

THE TANGLED HISTORICAL ROOTS OF ENTREPRENEURIAL GROWTH ASPIRATIONS

Stephanie Decker*,
Saul Estrin†**
Tomasz Mickiewicz*

***Aston University, Birmingham, UK;**
****London School of Economics, London, UK**
† Corresponding author: s.estrin@lse.ac.uk

Running title: Tangled historical roots of entrepreneurial growth aspirations

Keywords: Africa, entrepreneurship, history, qualitative comparative analysis, Global Entrepreneurship Monitor

3rd January 2020

Research Summary

We consider what configurations of historical and geographic dimensions influence entrepreneurial growth aspirations (EGA). Our theoretical framework combines geography (coastal location, resource dependence); long term colonial history (ethnic heterogeneity; legal origins) and postcolonial history (low levels of conflict and population displacement; not having ‘bad neighbours’). We employ abductive reasoning to link the social science and historical literatures via analytically structured histories of Ghana, Nigeria and Angola. Next, we undertake a fuzzy set qualitative comparative analysis (fsQCA) on sub-Saharan Africa (SSA) countries to

This article has been accepted for publication and undergone full peer review but has not been through the copyediting, typesetting, pagination and proofreading process which may lead to differences between this version and the Version of Record. Please cite this article as doi: 10.1002/sej.1348
--

investigate which particular configurations of these dimensions are important for EGA. We demonstrate the importance of configurations over individual variables and add context-bound dimensions to the study of entrepreneurship in developing countries, through historical analysis.

Managerial Summary

Our analysis may offer entrepreneurs a template for identifying potential opportunities and threats in order to calibrate their strategies for scaling up their venture in sub-Saharan Africa. We argue that environments rich in entrepreneurial growth opportunities are associated with configurations where negative aspects are more than compensated by positive ones. For Botswana, the low levels of internal conflict compensate for unfavourable location. For Angola, the positive impact of coastal location and relatively low ethnic heterogeneity counterbalance the negative effect of resource rents. Resource-driven economies are more entrepreneurial: better economic opportunities can sometimes result from having extractive industries. For African entrepreneurs it is not only relevant what happens in their own countries, as their opportunities are directly affected by economic or political turmoil in neighbouring countries.

Keywords: Africa, entrepreneurship, history, qualitative comparative analysis, Global Entrepreneurship Monitor

1. INTRODUCTION

Institutional environments affect the motivation of individuals to engage in entrepreneurship (Baumol, 1990), and, importantly, their entrepreneurial growth aspirations (Bowen and DeClercq, 2008; Autio and Acs, 2010; Levie and Autio, 2011; Estrin, Korosteleva, Mickiewicz, 2013). However, these environments have complex historical roots, and in this paper, we advance the understanding of this relationship by looking at the separate roles of both longer- and shorter-term historical factors.

North's work on institutions and development (1990, 2006) already notes the potential significance of history for understanding the characteristics of economic activity including

entrepreneurship. However, this relationship needs to be refined because history is interpreted as stretching back centuries but not all institutions have such deep roots. Moreover, history is not destiny (La Porta et al., 2008); and institutional contexts can change dramatically both in the long run and in the short to medium term (Braudel, 1995/1949; North, 2006). Furthermore, North based his analysis on an interpretation of how institutions had evolved in Western Europe, though much entrepreneurial activity takes place in parts of the world, mainly developing economies, which are currently only poorly reflected in history-conscious entrepreneurial theory¹. Hence, we contribute context-bound insight to entrepreneurial theory (Tsui, 2004; Welter & Gartner, 2016) that more commonly researched contexts such as North America and Europe would not allow us to recognise. Moreover, the focus on historical legacies in the institutional environment also engages with calls to consider historical reasoning and research as source for new theorizing (Gartner, Jones, Kirsch, Wadhwani, & Welter, forthcoming; Wadhwani, 2010, 2016a; Wadhwani & Lubinski, 2017).

