to access funds for their business. In any case, the traditional savings and loan system compliments other funding sources such as family, master or mentor sponsorship as observed in the literature, banks, and other financial institutions.

The major drawback of the rotatory traditional *esusu* system is the waiting time and the fear of default by any member of the group, however it is still the last hope for many who engage in the scheme. But confidence is often restored by ensuring that members are recruited from known and scrutinized sources or along cultural lines and recommendations from group members. This funding system provides a strong financial backbone for small-scale enterprises in the informal economy in developing societies without formal business capital. There is no doubt that government policies affect entrepreneurial growth. With

monetary and fiscal policies government institutions can alter the balance sheets of individuals and corporate organizations to determine the flow of capital and money in circulation for individuals and businesses. Any society determined to improve the state of its economy must promote efficient taxes, reasonable tariffs, and business friendly regulations for entrepreneurial activities to thrive. Small business development reduces unemployment and increases economic growth. When businesses borrow easily at reduced interest rates and operate in a friendly tax regime, their outlay expands, and employment improves. The cycle of entrepreneurial growth and formalization of the informal sector improves the performance of the overall economy. In recent times emerging economies like Taiwan have implemented industrial park policy and export processing zones to create clusters of small businesses to enhance industrial growth and in turn a productive economy (Lin, Chang & Shen, 2010). In Nigeria, policies like the Small and Medium Enterprises Development Agency (SMEDAN), N-Power program, Government Enterprise, and Empowerment Programme (GEEP) and the You-win program were designed to promote entrepreneurial activities by facilitating access to funds and other resources needed for the growth of SMEs (Oliyide, 2012). Unfortunately, these government programs do not effectively improve entrepreneurial performance to stimulate economic growth. Another major step taken by government in Nigeria towards formalizing enterprises is the ease of registering business names by the Corporate Affairs Commission (CAC), however registration is not enough to pull the business entity into the tax dragnet. There is no incentive to pay taxes by small business owners because the government provides no support at the end.

Major components of the informal sector in Nigeria are artisanal and non-farm activities. Traditionally, artisanal enterprises are localized and often embedded in the cultural milieu of the society. For example, in southeastern Nigeria there are iron smelters in Igbo Ukwu, leather tanning in Aba, automotive parts remolding in Nnewi, among others. Igwe,



Madichie and Newberry (2019) observe that artisans are the most common enterprises in rural areas because their primary resources are localized and embedded in the culture of the people. However, the broad definition of artisanal enterprises is now removed from its local content of skilled craftsmen to an organized productive cluster of industries engaged in the production and marketing of equipment and material for manufactured goods. Artisanal industries in southeastern Nigeria possess the attributes of informality, mostly engage few family members, mostly unlicensed by the government for a specific purpose and do not pay taxes (Igwe, Newberry & Icha-Ituma, 2018). Igwe et al. (2018) in their study to determine the factors influencing the decision to engage in artisanal activities employed socio-economic explanatory variables; age, sex, education, household size, farm size, and access to credit. In the literature there is no concise definition and categorization of artisanal activities. To this end, in this study artisans are treated as entrepreneurs, without distinction.

Two broad categories of entrepreneurship have been identified in the literature; “opportunity” entrepreneurs (OE) and “necessity” entrepreneurs (NE) (Calderon et al. 2017; Zwan et al. 2016). The OEs are those who start a business because of the opportunities they find in the market and the NEs are engaged in because of the need to generate income for survival. Suffice to say that many individuals in artisanal activities were pushed by “necessity” as opposed to being pulled by “opportunity” factor that exists in the economy. In a developing country such as Nigeria, there is a tendency to engage in entrepreneurship because of the lack of access to formal employment, but in developed economies the opportunity available in the market spurs the individual. Igwe et al. (2019) find that age, sex and other demographic factors are significant factors that drive artisanal activities. There are activities that are dominated by individuals from a particular age group, sex or educational qualification.

Adebusuyi & Adebusuyi (2022) noted that start-ups, growth, and success are the most crucial psychological variables that influence entrepreneurial intention. The study distinctly observed that the Igbos are the most entrepreneurial ethnic group in Nigeria in comparison to the Hausa and Yoruba, the other two major ethnic groups in the country. They assert that the entrepreneurial instinct of the Igbos heightened because of the discrimination meted on them in public service employment, following the failed attempt to secede from Nigeria between 1967 – 1970. Furthermore, the paper argues that Igbo has an entrepreneurial culture that celebrates business success and promotes a tendency to self-employment than other ethnic groups in Nigeria and sub-Saharan Africa. Considering entrepreneurial learning experiences, the Igbo youth has more opportunities to learn and master a trade than his counterpart from another ethnic group due to the culture of apprenticeship that is inherent in the system.

For centuries, Igbos have practiced a form of stakeholder capitalism (Ekekwe 2021). This is a business concept that promotes the interest of shareholders alongside the members of a community, workers, and consumers inclusive. Freeman, Martin, and Palmer (2007) contend that traditional capitalism leaves little room for ethical consideration; focuses on value-capture rather than value-creation. To reframe the narrative, they argue that the assumptions about capitalism are inadequate for sustainable socio-economic equilibrium. Traditional capitalism entails a competitive market being controlled by the invisible forces of demand and supply and driven by the insatiability of wants. To this end, the pursuit of self-interest and the desire to reap enormous profit from invested resources hampers the moral angle of prosperity. Freeman *et al.* (2007) further argue that institutional structure and market design could help to create value for all, rather than capture value for a few. This process could help to minimize overall transaction costs and foster good behavior among market participants. In the same vein, Ruggie, Rees & Davis (2020; 2) opine that stakeholder capitalism is about reliving the Davos Manifesto of the 2020 World Economic Forum: “The

purpose of a company is to engage all its stakeholders in shared and sustained value creation. In creating such value, a company serves not only its shareholders, but all its stakeholders – employees, customers, suppliers, local communities, and society at large.” These scholars agree that no serious intellectual or academic debates have been carried out for a long time to reexamine the deficiencies of capitalism and the corporation's social purpose. Nonetheless, academics have oftentimes repudiated the lack of moral and fiduciary responsibility leading to corporate failures. Stakeholder theory should be considered as a tool to be used by businesses to manage their external environment more effectively, with less emphasis on the profit motive but to create value and a sustainable business atmosphere. The business atmosphere extends to the individual, family, and society at large. The Igbo entrepreneurship model (IEM), in its traditional make-up captures all the basic structures of stakeholder capitalism, in the sense that individuals work together to create a sustainable relationship in the common pursuit of value creation for the community. Whether the tenets and conduct of apprenticeship system of IEM meets the human rights condition of United Nations Guiding Principles (UNGP) as expressly discussed in Ruggie *et al.* (2020) is a matter for elaboration in another study. But what is important now is to bring to fore that the economic principles canvassed by scholars in the last decade as a remediation to capitalism is being practiced by Igbo entrepreneurs.

Suffice to say that capitalism has taken a deep turn from the times of Marx and Engel (1847), there exists a strong dialectic between the capitalist (or bourgeoisie), owners of property and the means of production and the laborers (or proletariat), who owns no property but compelled to sell labor for subsistence. As a result, this labor market is fraught with deficiencies and tension between the interests of the owner of capital and the laborer. Marx and Engels point to the fact that the worker has an interest in the rapid growth of capital, only to the extent that the crumbs he gets from the capitalist is sustained. To this end, they strongly

oppose the dominance of the capitalist and propose a solution where laborer takes control of the productive assets by force, to foster social equilibrium. Moving further, the economist John Maynard Keynes in *The General Theory of Employment, Interest and Money* (1936) expressed deep concern about the labor market in relation to the unemployment rates. Keynes revolutionized economic thought from the micro perspective of the price mechanism to the macro view of national income and employment; implying that government regulated economic affairs will mitigate the problems envisaged by Marx and Engels to attain optimal levels of wealth and employment. Keynes view that capitalism without government intervention would lead society away from ideal values, laid the foundation for the welfare state, and this holds strong among liberals. Directly opposite to the Keynesian economic thought is the laissez-faire proposition of Milton Friedman, who advocates for a strong reliance on market forces to achieve an equitable distribution of resources. In Friedman's view the market mechanism should be free from government interference. Friedman (1962) argues that government should focus on eliminating monopolies, reforming tax laws and promoting the rule of law. Friedman focuses his limelight on investors, stating that the entire commercial business activity is profit motivated and the investor engages in free and open competition with alternative stakeholders. Friedman's view about the market system contends that "social responsibility" is a tax on the investor and such bedevils economic growth, an obstacle to wealth creation, which is an underlining goal of capitalism. Away from the investors capitalism promoted by Friedman is entrepreneurial capitalism that recognizes the role of the entrepreneur as an important stakeholder that epitomizes the process of value creation in a capitalist system.

Economists such as Schumpeter (1942) and Baumol (1990) have emphasized the role of the entrepreneur in capitalism. Schumpeter argues that the entrepreneur is the centerpiece of *creative destruction* – a process of eliminating the current market to introduce a new

market, by opposing the interest of other stakeholders in competition with limited resources. In another dimension, coming from the Austrian tradition of modern economic thought, Kirzner (1979) advances the idea of *creative discovery*, which implies that the entrepreneur has a strong role for business ethics. In all these economic narratives or schools of thought, the entrepreneur is uniquely identified as one who has a significant role to play in the economic system, though from a slightly distinct perspective. The problem of competition is very dominant in the market system, due to many demands for limited resources. However, business ethics require that individuals should focus more on cooperation rather than competition for a more sustainable organizational development. Cooperating with stakeholders will create valuable and mutually beneficial externalities to promote trade and economic prosperity. Whilst mutually beneficial trade creates value to promote the market system, dominance captures value, which eventually produces monopolists that destroy the market system. Freeman *et al.* (2007), noting that the principles of capitalism are worthy goals in and of themselves, stakeholder capitalism is based on freedom, rights, and the creation of consent of positive obligations. Rather than focusing on individuals competing for limited resources in a capitalist system, stakeholder capitalism focuses on individuals in a voluntary relationship to create value for a sustainable business environment. Igbos have imbibed this culture of mutually beneficial trade in the pursuit of business relationships, instead of competing for limited resources they cooperate with one another to share the limited resources for value creation and a sustainable entrepreneurial culture.

IEM is an age-long traditional method of skill transfer from a mentor – a “successful” businessperson to a mentee – a young man from the community who has shown interest in learning the skills and trade of his mentor (Bakersville 2013; Ratten 2014). The Igbo apprenticeship system leads to entrepreneurship. The program anchors on a mentor training a mentee on a specific trading skill or artisanship to enable the mentee to continue in that line

of trade after he has received adequate training to stand alone. The apprentice in most cases is a young man who has completed secondary education or dropped out of school due to lack of funds to continue in formal education. The lack of social protection pushes young men to pursue careers in trading or acquiring a technical skill that would quicken the process of independent living.

