

ABSTRACT SUBMISSION

Abstracts are invited for papers from anyone with an interest in rural entrepreneurship; we encourage contributions from academics and practitioners alike. Please indicate which of the conference themes you think is/are most appropriate and limit your abstract to 400 words.

Your Details

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Please use the following headings: (boxes will expand as you type)

<p>Title: Is finance a panacea to entrepreneurship development in developing countries?: Evidence from non-farm entrepreneurial activities in Nigeria</p>
<p>Purpose of this paper (please also indicate whether empirical, conceptual or case study etc)</p> <p>The purpose of this study is to extend the finance-entrepreneurship model and estimating the significance of finance, if any, on non-farm entrepreneurial decisions and household enterprise growth at the micro level.</p>
<p>Design/methodology/approach (including limitations if applicable)</p> <p>The paper uses a recursive two-stage Probit model in estimating the determinants of households' entrepreneurship choice disaggregated by function into part-time entrepreneurship and self-employed (full-time) entrepreneurship.</p> <p>The study also estimates the role of external finance on in household enterprise growth, by applying the fixed- and random-effects estimators on three metrics of enterprise growth – employee size growth rate, sales revenue growth rate and enterprise size (proxied by total fixed assets).</p> <p>The data used for our analysis is the World Bank's Nigeria Living Standard Measurement Study (LSMS) surveys for 2010/11 and 2012/13.</p>
<p>Findings</p> <p>The main finding from our empirical analysis is that part-time entrepreneurs are more likely to be financially constrained in participating in non-farm entrepreneurial activities. Self-employed entrepreneurs, on the other hand, appear not to be financially constrained. The study also finds that access to external finance is not a major determinant in Nigeria.</p>
<p>Practical implications</p>

Beside individual capabilities and household characteristics, institutional interventions such as finance is a significant determinant of household's decision to participate in non-farm entrepreneurial activities as a livelihood diversification strategy in developing countries.

Often attenuated to be at the lower end of the size spectrum with low income activities and no significant contribution to the economy, considerable evidence has suggested otherwise, as household enterprises, and not large enterprises or multinationals, play the critical role of stimulating economic growth, generating employment, and contributing to poverty reduction in developing countries.

Policy Implications (if applicable)

The crafting and designing of financial inclusion policies targeted at reducing poverty and rural development through entrepreneurship development in developing countries should encompass not just broadening formal financial services to larger proportion of households in developing countries, but also include reducing price and non-price barriers to informal finance.

What is the originality/value of paper

Our search of the literature suggests that no attempt has hitherto been made in this direction in developing countries due to a paucity of data that disaggregates between part-time entrepreneurship and self-employed entrepreneurship

The debates on the impact of financial constraints on enterprise development in developing countries have left out of focus the consequences of financial constraints on household enterprises, despite evidence suggesting that these enterprises constitute a sizeable proportion of an average household's income in developing countries.

Please state if your paper is a:

Refereed research paper Practitioner Paper X Presentation only

Please indicate the theme(s) that you consider most appropriate for your paper:

- Entrepreneurship, farming and the natural environment
- Digital Rural Entrepreneurship
- International dimensions of rural entrepreneurship
- New approaches in rural theory, method and measurement
- X Opportunities and challenges for rural development
- Rural Innovation, EU funding and the role of Universities
- Rural Social Entrepreneurship
- Rural Place Marketing

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X Yes No

To apply to participate in the Early-Career research development seminar, PhD applicants must submit a short project description (max 4 pages) with name, project title, affiliation, outline of methodology(ies) and a letter of recommendation from their supervisor. Post-doctoral researchers should submit a short description of their current research interest (max 1 page).