In order to focus on the type of entrepreneurial activity, which significantly impacts economic development and growth, our analysis of the relationship between history, institutions and entrepreneurship is based on the finely grained notion of high growth aspiration entrepreneurship. Necessity entrepreneurship and self-employment are often conflated with low growth aspiration entrepreneurship and are the predominant forms of entrepreneurial activity in developing countries. They may generate some income and employment for the entrepreneurs and their close friends and family, yet their impact on economic growth is very limited (Acs, Desai, Klapper, 2008; Henrekson and Stenkula, 2016; Estrin *et al.*, 2018). This contrasts with high growth aspiration entrepreneurship (HGAE), in which the entrepreneur's objective is to accumulate the resources and the competitive advantages required to appropriate the full value from identified

¹ A number of special issues have addressed the relative absence of studies on emerging economies (Bruton, Ahlstrom, & Obloj, 2008; Bruton, Filatotchev, Si, & Wright, 2013; Smallbone, Welter, & Ateljevic, 2014; Tracey & Phillips, 2011).

opportunities (Hitt, Ireland, Camp and Sexton, 2001; Ireland, Hitt and Sirmon, 2003; Kuratko and Audretsch, 2009; Hitt, Ireland, Sirmon and Trahms, 2011; Bjørnskov and Foss, 2013). HGAE can therefore have profound effects on economic development (Baumol and Strom, 2007; Acs, Estrin, Mickiewicz, Szerb, 2018), but is also highly sensitive to the institutional environment (Autio and Acs, 2010; Estrin et al., 2013). We propose that the institutional conditions conducive to HGAE rather than to subsistence or necessity entrepreneurship have their roots in complex configurations of historical factors.

Sub-Saharan Africa (SSA) is an important region to analyse in this respect; it represents one of the new frontiers of business research (George, Corbishley, Khayesi, Haas, & Tihanyi, 2016), the third largest populated area after China and India, with a population close to 1 billion people (across 46 different states), which is expected to rise to 2.7 billion by 2060 (World Bank, 2015). Moreover, SSA has the youngest population in the world, with a population pyramid conducive to economic growth.² Despite this potential, the region has long faced fundamental challenges in its development process associated with geographical constraints as well as historical legacies (Collier, 2008; Michalopoulos and Papaioannou, 2018). Research on entrepreneurship in Africa is relatively fragmented (Acs, Szerb, & Jackson, 2013; Kiggundu, 2002; Kuada, 2015; Naudé & Havenga, 2005), and rarely addresses the historical legacies of the institutional environment. Furthermore, the similarities across countries in terms of their long-term institutional context, such as their common exposure to colonialism, may not alone explain the entrepreneurial growth aspirations. Our framing underlies the distinction between long-term and medium to short term history: the former notably concerning the colonial heritage and the latter post-colonial events. Thus, we argue that entrepreneurial growth aspirations are largely shaped by configurations of three factors: long term historical factors; short term history; and geographic location.

² <http://blogs.worldbank.org/africacan/7-facts-about-population-in-sub-saharan-africa>, accessed on the 26th of November 2018.

We consider two research questions. First, what configurations of historical and geographic dimensions influence HGAE outcomes in SSA? To address this question, we employ abductive reasoning to link the social science and historical literatures. We use analytically structured histories of three African countries (Ghana, Nigeria and Angola), based on a close reading of the secondary literature in the social sciences and history, to develop a conceptual framework identifying the key dimensions potentially affecting entrepreneurial growth aspirations. We go on to utilize the dimensions identified in that framework to undertake a fuzzy sets qualitative comparative analysis (fsQCA) (Douglas, Shepherd, Prentice, 2020) in order to address our second research question: which configurations of these dimensions are important for high growth aspiration entrepreneurship? Our fsQCA analysis suggests that elements of long term colonial history (that is, British versus other colonies; ethnic heterogeneity); of postcolonial history (that is, high/low levels of conflict and population displacement; not having ‘bad neighbours’); as well as of geography (that is, coastal locations; resource endowments) together play an important role in the configurations of historical and geographic factors supportive of HGAE. The results emphasize the need for a contextually sensitive and history-conscious analysis which focuses on *configurations of dimensions* rather than on separate independent variables.

In the following section, we present the preliminary framework to understand the relationship between long- and short-term historical factors, geographic dimensions and entrepreneurial growth aspirations, drawing on analytically structured case histories. We go on in the third section to use this framework to structure our fsQCA. Our discussion of the results leads to conclusions highlighting the wider lessons about the historical origins of HGAE, and the implications for entrepreneurship theory.