The traditional apprenticeship model creates small scale enterprises, which is necessary for economic growth in a developing country like Nigeria. The Igbo culture and tradition are transmitted through norms and ethics (Stevenson and Jarillo-Mossi 1990). There is no written codes or records for the Igbo way of life or apprenticeship model, neither is it regulated by any agency or government authority. It is a way of life that is inculcated through a culture of support for one another. However, entrepreneurs adhere to strict conditions of due diligence that are traditionally embedded into the relationship with stakeholders. In this case, business entities regard themselves not as a mere piece of private property owned by their shareholders but as a social entity, able to render enormous support to stakeholders – members of the immediate community. The Igbo apprenticeship scheme is acknowledged historically as one of the oldest methods of transmitting practical skills and knowledge (Ekesiobi and Dimnwobi 2021). Apprenticeship is the backbone of the IEM model, which involves a process of grooming the apprentice through an informal mentor-mentee system; via skill transfer and business aptitude (Agozino and Anyadike 2007; Obunike 2016; Igwe *et al.* 2020). The apprenticeship practice is spread across the country, wherever the Igbo business enterprise exists, but there are major clusters in southeast and other major cities in Nigeria. These Igbo business clusters usually develop into major marketplaces or industrial centers, notably Onitsha, Nnewi, Aba, Abuja, Lagos, Kano, Kaduna, and other major cities in Nigeria.

Some gaps have been observed in the relevant literature for Igbo entrepreneurship. The studies reviewed did not cover a large sample frame to determine the effect of the apprenticeship on the Igbo political economy. This study will apply a more generalized sample which will cut across several industrial clusters in all locations where the Igbos engage in business in Nigeria. Ekesiobi and Dimnwobi (2021) used two industrial clusters in Onitsha and Nnewi, all in Anambra state for their analysis. This study will use sample from five clusters which will cut across all industries including manufacturing and distribution in so many states of the country where the Igbo businesses are located. This study intends to apply an econometric method to investigate the impact of IEM in the development of business and entrepreneurship in the Nigerian economy. The Propensity Score Matching Technique will allow us to draw a distinction between those entrepreneurs who are products of the IEM and those who did not pass through the scheme to establish their own business. The model will provide information to enable us to understand whether the IEM helps the entrepreneur to boost revenue and business survival. The study will draw data from responses to a questionnaire for a large sample to ascertain business survival rate, business growth, business management skills, and access to credit (formal and informal).

### **Chapter Summary**

This chapter is a presentation of the relevant literature on the Igbo apprenticeship system and the underlining entrepreneurship culture. The chapter also discusses the conceptual and theoretical framework that align with the subject matter of this study. In addition, the political and economic structure of Nigeria have been discussed with specific reference to the development of the Igbo society of southeast and the uniqueness of the apprenticeship and entrepreneurship model. The contribution of the Igbo entrepreneurship culture to the development of the economy of Nigeria and exploits in the world economy are equally

discussed with a view to understanding the concept of stakeholder capitalism and shared prosperity as a veritable means of economic and social equilibrium in the society.



## **CHAPTER 3: METHODS**

### **Overview**

This chapter explains the method and process for data collection and analysis. The chapter identifies the variables and specifies the model for analyzing the hypotheses based on the established theoretical framework. The Propensity Score Matching (PSM) is identified as the most appropriate method of analysis based on the non-randomization of the treatment variables. The PSM enables a comparison between treated and control group using a quasi-experimental method to estimate the impact of an intervention.

### **Design**

The primary data for this study is obtained from a total sample of 2,000 entrepreneurs from five business clusters in Onitsha, Nnewi, Lagos, Aba, and Abuja. These clusters are in the east, west and northern parts of Nigeria. Although there are many Igbo businesses in the far northern states of Kano and Kaduna, this study might not go to the extent of collecting data from those states because of logistics issues. However, this study employs an interview session based on a prepared questionnaire. Due to time constraints, the questionnaire was not distributed to respondents. Instead, the researcher interviews respondents and records their responses. Some of the information recorded are biographic data, age, sex and marital status and religious affiliation of the respondent. In addition, the following questions will be administered to the respondents (See APPENDIX A)

The result from the interview is presented in numeric codes (See APPENDIX B):

The respondents come in various categories of entrepreneurship and locations, but in the compilation of data, all the respondents were merged irrespective of trade. There is no specific reference to the trade and occupation of respondents; they include traders, artisans and skilled craftsmen doing business as sole proprietors, partnership, and corporate entities.

Some of the respondents are established manufacturers of goods, for example at Nnewi and Aba, some are manufacturers of products for exports, while others are small scale traders. Overall, the respondents are small and medium scale entrepreneurs in the business of trading and manufacturing.

The theoretical framework for this study follows the entrepreneurial event model applied by Shapiro and Sokol (1982). The model draws on the social and environmental factors that affect entrepreneurial opportunity and ability to grow in business. The Igbo entrepreneurship model is enforced by cultural philosophies and social cohesion, which hinges on a mentor-mentee relationship. According to Obunike (2016), this model involves three stages of apprenticeship: cognitive, associative, and autonomous. To assess the model's economic importance, we must understand the counterfactual of those involved in the apprenticeship training and those who did not. This will enable us to ascertain the effect of the model on business outcomes.

To do this analysis, we need to apply a technique that could distinguish between a treatment and a control group. The technique employed is Propensity Score Matching (PSM) that enables randomization and control of extraneous variables. PSM uses a matching algorithm that compares the participants in the treatment group with those in the control group.

The counterfactual estimation pairs the treatment and control groups and reduces the probability of a participant falling in both treatment and non-treatment group.

Respondents who passed through the apprenticeship scheme are represented by 1, while those who did not is equal to 0. Reasons for not participating account for the behavior of the outcome variable. The Propensity Score Matching (PSM) is a non-parametric technique for estimating differences between the outcome variable and the control variable. Being non-parametric implies that there is no functional form (Caliendo and Kopeinig, 2005).

The variables are not affected by stochastic terms as is the case for parametric estimates. The outcome of interest is calculated using a probit model. The probit model are binary outcomes with a probability density function. The PSM method has been applied by Ekesiobi & Dimnwobi (2021) for the Igbo entrepreneurship model and Osabohien *et al.* (2020) for household access to agricultural credit in Nigeria.

To ascertain the impact of the Igbo entrepreneurship model (IEM), the study will strive to locate the difference in business outcome for those who participated in the IEM program and non-participants. The participants are the treatment group, and the non-participants are the control group. The Propensity Score Matching (PSM) guarantees randomization and control of extraneous variables (Caliendo and Kopeinig 2005). The unobserved effects are controlled by matching the observations of the treatment and control groups. The PSM technique allows for an unbiased sample selection because the treatment group will be paired with the control group, with similar attributes on the propensity score.0

### **Research Questions**

1. What is the effect of apprenticeship training on the revenue earned by an entrepreneur?
2. To what extent do family relationships affect business success and survivability of the entrepreneur?
3. What is the impact of societal apprenticeship culture of financial settlement by a master or mentor on the start-up capital of the entrepreneur?

### **Hypothesis**

Null Hypothesis 1:

Apprenticeship training has no significant relationship with the amount of revenue generated by an entrepreneur.

Alternative Hypothesis 1:

Apprenticeship training has a significant relationship with the amount of revenue generated by an entrepreneur.

Null Hypothesis 2:

Whether the business was inherited from family has no significant relationship with number of years in business.

Alternative Hypothesis 2:

Whether the business was inherited from family has a significant relationship with the number of years in business.

Null Hypothesis 3:

Apprenticeship culture has no significant relationship with the amount of start-up capital.

Alternative Hypothesis 3:

Apprenticeship culture has a significant relationship with the amount of start-up capital.

### **Participants and Settings**

The data for this study was collected through a questionnaire administered to respondents through an interview session. The respondents consist primarily of entrepreneurs, traders, artisans, and small-scale manufacturers of consumer goods in Nigeria, specifically from five Igbo business clusters; Aba, Nnewi, Onitsha, Lagos and Abuja. In Aba, about 40 percent of the respondents engage in the sale of consumer goods, about 30 percent in shoemaking and leather works, the remainder into automobile and machine parts dealership. In Abuja, about 60 percent of respondents run shops in the market selling different items ranging from clothing materials to articles for finished goods production. Another group of entrepreneurs that comprise the Abuja sample are those engaged in textile materials. However, at Nnewi most sampled entrepreneurs are automobile parts dealers and machine parts fabrication, while in Onitsha most are steel merchants dealing in iron rods and other building materials. In

Lagos, the Igbo traders engage mainly in automobile parts dealership, textile material sales and metal fabrication, among other crafts. The respondents in the five clusters across Aba, Abuja, Nnewi, Lagos and Onitsha share similar characteristics. More than fifty percent of the respondents have secondary education, and about twenty percent have college education, which implies a high degree of literacy for the respondents.

### **Conceptualization & Measurement**

A major challenge in an empirical study is how to construct a counterfactual outcome, that is what would have happened to a particular unit if the treatment is absent. This unobservable effect cannot be captured by the experiment but could be estimated statistically (Gertler *et al.* 2016). In a random experiment where participants are treated to a particular effect, there is a need to capture a counterfactual of no treatment as a control group for the effect of the intervention's absence. In this case, we examine the difference between entrepreneurs that passed through the traditional apprenticeship system (treatment group) and those who did not go through the process of apprenticeship (control group). To measure the intervention effect, we consider how outcomes differ for control group relative to what is observed from the experiment, the treated group. With improvements in analytical software, the matching comparison for treated and non-treated covariates could be successfully carried out across a wide range of participants. Propensity score could be defined as the probability that a given unit in a combined sample of both treated and untreated units has received the treatment, in a set of observed variables (Heinrich, Maffioli & Vazquez 2010). In fact, the observable information must be relevant to participation and outcomes for the propensity score (or probability of participation) to produce valid matching results for estimating the intervention's impact.

Propensity score matching (PSM) has been applied in a wide range of studies; for example, in the study of the impact of training programs for the labor market on incomes (Heckman, Ichimura and Todd 1998; Lechner 1999; Dehejia and Wahba 2002; and Smith and Todd 2005). In the same vein, Jalan and Ravallion (2003) applied PSM to evaluate the impact of antipoverty workfare programs. Galiani, Gertler and Schargrotsky (2005) examine the incidence of infant mortality occasioned by poor water supply system; Trujillo, Portillo and Vernon (2005) analyze medical care participation based on health insurance needs. In recent studies, Osobohein *et al.* (2020) applied PSM to investigate the impact of a social protection policy in the form of household agricultural credit to participants on pro-poor growth in Nigeria, and Ekesiobi & Dimnwobi (2021) estimate the impact of traditional apprenticeship program on the Igbo entrepreneurship model. In all the above, the PSM model has proven to be a veritable tool for estimating the counterfactual effect of an experiment given an observable treatment effect.

