ENTREPRENEURSHIP IN DEVELOPING COUNTRIES: IS AFRICA DIFFERENT?

JONATHAN MUNEMO
Department of Economics and Finance
Salisbury University, 1101 Camden Ave.
Salisbury, MD 21801
1-410-677-0057, Fax: 1-410-546-6208
jxmunemo@salisbury.edu

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This paper uses data on new firm registrations to examine entrepreneurship in Africa relative to other developing countries. The results show that new firm creation is more pronounced in other developing regions than in Africa. In addition, the results also show that entry deregulation and political stability are relatively more important for the creation of new businesses in Africa. These results imply that Africa is different; therefore, it is important to implement reforms to create a business environment conducive for new firm creation in Africa. Reforms in governance are also required to address problems related to political stability to increase entrepreneurial activity in Africa.

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