1. THEORETICAL FRAMEWORK AND HISTORICAL METHODS

Baumol (1990) utilizes historical analysis to posit that institutions affect the choice between productive and unproductive forms of entrepreneurship (see also: Sobel, 2008). This argument has been extended to HGAE by Autio and Acs (2010) and Estrin et al. (2013): they suggest that inadequate institutions reduce the incentives for entrepreneurs to create high growth aspiration ventures. Thus, the institutional environment affects the ‘quality’ of entrepreneurship through the aspirations of owners-managers of the new ventures, and in that way influences their impact on employment, growth and economic development (Estrin et al., 2018). However, understanding the institutional environment is not a trivial task, and this is especially true for developing countries in general, and for Africa in particular (Nunn and Wantchekon 2011; Michalopoulos and Papaioannou, 2018). In part, this is because understanding institutions entails knowledge of the history of the country in which those institutions evolve (North 1990; 2006; Acemoglu and Robinson, 2012). Hence, we can only fully understand institutional determinants if we engage in context-bound (Tsui, 2004) and history-conscious theorizing (Gartner et al., forthcoming), to enrich entrepreneurship theory.

To develop our theoretical framework, we proceed to identify potentially important elements of the institutional environment through abduction. Abductive reasoning is key to historical analysis (Megill, 2007; Wadhvani & Decker, 2017) and is well aligned with “the inherent characteristics of QCA” (Park, Fiss, & Sawy, forthcoming: 13). Mantere & Ketoviki (2013: 72) highlight the importance of abduction for theorization, stressing the importance of transparency in the selection between alternatives. We employ abductive reasoning here to link two different literatures: the social science literature, comprised of development studies and entrepreneurship studies in SSA, and the historical literature, comprised of economic and political histories, as well as country-based accounts and continent-wide syntheses. Finally, we match the emerging dimensions with the available data for SSA, as we aim to develop the theoretical framework

further utilising the fsQCA. In order to be transparent about the abductive process that underpins our articulation of the framework, we *confirm*, *discard* or *refine* our understanding of the chosen dimensions. Emerging categories that are *confirmed* become dimensions of the theoretical framework that informs the fsQCA. Conversely, those *discarded* are listed but not further discussed due to space constraints. All dimensions have been *refined* through analytically structured histories, which are discussed in greater detail in the following sub-sections.

2.1 Selecting the dimensions of the theoretical framework

The development literature has identified several factors that explain the inability of some African countries to sustain economic growth, summarized by Collier (2008) as development ‘traps’. Collier singles out four traps - being landlocked, resource-dependent, and having bad neighbours and high ethnic heterogeneity - and stresses their interdependence. Thus, development traps can work together as configurations, as well as impacting individually. For example, being landlocked may have serious negative impact only if this effect is amplified by the same country having bad neighbours. Being ethnically heterogeneous not only makes civil war or internal conflicts more likely, but also makes them more prolonged (Collier, 2008).

These contextual factors can also be important for entrepreneurial growth aspirations. For example, being landlocked implies a more difficult access to international markets (Sowell, 2015; Michalopoulos and Papaioannou, 2018), and therefore reduces the potential for exporting and engaging in global value chains, both of which may limit entrepreneurial growth aspirations. Alongside that, being natural resource-dependent (especially on a single mineral resource), may lead to concentrated rents, supporting oligarchic structures that limit the range of entrepreneurial opportunities for large sections of the society, again lowering HGAE (Mehlum, Moene, and Torvik, 2006). In contrast, where ethnic heterogeneity is lower, natural resources may play a more positive role in development.

We draw on these explanations from the social science and development literatures as a priori categories to structure our reading of secondary historical accounts. We first relate the social science explanations to detailed, mostly country-based, histories. SSA is a region of 46 countries with diverse colonial and postcolonial trajectories; however we focus only on those countries represented in the Global Entrepreneurship Monitor (GEM) database. When we rank-order them by entrepreneurial growth aspirations from the highest, the list starts with Botswana, Nigeria, Senegal, Angola, Ghana, Burkina Faso, and Cameroon. Among those with high level entrepreneurial aspirations, Botswana and Senegal are in our view both well described in the economic development literature (Acemoglu and Robinson, 2012; Boone, 2006). The other three countries with relatively high entrepreneurial growth aspirations – Nigeria, Angola, and Ghana – are more complex if not puzzling. Mapping them onto the development traps we introduced earlier, they provide us with some similarities: in particular, none of them is landlocked. Because many SSA countries were formed on the basis of the requirements of colonial administration rather than their ethnic or national identities, the ethnic characteristics of the population represents a second important contextual factor (Michalopoulos and Papaioannou, 2018). If a country is ethnically heterogeneous, this can create fragmentation of internal markets, including the labour market, and may also lead to discrimination by the dominant ethnic group (Khoury and Prasad, 2016; Michalopoulos and Papaioannou, 2018). In both cases, limits to entrepreneurial opportunities emerge, lowering entrepreneurial growth aspirations (Estrin et al., 2013). We notice that for all the three countries, the level of ethnic heterogeneity is below the median of our sample.