One major problem with the PSM model is how to find a comparison group that is statistically identical to the treatment group, given that at least one of the units received the treatment. The problem of missing data is always of concern, in this case, and the evaluation technique is to estimate a parameter that captures the mean impact of the program. The parameter of interest is the *Average Treatment Effect* on the treated (ATE). The impact of a treatment effect could be analyzed thus.

To define the impact of a treatment on program participants for an individual  $i$  and  $\delta_i$  defined as the difference in outcome for a treatment and in the absence of a treatment:

$$\delta_i = Y_{1i} - Y_{0i} \tag{1}$$

From equation (1) we evaluate the mean impact of the program by taking the average across units in the population, known as the Average Treatment Effect or ATE:

$$ATE = E(\delta) = E(Y_1 - Y_0) \tag{2}$$

Where E is the average or expected value.

Another important value is to obtain the Average Treatment Effect on the Treated or *ATT*, a measure of those who have participated in the program:

$$ATT = E(Y_1 - Y_0 | D = 1) \quad (3)$$

The Average Treatment Effect for the Untreated *ATU* measures the impact the program would have had on those who did not participate:

$$ATU = E(Y_1 - Y_0 | D = 0) \quad (4)$$

However, all these parameters are not observable, they depend on counterfactual outcomes, which poses an estimation problem. If we juxtapose the analogy of the average of a difference to be a difference of the averages, *ATT* becomes:

$$ATT = E(Y_1 | D = 1) - E(Y_0 | D = 1) \quad (5)$$

Where the term  $E(Y_0 | D = 1)$ , is the unobservable average outcome that the treated units would have obtained in the absence of a treatment. The term  $E(Y_0 | D = 0)$  is the value of  $Y_0$  for the untreated units. To calculate the difference between the treated and untreated units, we obtain:

$$\Delta = E(Y_1 | D = 1) - E(Y_0 | D = 0) \quad (6)$$

To obtain the difference between  $\Delta$  and *ATT*, we add and subtract the term  $E(Y_0 | D = 1)$ :

$$\Delta = E(Y_1 | D = 1) - E(Y_0 | D = 1) + E(Y_0 | D = 1) - E(Y_0 | D = 0)$$

$$\Delta = ATT + E(Y_0 | D = 1) - E(Y_0 | D = 0)$$

$$\Delta = ATT + SB \quad (7)$$

*SB* in Equation (7) is the selection bias, which measures the difference between the counterfactual for the treated individuals and the observed outcome for the untreated individuals. If *SB* is equal to zero, then *ATT* can be estimated by taking the difference in the average outcomes observed for the treated and untreated units. In some cases, the selection

bias might not be equal to zero, in this case the result is biased, hence the goal is to ensure that  $SB$  is equal to zero to estimate the parameter.

$$ATE = E(Y | D = 1) - E(Y | D = 0) \quad (8)$$

Equation (8), Average Treatment Effect is an unbiased estimate of the difference between the average observed outcomes for the treated individuals and untreated individuals, which reflects the impact of the intervention. In this study's case, the intervention is the participation of individuals in the traditional apprenticeship program.

Since all the individuals in the sample are not exposed to the same type of apprenticeship program there are sampling errors in the experiment. However, in the design of experiment for a PSM model the random sample of individuals guarantees potential statistical independence; that is, there is no correlation between the variables for both the observable and unobservable outcomes.

If the proportions are evenly distributed as in a random experiment where all the characteristics are distributed equally between the treated and untreated, the groups will be identical, except that one receives the treatment and the other did not. This implies that:

$$E(Y_1 | D = 1) = E(Y_0 | D = 0) \quad (9)$$

The left-hand side of Equation (9) is the unobservable effect, could be replaced by the right-hand side, the observable, to estimate the  $ATT$ . In the design of the experiment the selection bias term is 0, to enable the impact of the program to be estimated as the difference between the average outcomes of treated and untreated groups.

The impact of the program could be estimated by a linear logistic regression model of the outcome of the treatment variable with the application of a constant term, given as

$$Y = \alpha + \beta D + \varepsilon \quad (10)$$

Where  $Y$  is the average outcome of the treatment program,  $\alpha$  is a constant term,  $\beta$  captures the impact of the program,  $D$  is the treatment status and  $\varepsilon$  is the error term.



However, for many interventions random assignments do not usually occur. As a result, the assignment to experiments is not usually random. It is also possible that if there is a problem in the implementation process, the experimental design process will fail to produce a valid control group (Greene 2006).

Multinomial Probit Model is used to estimate Equation (10) for the test of the various hypotheses as follows. Heckman, Ichimura, and Todd (1997) show that omitting important variables can seriously increase bias in resulting estimates. Only variables that influence simultaneously the participation decision and the outcome variable should be included in the model.

$$Y_i = \alpha + \beta D_i + \gamma X_i + \varepsilon \quad (11)$$

For a probit regression model in a propensity score matching technique, the treatment is the dependent variable, and the outcome is the average impact of the treatment on the treated.

Where  $Y_i$  is the dependent variable,  $D_i$  is a measure of the treatment effect (assuming the value 1 for those who passed through the treatment, and 0 for those who did not),  $\beta$  is the coefficient that measures the impact of treatment on the explanatory and outcome variables,  $X_i$ 's are estimates of explanatory variables in the multinomial probit model,  $\alpha$  is a constant that measures the outcome when the treatment is zero. The error term  $\varepsilon$  is the stochastic term representing the effect of other variables not included in the model.

The explanatory variables in this case are based on literature and the expected outcome. However, specific observable variables in the model include, age, sex, marital status, amount of start-up capital, how long or time in business, educational attainment, whether business was inherited from family, amount of revenue generated weekly or monthly.

## **Assumptions for PSM**

In a PSM estimation the matching must be highly effective to reduce selection bias, and the theoretical assumptions are stated as follows:

1. The Conditional Independence Assumption (CIA) or un-confoundedness – the variable ( $X$ ) for which the treated and untreated units differ must be observable, necessary to control or condition for the differences to avoid potential bias. In other words, the potential outcomes of variable  $X$  are independent of the status of the treatment. After controlling for the variable  $X$ , the treatment assignment becomes random.
2. The common support or overlap condition for each value of the variable ( $X$ ) – there must be a positive probability of finding both a treated and untreated unit to calculate the mean outcomes for each value of  $X$ . In other words, the probability of receiving and not receiving treatment lies between 0 and 1.

## **Instrumentation and Procedures**

There are three main variables identified from the literature as the core determinants of the Igbo traditional apprenticeship system as captured in the data; the individual apprenticeship training, the role of family inheritance in business and whether the individual benefitted from the benevolence of the mentor to start his or her business (Ekesiobi & Dimnwobi 2021, Nwachukwu et al. 2018). These three are the treatment variables and the goal is to observe the effect of these variables on the outcome variables, which captures the success rate of the entrepreneur both in spatial and temporal dimensions. Entrepreneurial success could be estimated by the amount of revenue the business generates, how long or time the business remains viable to ‘weather the storm’ of economic fluctuations, and the amount available for the mentee to start up his or her own business. Albeit the impact of the traditional apprenticeship system that is being investigated in this case is embedded in the Igbo culture of a mentor-mentee relationship.

## Data Analysis

We must first test whether the following assumptions for Propensity Score Matching hold for our data, before embarking on the necessary empirical analysis.

Assumption:

Data selection is on observables – this cannot easily be evaluated empirically. The validation done by conceptualization of the observable characteristics of the variable is sufficient to explain who received the treatment. If there is a selection of un-observables, then our result will be biased.

There must be common support of the treated and untreated individuals in the data.

This can be validated empirically through the Stata software.

If the assumptions are validated, then the matching process will commence with the p-scores obtained from a probit regression. Matching entrepreneurs based on observable characteristics to obtain a control group with similar characteristics. The propensity score (p-score) is the probability that an individual will be in the treatment group based on other explanatory variables. If the entrepreneurs have similar p-score that means they are comparable. In this case we create a mimic randomization of the sample by matching the p-scores. Propensity is a single number that indicates the probability of an individual being in the treatment group; passed through the apprenticeship training program, whether inherited a family business or not, and whether settled by the master or mentor. The treatment observation is on a binary scale, i.e. there are only two possible responses (yes or no; 1 or 0). If the assumption does not hold, then the value of the estimate of the treatment coefficient is unbiased;

$$P(D_i=1/x) \tag{12}$$

The probability of being in the treatment group given the observable characteristics  $X$ .

The treatment variable  $D_i$  is binary (1, 0). P-score is the predicted probabilities from a probit model of the treatment variable regressed on independent variables  $X$  from the data. Because PSM tries to mimic randomized experiments by matching units in the treatment group with the units in the untreated group (comparison or control group), through assigning probability scores, it belongs to the category of quasi-experiments because it is not a randomized control experiment. For propensity score matching to produce estimates of a program's impact for all treated observations, each unit of the treatment group needs to be successfully matched to a non-treated unit. Otherwise, in technical terms, there may be a lack of common support, or lack of overlap, between the propensity scores of the treatment group and those of the pool of non-treated (Rosenbaum & Rubin 1983; Jalan & Ravallion 2003).

Steps to be taken when applying a propensity score matching technique are summarized in Jalan & Ravallion (2003) as follows. First, there is need for a well sampled survey to identify the treated and untreated group, in other words the treatment group and the control group should be well identified in a representative and comparable survey. Second, in the pool of both treated and untreated samples, you obtain a propensity score that each unit receives the treatment based on the individual characteristics observed in the survey. Third, the sample is restricted to units for which there appears to be a common support or overlap in the propensity score distribution. Fourth, for each unit of the treated group, a group of untreated units with similar propensity scores are found. Fifth, you compare the outcomes for the treated and control (untreated) units and their matched comparison to obtain a measure of the average impact that can be attributed to the treatment.

After validating the assumptions, the next line is the matching procedure. There are three basic matching procedures;

Nearest Neighbor – each treatment individual is matched to the most similar control variable according to p-score.

Radius Matching – each treatment individual is matched to the control individuals within a range of p-scores.

Kernel Matching – each treatment individual matched to all control individuals with greater weight given to those with similar p-scores.

### **Chapter Summary**

In this chapter we have discussed the method to estimate and test the relevant hypotheses for this study. The econometric model for estimating the impact of apprenticeship training on the Igbo entrepreneurship model is identified. The Propensity Score Matching (PSM) method of analysis is employed to enable randomization and reduce the effect of selection bias. This chapter provides the analytical framework for the entire research. The econometrics of the study and the theoretical assumptions are outlined.

## CHAPTER FOUR: FINDINGS

### Overview

In this chapter, the data is presented and analyzed. The results are presented in the Figures and Tables below. Findings are discussed in line with the a priori expectations of the variables, as observed in the literature. The research questions analyzed based on the inferences drawn from the various hypotheses' tests.

### Descriptive Statistics

The variables in the sample are categorical, while continuous variables retain original values.

**Table 4.1: Data Summary Statistics**

Variable	Obs.	Mean	Std. dev.	Min	Max
Age	2,000	39.51	11.18	22	65
Sex	2,000	.818	.3859	0	1
Marital Status	2,000	.669	.4707	0	1
Religion	2,000	1	0	1	1
Apprenticeship Training	2,000	.3735	.4839	0	1
Settled by Mentor	1,991	.4611	.4986	0	1
Business Inherited from Family	2,000	.1055	.3073	0	1
Start-Up Capital	2,000	587,634	308,191.9	210,000	1,400,000
Time in Business	2,000	7.5625	3.5476	2	38
Average Weekly Revenue	2,000	316,500	128214.5	120,000	740,000
Educational Attainment	2,000	2.0655	.5562	1	3

Source: Author's computation using Stata 18.0

From Table 4.1 above, we observe from the summary statistics that the minimum age in the sample is 22 years and the maximum age is 65. The data was filtered to remove outliers, those whose age fall above 65 and under 18. Sex and Marital status are binary variables, with 0 for female 1 for male and 0 for single and 1 for married, respectively. In the case of Religion, all the respondents are Christians, as a result it ceases to become a variable but a constant and eliminated from the model, confirming the information from literature that Igbo are Christians.

The treatment variables, apprenticeship training, whether business was inherited from family and whether the apprentice was settled by master are dichotomous variables with binary outcomes (yes = 1 and no = 0). Start-up capital is a continuous variable that ranges from N210,000 to N1,400,000, with an average amount of N587,634. This is the amount an apprentice receives from a master or mentor as settlement after the apprenticeship period. Time in Business is the number of years the entrepreneur has been in business after the period of apprenticeship, the average time in business is 7.6 years, with the minimum of 2 years and a maximum of 38 years for those sampled. The average weekly revenue, which is a measure of performance is N316,500, with a minimum revenue of 120,000 and 740,000 Nigerian naira. The educational attainment variable is categorized into three, 1 for those with elementary, 2 for secondary education and 3 for college educated entrepreneurs.

In the probit regression model, the treatment variables, apprenticeship training, whether business was inherited from family and whether apprentice was settled by master are the dependent variables and the outcome variables are average weekly revenue, number of years or time in business, amount of start-up capital that the apprentice received from mentor or master after the period of apprenticeship.

The identified variables for the Probit Model are as follows:

Research Question 1:

Treatment variable (Binary variable): Apprenticeship Training (ATR)

Outcome Variable: Average Weekly Revenue Earned (REV)

Other Explanatory Variables: Age, Sex, Marital Status, Educational Attainment, Time in Business, Business inherited from Family, whether mentee received financial settlement from mentor, and Start-up Capital.

Research Question 2:

Treatment Variable (Binary response): Whether business was inherited from family (FAM)

Outcome Variable: How long or time in business (TIB).

Other Explanatory Variables: Age, Sex, Marital Status, Educational Attainment, Apprenticeship Training, Average Weekly Revenue Earned, whether mentee received financial settlement from mentor, Start-up Capital.

Research Question 3:

Treatment Variable (Binary response): Whether settled by Master (STL).

Outcome Variable: Start-up Capital (SUC).

Other Explanatory Variables: Age, Sex, Marital Status, Educational Attainment, Apprenticeship Training, Average Weekly Revenue, whether business was inherited from family, Time in business.

## **Results**

For the empirical analysis in this study, we shall apply the Kernel matching procedure.

First, let's restate the research questions and the relevant hypothesis to guide the context of our analysis.



## Research Question 1

What is the effect of apprenticeship training on the revenue earned by an entrepreneur?

## Null Hypothesis 1

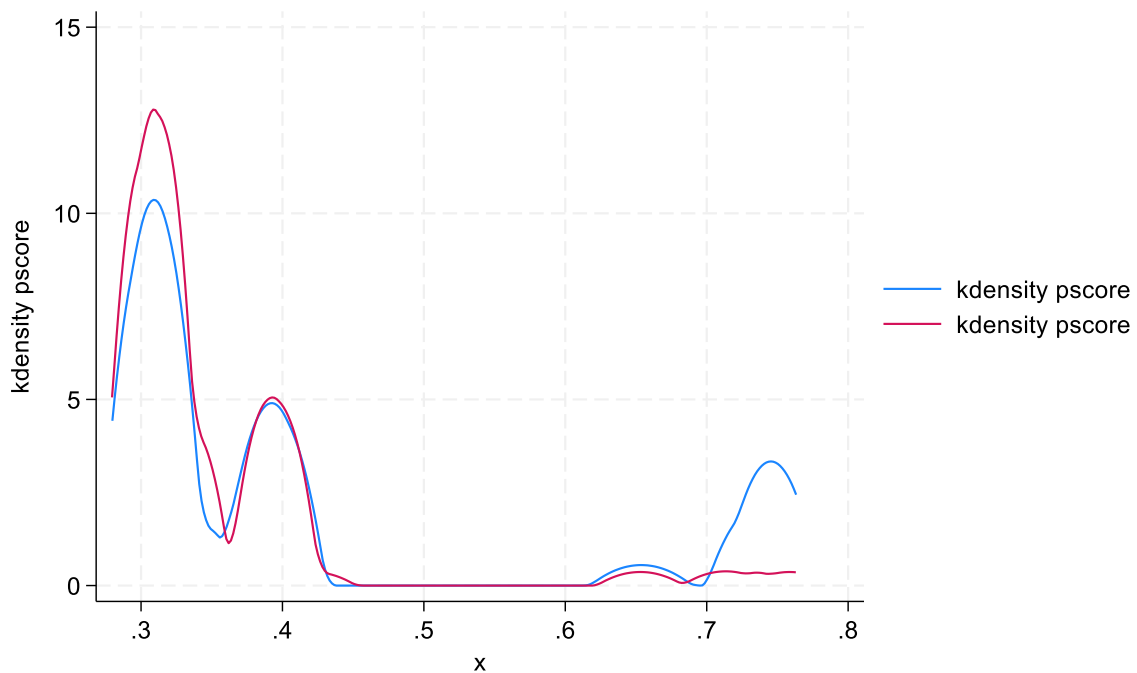
Apprenticeship training has no significant relationship with the amount of revenue generated by an entrepreneur.

Treatment variable (Binary Response): Apprenticeship Training (ATR)

Outcome Variable: Weekly Revenue Earned (REV)

Other Explanatory Variables: Age (AGE), Sex (SEX), Marital Status (MAR), Business inherited from family (FAM), Educational Attainment (EDU), Start-Up Capital (SUC).

Figure 4.1: Common Support Validation for Apprenticeship Training (Treatment)



Note: ATR = 1 (blue) treatment group, ATR = 0 (Red) control group

To complete the test for the assumption for a propensity score matching, the degree of common support overlap of the p-scores generated from the treatment model is very instructive. From the above figure 4.1, we observe a strong overlap of the treatment group in

blue and control group (non-treated group) in red. Although the evidence of common support is not very strong but majority of the treated fall between .2 and .8 probability level, while the untreated group lie within the probability levels of .2 and .8, this shows a reasonable corresponding overlap and common support.

### Research Question 2

To what extent do family relationships affect business success and survivability of the entrepreneur?

### Null Hypothesis 2

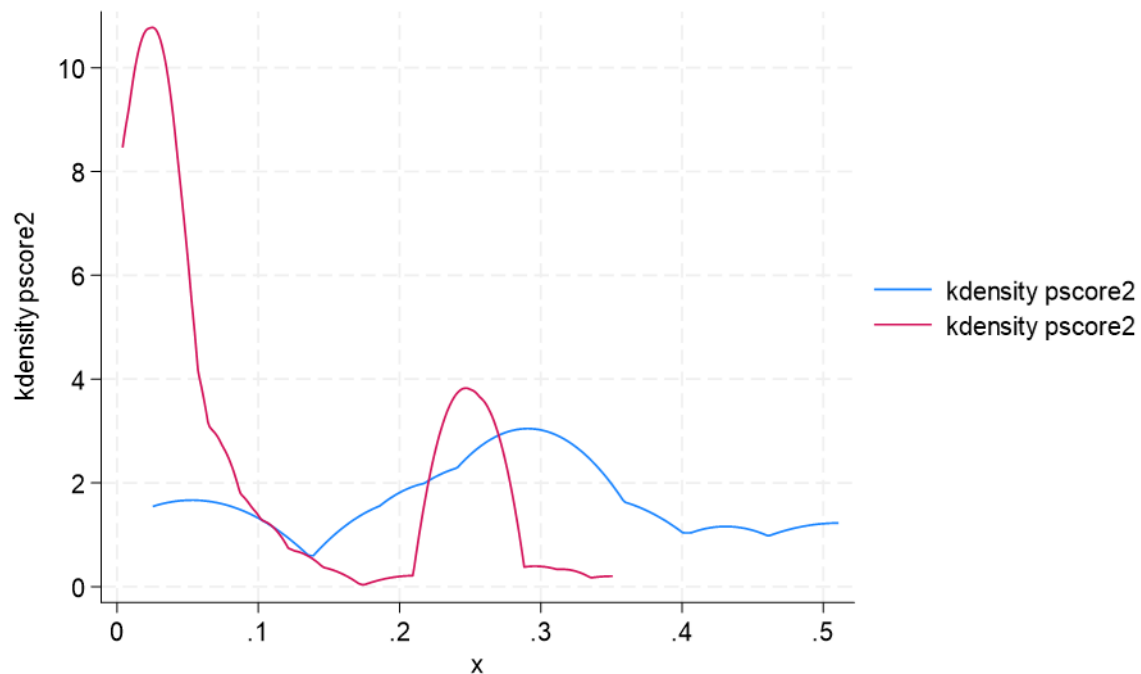
Whether the business was inherited from family has no significant relationship with number of years in business.

Treatment Variable (Binary response): Whether business was inherited from family (FAM)

Outcome Variable: Time in business (years) (TIB).

Other Explanatory Variables: Age (AGE), Sex (SEX), Marital Status (MAR), Educational Attainment (EDU), Apprenticeship Training (ATR), Settled by Mentor (STL), Start-Up Capital (SUC).

Figure 4.2: Graph of p-scores to test the validity of the common support assumption for treatment variable, FAM.



FAM (treated) =1(blue), FAM (untreated) = 0 (red)

To check for the validity of the common support assumption.

Note: If the p-scores overlap, then it validates the common support assumption. From figure 4.2, there is robust evidence of overlap between the treated units and untreated units. The common support assumption implies that there are individuals in the control group (untreated group) whose p-scores overlap with the treatment group. For PSM to deliver an unbiased estimate there must be reasonable evidence of common support, that is an overlap of the p-scores of the control group and the treatment group. From figure 4.2 we see that most of the treated units have p-scores from .2 to .3, whereas most untreated individuals have p-scores ranging from .2 and .3. The goal is to match individuals in the control group with similar p-scores.

### Research Question 3

What is the apprenticeship culture's impact on the entrepreneur's potential to start-up?

### Null Hypothesis 3

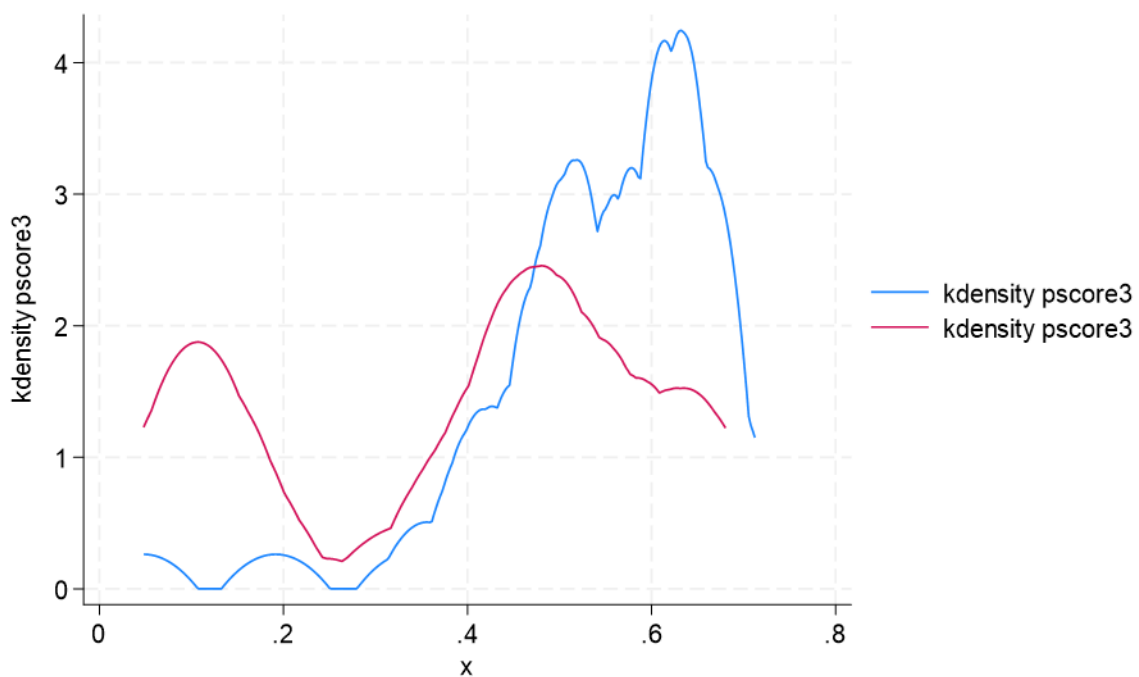
Apprenticeship culture of financial settlement by mentor has no significant relationship with the amount of start-up capital.

Outcome Variable: Start-up Capital (SUC).

Treatment Variable (Binary response): Whether settled by Master (STL).

Other Explanatory Variables: Age (AGE), Sex (SEX), Marital Status (MAR), Educational Attainment (EDU), Weekly Revenue (REV), Apprenticeship Training (ATL), Business Inherited from Family (FAM), Time in Business (TIB),

Figure 4.3: Graph of Common Support Validation for the Treatment (STL)



Treatment (STL): treated = 1 (blue), Control/untreated = 0 (red)

Source: Author's computation using Stata 18.0

From figure 4.3 above, we check for the validity of the common support assumption of the treatment variable. There is a reasonable overlap of the p-scores from the treated and untreated groups. The blue line indicates the treated group, and the red is the control group or untreated group. In this case, the treated group are those settled financially by their master or mentor and the control group are those who received no financial settlement from them. Financial settlement by mentor at the end of the apprenticeship term is a major component of the Igbo traditional apprenticeship system. It is the variable that carries the core component of the traditional apprenticeship system. It is on a binary scale, those who were settled by their master responded “Yes” equals 1 and others, not settled by their master responded “No” indicated as 0. To this end, we observe a reasonable overlap of the blue and red line in the graph above. Although, the figure is not a very good indication of a perfect overlap.

Table 4.2: Results of Probit Regression Model

Variables	I	II	.III
	Apprenticeship Training as Treatment and Average weekly revenue as Outcome variable	Business inherited from family as Treatment and number of years or time in business as Outcome variable	Settled by Mentor or Master a Treatment and amount of Start-Up capital as Outcome variable
Age	.0004 (.0027)	.0050 (.0039)	-.0010 (.0027)
Sex	1.1053* (.1012)	.2785** (.1433)	1.5025* (.1006)
Marital Status	-.1704* (.0681)	-1.2253* (.0952)	.2258* (.0671)
Educational Attainment	..2715* (.0590)	.5105* (.0965)	.0370 (.0573)
Apprenticeship Training		.5625* (.0950)	-.2585* (.0633)
Settled by Mentor	-.2065* (.0629)	-.5995* (.1028)	
Business Inherited from Family	.8927* (.1063)		-.8120* (.1168)
Start-Up Capital	Omitted	Omitted	
Time in Business	-.0003 (.0085)		.0027 (.0085)
Average Weekly Revenue		Omitted	Omitted
No. of observations	1,991	1,991	1,991
Average treatment effect on the outcome variable (ATT)	323,381	7.6967	586,327
Likelihood Ratio Chi-squared	269.54	388.41	377.44
Prob. Chi-squared	0.0000	0.0000	0.0000
Pseudo R-squared	0,1027	0.2886	0.1373

Significance level @ \*1%, \*\*5%, \*\*\*10%

Standard error in parenthesis

Source: Author's computation using Stata 18.0

Note: The omitted in Table 4.2 are coefficients with high negative values and insignificant probabilities from the probit regression model. See Appendix C, D and E for complete Stata results. For the multinomial Probit regression, the treatment variables (binary values) are the dependent variables, while the outcome variables are continuous variables.

Table 4.2, Column I is a presentation of the result for the test of hypothesis for Research Question 1. From the table, we see that the entrepreneur's age does not affect the relationship between apprenticeship training and the average weekly revenue earned by the entrepreneur. Age is not a significant factor to consider, however, from the literature we find that most apprentices are young people usually teenagers, but the age of entrepreneurs sampled for this study is insignificant in determining the relationship between apprenticeship training and weekly revenue earned by an entrepreneur. Sex is a significant factor as majority of the sampled entrepreneurs are male and from hindsight a bulk of the mentees in the apprenticeship program are male. Marital status and educational attainment are equally significant variables to determine the effect of apprenticeship training on earned weekly revenue.

In the same vein, whether the mentee received financial settlement by mentor or master after the period of apprenticeship and whether the business was inherited from family are significant variables (measured in binary scale of yes =1, and no = 0) to determine the relationship between apprenticeship training and average weekly revenue earned by an entrepreneur. The variable, start-up capital was omitted because of extreme negative values and highly insignificant probability score, but the number of years or time in business is not a significant factor.

ATT is a measure of the average treatment effect of the treatment variable on the outcome variable. The value of  $ATT = 323,381$  shows that on the average the weekly revenue earned by an entrepreneur who passed through the apprenticeship training is about N323,381 (Nigerian Naira) more than those who did not pass through the apprenticeship training. The Pseudo R-squared, which is a measure of the goodness of fit for the probit regression model in a propensity score matching technique, shows that the model is a good fit with significant probability level at 1%.

Table 4.2 column II is the result of the probit regression model to answer the second research question and to test the hypothesis of whether business inherited from family has any significant relationship with the number years or time in business. From the table, we observe that the treatment variable is the binary function of whether a business was inherited from family, and the outcome variable is the number of years in business or time in business. We find that Age is not a significant factor, and the continuous variable of the average amount of weekly revenue earned by an entrepreneur is omitted from the result table due to extreme negative values and insignificant coefficients (See Appendix D). However, Sex, Marital status and Educational attainment are significant categorical variables on the relationship between inheriting a business from family and the number of years the business survives. In addition, apprenticeship training and whether the entrepreneur was settled by master are significant variables to determine the relationship between inheriting a business and how long the business survives. Start-up capital and average weekly revenue are continuous variables with extreme negative coefficients and insignificant probability levels and hence omitted.

The average effect of the treatment variable on the outcome variable  $ATT = 7.6967$ , implies that on the average entrepreneurs who inherited business from their families survive about 7.6967 more years than those who did not inherit business from their families, given



that other explanatory variables are held constant. In other words, businesses inherited from family last about 7 years longer than those not inherited from family, holding other conditions constant. On the overall, the probit regression model for research question 2, indicate that the model is a good fit based on the significant probability levels of the LR chi-square as reported on column II of Table 4.2

Lastly, the result Table 4.2 column III provides information to answer the research question 3 and test Hypothesis 3 of whether an entrepreneur who received financial settlement from mentor has more start-up capital at his disposal. In this case, the results show that Age, Educational attainment, and Time in Business are not significant variables in the estimation of the probit regression model. However, the variables Sex, Marital Status, Apprenticeship training and whether business was inherited from family are significant factors to estimate whether an entrepreneur who received financial settlement from his mentor has more start-up capital at his disposal, given that other conditions remain constant.

The average treatment effect ATT on the outcome variable in Table 4.2, column III is 586,329 indicating that on the average, entrepreneurs who received financial settlement from their mentors or masters have about N586,327 (Nigerian Naira) in start-up capital than an entrepreneur not settled by his master. The Likelihood Ratio (LR) probability level is significant, implies that the overall model is a good fit.

## **Discussion of Results**

### **Research Question 1**

What is the effect of apprenticeship training on the revenue earned by an entrepreneur?

From Table 4.2 column I, applying the propensity scores (p-scores) to the probit model to determine the relationship between apprenticeship training and the average weekly revenue earned by the entrepreneur. We find a consistent result with the literature that apprenticeship

training has a positive relationship with revenue earned by entrepreneurs who passed through the process and also increases their average weekly revenue by 323,381 Nigerian Naira. This finding supports the literature in Agu & Nwachukwu (2020), Ekesiobi & Dimnwobi (2021) and Oregiu & Nafiu (2014) stating that participating in the Igbo traditional apprenticeship system improves business performance and revenue earned by the entrepreneur. As a result, this study corroborates the literature from other areas, where apprenticeship training enhances business growth and development.

#### Hypothesis 1:

Apprenticeship training has no significant relationship with the amount of revenue generated by an entrepreneur.

The result in Table 4.2 column I, applies the propensity score matching to find the impact of apprenticeship training on the weekly revenue earned by entrepreneurs. We find that there is a significant positive relationship between apprenticeship training and the revenue earned by the entrepreneur and that the probit regression model is a good fit for the variables in question. We conclude that participating in apprenticeship training increases revenue by N323,381 Nigerian Naira, which is the unit of currency that the data was collected. We therefore reject the null hypothesis that apprenticeship training has no significant relationship with the amount of revenue earned by an entrepreneur. This finding is in line with the findings in the literature review as discussed above.

#### Research Question 2

To what extent do family relationships affect business success and survivability of the entrepreneur?

The result of the propensity score matching in Table 4.2 column II applying the probit regression model to determine the treatment effect of whether business was inherited from family on the outcome variable of business survivability, the proxy is the number of years or

time in business. The result in Table 4.2, column II indicates the average treatment effect on the treated  $ATT = 7.6967$  years. The result indicates that those individuals who inherited business from family survive longer, an additional 7.7 years compared to those who did not inherit business from family. Suffice to say that a critical factor in the survival of the Igbo entrepreneurship is support from family. This finding is in tandem with the expectation that family inheritance and support is a key factor in the growth and survivability of Igbo entrepreneurship. This finding corroborates Ajaekwe (2008), Agozino & Anyanike (2007), Igwe *et al.* (2018) stating that Igbos have the habit of grooming family businesses through sending their children to learn trading skills from successful members of the community. In Brautigam (1997), the study also reveals that Igbos have the lowest business failure rate among all the other ethnic groups in Africa. The Igbo business survivability rate is high, due to the fact that they are nurtured from family or through a traditional apprenticeship system that requires an individual to pass through mentorship and tutelage in a specific trade or craft. The act of family inheritance inculcates a natural skill from birth that blossoms into success upon maturity.

Similarly, Agu & Nwachukwu (2020), Igwe *et al.* (2018) and Ukaegbu (2003) have argued that the Igbo entrepreneurial culture is rooted in the family, transfer of family wealth and traditional skills are the backbone of the Igbo entrepreneurship system. This claim is supported by the empirical evidence of this study in the sense that businesses inherited from the family could on the average survive for another 7.7 years, more than those not inherited from family. However, this assertion is often dependent on several un-observable factors, not captured by this measurement technique. The obvious fact does not exclude the possibility of new business established from start-up to grow very successful, while those inherited from family collapse due to mismanagement.

### Hypothesis 2:

Whether the business was inherited from family has no significant relationship with number of years in business.

The test of the hypothesis was carried out by a probit model in Table 4.2, column II, after the p-scores were used to check for the validity of the common support assumption for the treatment and the control group. From Table 4.2 column II, we observe that all the explanatory variables on the probit model are significant at the 5 percent level except the variable, Age. However, the value of  $ATT = 7.6967$ , which is positive and approximately 8 years indicate that there is a positive and significant relationship between business inherited from family and the number of years in business. What this means is that on the average business inherited from family lasts a lot longer, for at least 7.69 years. We therefore reject the null hypothesis that business inherited from family has no significant relationship with the number of years in business. This is given that all other factors are held constant. There are other unobservable factors which may affect the behavior of the treatment variable that are not captured in this study. However, within the limits of the variables identified for this study, we reject the null hypothesis and conclude that a business inherited from family is more likely to last 7.69 years longer than those not inherited from family.

### Research Question 3

What is the impact of the apprenticeship culture on the potentials of the entrepreneur to start-up?

In this analysis, apprenticeship culture is captured by the role of the society in the traditional Igbo apprenticeship system. The core component of the Igbo traditional apprenticeship system is the mentor – mentee relationship. Traditionally, after the mentee has served his apprenticeship with the master or mentor, there is an informal agreement, which

subsists, that the mentor will provide financial assistance to set up the mentee's own business. Sometimes the mentor leaves the existing business for his mentee to set up another branch of similar business somewhere, where he recruits another set of fresh or new mentees to run the business with him. In this case, the mentor relinquishes both business capital and customers for his mentee to continue in the same line of business. Here, we measure the core component of the apprenticeship system of the Igbo society by asking respondents – whether they received financial settlement from their mentor at the end of the apprenticeship. The binary response of “Yes or “No” becomes the treatment variable, and the outcome variable is the amount of start-up capital that the mentee received to start up his own business. The expectation is that those who were settled by their mentors would have more start-up capital at their disposal than those who received no financial assistance.

From Table 4.2, column III above we observe that the treatment variable is whether the individual was settled by his or her master or mentor (STL) and the outcome variable is the amount of start-up capital (SUC). If the individual was settled by master that means he falls into the treated group, and if he was not settled he falls into the untreated group

From Appendix E, we observe that there are 918 individuals treated and 1,073 untreated. The untreated group constitute the control group. Since, a reasonable percentage of the total were treated, we expect a high degree of common support, depending on the characteristics of the unobservable factors.

From Table 4.2 column III, we observe that all the explanatory variables are significant at 1% level except age, education and time in business are not significant, this actually confirms the fact that these are not relevant factors in determining whether a mentee receives financial support or settlement from the mentor. The average treatment effect  $ATT = 586,327$  indicates that on the average the entrepreneur who received financial support or was settled financially by a mentor has approximately N586, 327 (five hundred and eighty-six

thousand, three hundred and twenty-seven Nigerian Naira) increase in the outcome variable, start-up capital. This finding implies that an entrepreneur who was settled by his mentor or master is most likely to have an increase in start-up capital between N586,327 above any other entrepreneur whose master or mentor did not settle or who did not pass through the apprenticeship system, given all other factors held constant. This finding supports the results in Obunike (2008), on fundraising for start-up through the financial settlement by a mentor, Igwe *et al.* (2018) stated that providing capital for start-up under the traditional apprenticeship system improves financial success and business development. In the same vein, Halliru (2013) contends that under the Igbo apprenticeship system, financial settlement by the master sustains the Igbo entrepreneurial spirit and culture. The result also aligns with Agu & Nwachukwu (2020) to the extent that the Igbo entrepreneurial model, exemplified by the mentor-mentee relationship, culminates in the financial settlement by the mentor to the mentee to start up his own business, which drives the potential and intention of the entrepreneurial culture.

### Hypothesis 3:

Apprenticeship culture has no significant relationship with the amount of start-up capital. From the result in Table 4.2 column III, it is obvious that the apprenticeship culture, which is signified in this case by the financial settlement from the mentor to the mentee is very significant in determining the amount of start-up capital available to the mentee. There is a positive significant relationship between financial settlement by the mentor and the amount of start-up capital available to the mentee. To this end, we reject the null hypothesis that apprenticeship culture of financial settlement by mentor has no significant relationship with start-up capital.

From the literature (see Ekesiobi & Dimnwobi 2021, Ukaegu 2003, Agu and Nwachukwu 2019), the apprenticeship culture is driven by a mentor – mentee relationship and the core

evidence of this relationship is an unwritten agreement between the mentor and mentee for a moral and financial support at the end of the apprenticeship tenure. The mentor has a duty to provide financial assistance and moral support to the mentee after serving him for many years. To this end, there is ample evidence from the findings in Table 4.2, Column III, that the financial settlement received by a mentee from the mentor increases the amount of start-up capital at their disposal.

The findings of this study supports the entrepreneurial event model by Shapiro & Sokoi (1982), which postulates that the event of entrepreneurship is influenced by social factors comprising of cultural constructs. In the same vein, the theory of planned behavior espoused by Ajzen (1985) is equally supported by empirical evidence from this study. Noting that the efficacy of entrepreneurial intentions is the self-acknowledged desire of anyone willing to setup own business and guided by three basic constructs of perceived visibility, perceived desirability and the propensity to act (Agu & Nwachukwu 2020).

### **Chapter Summary**

In this chapter, the result of the data analysis is presented. The analysis draws from the three research questions and the various tests of hypothesis. In each case, there is a test for the randomization of the dependent variable, a test for the validity of the common support assumption based on the kernel density of the p-scores of the treatment variable. Then, the p-scores obtained from a probit model, the Average Treatment Effect (ATT) of the treatment variable on the outcome variable shows the average impact of the treatment on the outcome variable given that other explanatory variables are held constant. The various results are discussed in line with the research questions and hypotheses.

## **CHAPTER FIVE: CONCLUSION**

### **Overview**

This chapter summarizes the entire findings of this study, providing relevant answers to the research questions and the test of hypotheses. The study provides necessary policy implication and recommendations, stating clearly some of the limitations encountered both in this study and for future research. In this chapter, further highlights of the implications of this research for economic growth and development are presented. Above all, in line with institutional philosophy, a Christian worldview of the research is presented before the conclusion.

### **Summary**

In this study we set to empirically analyze the Igbo entrepreneurship model as a major component for understanding the political economy of the Igbo peoples of southeastern Nigeria. The Igbo traditional apprenticeship system has been examined in this study to ascertain the role of culture in the economic growth and development of a society. Understanding the political economy of any society draws from the limitations of basic economic variables in the face of political challenges. The Igbos of southeastern Nigeria is one of the major tribal groups in Nigeria and Africa, with an estimated population of 50 million people spread across the states of Nigeria and the world. Typically, the Igbo home states are in Abia, Anambra, Ebonyi, Enugu and Imo, with major populations in Delta, Rivers, and minor populations in Edo, Benue, Kogi, Akwa Ibom and Cross River states of Nigeria. Due to migration of the Igbos for work and business purposes, they constitute the second largest ethnic group after the indigenous people in Lagos, Abuja, Kano and virtually all major cities in Nigeria. Outside Nigeria, there are millions of Igbos living in North America, United Kingdom, Equatorial Guinea, South Africa and many other countries. In



fact, there is a saying that if you go to anywhere in the world and you don't see an Igbo person, just leave, because that place is not good enough for living. Igbos are basically economic migrants – they move from one place to the other seeking opportunities for business, as a result they have a “Midas” touch to turn ‘stone’ to ‘bread,’ as they say. The mental energy of the average Igbo person is channeled towards a resourceful independent living. The Igbos have made positive landmark achievements in the economic and political history of Nigeria and the world at large. From the first civilian President of Nigeria in the person of Dr. Nnamdi Azikiwe, to the first military Head of State in Nigeria, General Aguiyi Ironsi and the first African billionaire in British pounds sterling, Sir Louis Odimegwu Ojukwu, the Igbo industry and sense of enterprise have been noteworthy.

Two major events in history marks the critical juncture in the political and economic life of the Igbos of southeastern Nigeria; the transatlantic slave trade and the Nigeria-Biafra war (1967 – 1970). Through the transatlantic slave trade, close to one million Igbos were captured and shipped from the Bight of Biafra and Bight of Benin to the new world, as slaves in the West Indies and the United States of America. The Igbo diaspora is a significant part of the world economy and politics. Another major turning point that spurred the ingenuity of the Igbos towards entrepreneurship and self-reliance was the Biafra-Nigeria war that started in 1967 and ended January 1970. The thirty-month war was a product of underlining resentment which Igbos suffered from the other major ethnic groups in Nigeria, the Hausa-Fulani from the North and the Yoruba of the southwest. At the end of the war, despite the physical degradation, Igbos also suffered socioeconomic humiliation through a government policy of impoverishment, which gave only 20 pounds to any Igbo person who had an account in any bank in Nigeria. Most of their real assets were declared abandoned and seized by the state government. In the midst of all these woes, the Igbos picked up from the basics, never giving up, and resolutely embraced education and traditional apprenticeship, which scholars refer to

as the Igbo traditional business school. Nonetheless, they are today classified as the most prosperous ethnic group in Nigeria and Africa. According to the United Nations Development Report of 2019, Igbo states have the highest human development index compared to other states in Nigeria. The Igbo entrepreneurship model is worth studying, to understand the role of culture in economic development.

We applied an empirical analysis to analyze the Igbo Entrepreneurship Model (IEM) as a parameter for understanding the role of culture in the political and economic development of the Igbo society. The main consideration is to empirically ascertain the apprenticeship system's role in the Igbos' entrepreneurial development. The study examined three research questions that look at the role of the individual, family, and society in the entrepreneurial culture of the Igbos.

The first research question – deals with whether apprenticeship training affects the revenue earned by an entrepreneur, the second is on whether an entrepreneur who inherits a business from family has a longer business survivability, the third research questions looks at the role of the societal apprenticeship culture of financial settlement from the mentor to the mentee in determining the amount of start-up capital. Three null hypotheses spring from these research questions. To test the hypothesis, the study collects data from 2,000 entrepreneurs in Aba, Abuja, Lagos, Nnewi and Onitsha – consisting of five business clusters where the Igbos do business. Applying the entrepreneurial event model by Shapiro & Sokol (1982) and the theory of planned behavior by Ajzen (1985), on a Propensity Score Matching (PSM) technique to estimate the impact of a treatment variable on an outcome variable: three treatment variables and three outcome variables were identified. Demographic variables were employed as explanatory variables; age, sex, marital status and education obviously affects the individual ability to engage in the apprenticeship program and entrepreneurship in general.

For the first research question: apprenticeship training is the treatment variable, and the outcome variable is the average weekly revenue an entrepreneur earned. In the first analysis in Table 4.2 column I, a Probit regression is applied based on the assumptions for a PSM model estimation. It is often difficult to empirically validate the assumption of selection based on observables. However, the PSM method handles the correction of this assumption through a matching technique. In the second assumption of a common support – the p-scores of the treatment variable is obtained through a probit model, then a graph of p-scores plotted to observe the degree of overlap between the treated group and the control group. In this case, we observe that there is reasonable overlap of the treated and control group in Figure 4.1

The next step in the PSM analysis is to obtain the average treatment effect (ATT) on the outcome variable. From Table 4.2 column I, we find using the kernel density method that the  $ATT = 323,381$ ; which implies that those who passed through the apprenticeship training have an increase in average weekly revenue of N323,381 Nigerian Naira. Therefore, we conclude that apprenticeship training increases the average weekly revenue earned by an entrepreneur and reject the null hypothesis that there is no significant relationship between apprenticeship training and revenue earned by an entrepreneur. This finding aligns with several studies as discussed earlier.

For the second research question, the treatment variable is whether the entrepreneur inherits business from family and the outcome is how long the business has survived. Note that all treatment variables are binary response variables (Yes or No). The test for the assumptions of the PSM model were carried out and the results for the validity of the assumptions obtained. The results obtained in Table 4.2 column II, indicate the average effect of the treatment variable on the outcome variable using Kernel density method. Holding the explanatory variables constant, we find  $ATT = 7.6967$ ; implies that on the average those who inherited business from their family have a longer business survivability of between 7.69

years than those entrepreneurs who did not inherit business from their family, given the circumstances of the explanatory variables. Furthermore, this finding indicates that the null hypothesis is rejected, since there is evidence that there is a significant relation between inheriting business from family and length of time in business.

Third, we find the impact of the societal traditional apprenticeship system, which is proxy for whether the entrepreneur received financial settlement from his or her mentor, and the amount of start-up capital as outcome variable. This research question is informed by the fact that at the core of the traditional apprenticeship system is the financial settlement that the mentee receives from the mentor. It is believed that this financial support will go a long way to providing the necessary financial assistance that the mentee requires to start up his own business. From Table 4.2 column III we find that  $ATT = 586,327$  which implies that on the average those individuals who received financial support from their mentor, the treated group, had a start-up capital that is approximately N586,327 Nigerian Naira, higher than the control group, who did not receive financial assistance from their mentor or did not pass through the apprenticeship process at all. To this end, we state that societal apprenticeship culture of financial settlement by the mentor positively affects the amount of start-up capital, which to a large extent determines the relative success of the entrepreneur at the early stage of his career, holding all other conditions constant. In the same vein, we reject the null hypothesis of no significant relationship between the apprenticeship culture of financial settlement and the amount of business start-up capital.

### **Study Implications**

Although the IEM has been positively appraised in the literature, there are still challenges that opens the system for criticisms and possible improvements. Some scholars argue that the lack of government oversight encourages abuse of the mentee by his mentor. At the end of the apprenticeship period the mentor may not fulfill the obligation of providing startup capital

for the trainee (Ekesiobi and Dimnwobi 2021). However, Ekekwe (2021) is of the opinion that allowing government intrusion will impede the traditional seamless process that is borne out of the spirit of brotherhood, which exists among the Igbos. An official monitoring system will impose an unusual obligation on the mentor, which will in the long-run impede the sustainability of the program.

Another major challenge is the lack of access to credit, which is a fundamental problem of small-scale enterprises in a developing economy (Drucker 1985, North 1990). Many financial institutions require collateral and established credit profile in order to lend money to small businesses in Nigeria. These small-scale entrepreneurs do not have the credit profile or collateral to access credit from financial institutions, as a result they lack the necessary capital to start-up. Some of these apprentices who unfortunately did not benefit from their mentor or master in obtaining start-up capital end up as middlemen, running around for wares in the marketplace and selling at prices above market price. This is often referred to as “*Igba oso ahia*.” Often times these individuals will take some time to make the money to set themselves up in their own shop.

Thirdly, there is a lack of adequate information and data resources to capture the performance of entrepreneurs groomed under the Igbo apprenticeship system. The paucity of data creates information asymmetry, which negates the ability of government to implement policies to support the scheme and further improve the economic base of participants. Similarly, data constraints make it difficult to ascertain the overall significance of the model with respect to other methods of business start-ups. However, there is a general assumption that majority of the Igbo businesses that exist today and spread all over Nigeria, and sometimes across the globe are products of the Igbo support system. Given the fact that credit and financial constraints are obvious limitations to business success in Nigeria, the Igbo country has figured out a sustainable means of improving their economic well-being through

the apprenticeship system. The Igbo society being an individualistic society cultivated a culture of *love thy neighbor as thyself*, to propel a communal system of shared prosperity, where no one is left out in the dark to figure out how to survive.

### **Limitations**

A major limitation for this study is the aggregation of entrepreneurship data. Future studies should disaggregate the data, to provide policy makers the opportunity to understand other sources of entrepreneurial funding, which should be prioritized by government in providing support for the promotion of small and medium scale enterprises in Nigeria.

Data constraint is another major limitation for this study. Due to lack of proper identification for respondents, it is difficult to capture data for a study like this. There is a paucity of data and virtually no repository for studies of this nature. Future research should endeavor to capture data on the various skill sets and areas of expertise for the sampled entrepreneurs.

### **Recommendations**

In the building blocks to socioeconomic equilibrium in any society, understanding the political economy of that society is very fundamental. Many indigenous societies can learn from the Igbos in building a system that encourages shared prosperity. In the literature we find that some communities like the Hausa, do not encourage growth because the period of mentor-mentee relationship is indefinite, unlike the Igbos that hold the prosperity of the community above their individual prosperity. Many feudal communities in Africa do not provide the requisite moral and financial support to an apprentice like the Igbos. We therefore recommend that the Igbo traditional apprenticeship system be emulated by other ethnic groups to enable a broad-based support for skill acquisition and business development for economic growth and prosperity.

Second, government should endeavor to capture the successes of these entrepreneurs into the formal economic system by providing the necessary incentives for growth. A good government policy could generate taxes from these businesses while at the same time encouraging growth through small business development workshops and financial incentives.

Third, we recommend that future studies on the Igbo entrepreneurship system should segregate the available skill sets through data to find the most prevalent area that Igbo businesses are more inclined to receiving support for development. This study did not decompose the various skills and crafts, rather all the individuals were examined from the aggregate of general trade, without specificity. Understanding specific trade engagements will provide the opportunity for comparative advantage and improvement of skillset and to decipher areas that policy makers may channel their attention for improvement.

Fourth, we recommend that government should implement a reasonable social welfare program to cushion the effect of harsh economic conditions on the family and to reduce the influx of young school leavers into the apprenticeship scheme. Although, the apprenticeship system improves the livelihood of the average Igbo entrepreneur, the data indicate that majority of the respondents have elementary and secondary school education. Some of these respondents are high school graduates who would have gone further in education to become professionals in various disciplines. On the other hand, following the spate of unemployment in the Nigerian economy, one may argue that these high school graduates are better off than their counterparts from other ethnic groups in Nigeria who never had the opportunity of apprenticeship.

Fifth, the government should establish community centers for skill training and mentorship. Individuals willing to learn a trade or skill should be able to access mentors with established trade or skill in a specific field of endeavor through the community center. In this case, mentees should be able to find mentors through an established community network as

opposed to the traditional family set-up that connects only relatives, limiting the level of opportunities available to suitable mentees.

Sixth, at the national level, government policy should be implemented to reduce the level of hostilities arising from ethnic sentiments in Nigeria. Recent xenophobic attitude by members of other ethnic groups against the Igbos pose a major threat to their entrepreneurial success. The Igbo resentment by other ethnic groups significantly affect the growth of the national economy, since entrepreneurship gives them a significant hand on the growth and development of small and medium scale enterprises in the Nigerian economy.

### **Christian Worldview of the Research**

The Igbos of South-eastern Nigeria are predominantly Christians. This assertion has been proven by the data for this study. Christianity as a religious denomination is a constant here, cannot be applied as a variable for analysis of the Igbo entrepreneurship character. The tremendous business success of this ethnic group in comparison to other ethnic groups in Nigeria and Africa at large demonstrates that there is something in their culture and religious character that drives the spirit of entrepreneurship. The cooperative behavior of the Igbos is a testament of their love for one another. The Christian formation of the people envelops their thought in extending a hand of fellowship to their brethren without considering the financial burden to be incurred in setting up another relative in business. Many a billionaire who rose to limelight and financial accomplishment through the process are always ready and willing to support more members of the community to start-up. The scriptures in 1 Timothy 5:8 (KJV) commands thus “But if any provide not for his own, and especially for those of his own house, he hath denied the faith, and is worse than an infidel.” The implication of this scripture is that the Lord wants us to take care of our relatives irrespective of the



circumstances. This informs the spirit of oneness and support that the Igbos exhibit within their community.

In addition, the Igbo enterprise is rooted in the spirit of *giving* and love for one another, the scripture tells us in 1 Corinthians 13 (KJV) “Though I speak with the tongues of men and of angels, and have not charity, I am become as sounding brass, or a tinkling cymbal. And though I have the gift of prophecy, and understand all mysteries, and all knowledge; and though I have all faith, so that I could remove mountains, and have not charity, I am nothing. And though I bestow all my goods to feed the poor, and though I give my body to be burned, and have not charity, it profiteth me nothing. ...” This scripture implies that our Lord and Savior implores us to give and support those in need irrespective of the constraints. The spirit of the Igbo enterprise is guided by their Christian faith and a culture of communalism that promotes social equilibrium.

### **Relevance of Research to Economic Growth and Development**

One of the major economic advantages of the Igbo apprenticeship system is the reduction of inequalities in the community through stakeholder capitalism. While Nigeria has an average literacy rate of 62 percent, many states within the Igbo nation have a literacy rate of over 90 percent. The Igbo apprenticeship system is structured to ensure opportunity and support for everyone in the community; which results in improved educational attainment and relative financial stability. Looking back in the years past when the Igbos came out of a civil war in 1970 with a paltry sum of twenty pounds sterling given to every indigene irrespective of the amount one has in his bank account (Iwara *et al.* 2019, Okolie *et al.* 2021). Their assets were frozen by the government of Nigeria. The Igbos showed resilience and within a short frame of time rebuilt their schools, clinics and traditional institutions through shared opportunities and encouraging a work ethic that promotes independence to build an enduring economic wealth to the envy of other ethnic groups in Nigeria. The spirit of industry and excellence

coupled with the Christian ethics enable the Igbo nation to grow tremendously to world acclaim. There are so many notable Igbos who have excelled in the modern-day world of business, academics and entrepreneurship. Little wonder, that the current Head of the World Trade Organization (WTO), Dr. Ngozi Okonjo-Iweala, a Nigerian-American is of the Igbo ethnic stock. There are notable world class entrepreneurs of Igbo heritage that have excelled in Business and entrepreneurship. From the early days of slavery, an Igbo slave boy Olaudah Equiano wrote his narrative in slavery and encounter through the middle passage in 1789, to the present day indigenous automobile manufacturer, Innocent Chukwuma of Innoson Motors Ltd at Nnewi, southeastern Nigeria, the Igbo enterprise is ever noteworthy.

### **Conclusion**

The motivation behind this study is to provide an empirical explanation for the impact of culture and ethics on economic growth and development. This research draws on a study of the entrepreneurial ability of the Igbo ethnic group that exists in southeastern Nigeria but spread across the globe. The Igbos have transmitted their culture of entrepreneurship from generation to generation and their offspring carry along the spirit of enterprise. The political and economic exploits of the Igbos in the geographical space called Nigeria and around the world have attracted scholarly attention, this study explores within the limits of available data.

One very important lesson to learn from this research is that the entrepreneurial spirit of the Igbos could be traced to their Christian belief and strong communal support with cultural persuasion. Max Weber observed this in the character of western European protestants, noting that their religious faith had the greatest impact on the capitalist system. This research corroborates what the literature presents about the resilience and

entrepreneurial nature of the Igbos as rooted in their culture and the spirit of brotherhood that transcends hard work, resilience and perseverance for success.

The main research questions considered in this project could be reiterated as whether the Igbo apprenticeship system enhance entrepreneurial revenue and business survival? Second, what role does family and community play in transmitting the culture of shared prosperity to individual entrepreneurial development? Third, whether the apprenticeship culture has any significant role in the success of the Igbo enterprise? This study provides answers to these questions. In the first case, we find that the Igbo apprenticeship training improves business revenue, and there is sufficient evidence to reject the null hypothesis of no relationship between apprenticeship training and revenue earned by the entrepreneur. Second, we find conclusive evidence from the average treatment effect to support a positive relationship between inheriting a business from family and the survivability of the business. We observe that those who inherited business from family survive longer in business than those who did not, given that other explanatory variables are held constant. Third, we conclude that the apprenticeship culture of financial settlement by the master or mentor increases the amount of start-up capital available to those entrepreneurs who were privileged to pass through mentorship, holding other relevant factors constant.

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## **APPENDIX A**

### **QUESTIONNAIRE**

The following questions are in addition to Biographic Data: Age, Sex, Religion and Marital Status.

1. Has the respondent passed through the apprenticeship training before becoming an entrepreneur and how long was the apprenticeship program?
2. Was respondent settled by mentor, in other words whether the respondent received a grant from his mentor
3. Is the respondent supported by family or inherited a family business?
4. How long has the respondent being in business?
5. What is the amount of revenue the respondent generates weekly?
6. How much start-up capital did the respondent invest in the business?
7. What is the educational level of respondent?

## **APPENDIX B**

### Data Variables for Interview Responses

1. Age of Respondent (AGE).
2. Sex of Respondent (SEX); Male = 1, Female = 0
3. Marital Status of Respondent (MAR); Married = 1, Single = 0
4. Religious Affiliation (REL); Christian = 1, Others = 0
5. Apprenticeship Training (ATR); Yes = 1, No = 0
6. Whether settled by Master (STL); Yes = 1, No = 0
7. Business inherited from Family (FAM); Yes = 1, No = 0
8. Start-up Capital in Nigerian Naira (SUC)
9. Time in business (TIB)
10. Weekly Revenue in Nigerian Naira (REV);
11. Education (EDU); Elementary = 1, Secondary = 2, College = 3

## Appendix C

PSM model to predict Average Treatment Effect of ATR on outcome variable REV.

```
. psmatch2 ATR AGE SEX MAR FAM EDU STL SUC TIB, outcome(REV)
```

Probit regression Number of obs = 1,991  
LR chi2(8) = 269.54  
Prob > chi2 = 0.0000  
Log likelihood = -1177.9157 Pseudo R2 = 0.1027

ATR	Coefficient	Std. err.	z	P> z	[95% conf. interval]	
AGE	.0004161	.0026863	0.15	0.877	-.0048489	.0056811
SEX	1.105291	.1012325	10.92	0.000	.9068792	1.303703
MAR	-.170433	.0681338	-2.50	0.012	-.3039728	-.0368932
FAM	.8927444	.106268	8.40	0.000	.684463	1.101026
EDU	.2714962	.0589876	4.60	0.000	.1558826	.3871097
STL	-.2065287	.0629236	-3.28	0.001	-.3298566	-.0832008
SUC	4.25e-08	9.70e-08	0.44	0.661	-1.48e-07	2.33e-07
TIB	-.0002561	.0084896	-0.03	0.976	-.0168953	.0163832
_cons	-1.761222	.2214813	-7.95	0.000	-2.195317	-1.327127

Variable	Sample	Treated	Controls	Difference	S.E.
REV	Unmatched	323380.759	311979.25	11401.509	5934.81916
	ATT	323380.759	311300.813	12079.9458	17294.7456

Note: S.E. does not take into account that the propensity score is estimated.

psmatch2: Treatment assignment	psmatch2: Common support On suppor	Total
Untreated	1,253	1,253
Treated	738	738
Total	1,991	1,991

Source: Author's computation on Stata 18.0

## Appendix D

PSM model to predict the Average Treatment Effect of FAM on outcome variable TIB.

```
. psmatch2 FAM AGE SEX MAR EDU ATR STL SUC REV, outcome(TIB)
```

Probit regression Number of obs = 1,991  
LR chi2(8) = 388.41  
Prob > chi2 = 0.0000  
Log likelihood = -478.79526 Pseudo R2 = 0.2886

FAM	Coefficient	Std. err.	z	P> z	[95% conf. interval]	
AGE	.0050348	.0039808	1.26	0.206	-.0027675	.0128371
SEX	.2784935	.1432781	1.94	0.052	-.0023264	.5593134
MAR	-1.225322	.0951119	-12.88	0.000	-1.411737	-1.038906
EDU	.5105093	.0965166	5.29	0.000	.3213401	.6996784
ATR	.5825371	.0949953	6.13	0.000	.3963498	.7687244
STL	-.5994806	.1027701	-5.83	0.000	-.8009063	-.3980549
SUC	-1.41e-07	1.49e-07	-0.95	0.344	-4.34e-07	1.51e-07
REV	-2.08e-07	3.52e-07	-0.59	0.556	-8.98e-07	4.83e-07
_cons	-2.095721	.3513253	-5.97	0.000	-2.784306	-1.407136

Variable	Sample	Treated	Controls	Difference	S.E.
TIB	Unmatched	7.69668246	7.5511236	.145558869	.258206222
	ATT	7.69668246	6.48815166	1.20853081	.921020237

Note: S.E. does not take into account that the propensity score is estimated.

psmatch2: Treatment assignment	psmatch2: Common support On suppor	Total
Untreated	1,780	1,780
Treated	211	211
Total	1,991	1,991

Source: Author's computation on Stata 18.0

## Appendix E

PSM Model to predict Average Treatment Effect of STL on outcome variable SUC.

```
. psmatch2 STL AGE SEX MAR ATR EDU FAM TIB REV, outcome(SUC)
```

Probit regression

Log likelihood = -1185.299

Number of obs = 1,991  
 LR chi2(8) = 377.44  
 Prob > chi2 = 0.0000  
 Pseudo R2 = 0.1373

STL	Coefficient	Std. err.	z	P> z	[95% conf. interval]	
AGE	-.000982	.0026836	-0.37	0.714	-.0062417	.0042777
SEX	1.502534	.1005972	14.94	0.000	1.305367	1.699701
MAR	.2258408	.0671042	3.37	0.001	.0943189	.3573627
ATR	-.2584913	.0632836	-4.08	0.000	-.3825248	-.1344577
EDU	.0369917	.0572998	0.65	0.519	-.0753137	.1492972
FAM	-.8120451	.1167688	-6.95	0.000	-1.040908	-.5831824
TIB	.002667	.0084638	0.32	0.753	-.0139217	.0192558
REV	1.63e-07	2.34e-07	0.70	0.487	-2.96e-07	6.21e-07
_cons	-1.466966	.2236998	-6.56	0.000	-1.905409	-1.028522

Variable	Sample	Treated	Controls	Difference	S.E.
SUC	Unmatched	586326.797	588630.009	-2303.21193	13869.6436
	ATT	586326.797	583703.704	2623.09368	23385.2257

Note: S.E. does not take into account that the propensity score is estimated.

psmatch2: Treatment assignment	psmatch2: Common support On suppor	Total
Untreated	1,073	1,073
Treated	918	918
Total	1,991	1,991

Source: Author's computation on Stata 18.0