Yet, there are also significant differences:

- Nigeria and Ghana were part of the British empire, while Angola was part of the Portuguese empire;
- Angola has some bad neighbours, Nigeria and Ghana less so;

- While all three countries are resource-dependent, Angola has been so to a greater extent.³

Through this process we have therefore *confirmed* and importantly *refined* the four development traps listed earlier.

Historical analysis also challenged whether these dimensions should be considered in isolation from others: for example constraints in colonial and postcolonial institutional environments have been circumvented or offset by geography (openness to trade through access to the sea). This reflexive comparison between the two literatures and available data also led us to *discard* other initial categories, such as corruption and quality of governance. Thus, Nigeria and Angola show very high rates of entrepreneurial growth aspirations despite having high rates of corruption according to Transparency International's widely used index.⁴ The historical narratives in conjunction with specific studies in African entrepreneurship further *confirmed* the importance of migration, and the distinction between voluntary and forced migration, which fed back into our theoretical framing. A recent history of internal conflicts, civil wars, and mass terror inflicted by some oppressive regimes act to suppress inclusive access to entrepreneurial opportunities and deeply affect motivation, thereby dampening growth aspirations. Furthermore, it is important to consider not only developments in a country, but those in neighbouring countries as well. Having 'bad' neighbours implies that trade opportunities are not realised (Collier, 2008) and is likely to cause disruption resulting from inflows of refugees and spillover of conflicts (Michalopoulos and Papaioannou, 2018).

Finally, the institutional past of countries in SSA was clearly shaped by the identity of the relevant colonial power, but this has been conceptualized differently in the social science and the historical literature. We draw on the key distinction developed in the institutional literature

³ In 2008, resource income was 57% of GDP in Angola. However, since then, the share continued to decrease rapidly over the past decade to stabilise at the level which is no longer that much higher compared to the two other countries (16% for Angola, compared to 13% for Ghana, and 9% for Nigeria; all in 2017; World Bank data).

⁴ see <https://www.transparency.org/cpi2018> [accessed November 2, 2019].

between the common law (English) and civic law (continental Europe) traditions; these differences have a long-term institutional effect, shaping, among other entrepreneurial activity (La Porta et al., 2008; Acemoglu and Robinson, 2012; Hough and Grier, 2015). However, this distinction was *refined* by historical accounts that see legal origins as part of a broader administrative heritage. Table 1 illustrates the relationship of concepts from the different literatures and our final dimensions in a stylized fashion.

{Table 1}

2.2 Refining the theoretical dimensions through analytically structured histories

We present our analytically structured history of these three country cases in support of our contention that HGAE in SSA is the result of complex, equifinal and evolving combinations of factors. This type of history is neither anecdotal nor a straightforward description of events, but rather an approach to develop concepts and map out their interactions (Rowlinson, Hassard, Decker, 2014). In historical organization studies, narrating is employed to explain the origins of contemporary phenomena and helps to make connections between different factors and to discern patterns (Maclean, Harvey, Clegg, 2016). The aim of our analytically structured history is to provide a context-sensitive synthesis of possible explanations for our three example countries – Nigeria, Angola, and Ghana – that helps to design the fsQCA and to interpret its results. It is analytically structured in that it explores the different dimensions outlined previously, rather than narrating each country's history separately.

We grouped the dimensions under geography (landlocked, resource-dependent), long-term colonial history (legal origins, ethnic heterogeneity), and short-term post-colonial history (refugees from, bad neighbours). Geography focuses on resource endowments and access to sea. Colonial history reflects legacies such as administrative heritage of common or civil law systems,

with implications for the way in which different ethnic populations were governed within a colony. Finally, post-colonial history deals with instability and insecurity that African states experienced either internally or externally (see Figure 1). We discuss these dimensions in detail below.

{Figure 1}

2.2.1 Geography

We consider the effects of geography separately from colonial and postcolonial history, but always as closely related to historical developments. This is because the contemporary shape and character of African countries was in part the consequence of colonial expansion in the nineteenth century, which ultimately led to the creation of present-day states during decolonization (Cardoso Reis, 2015; Cooper, 2002; Darwin, 1999; Holland, 1985).

Both Nigeria and Angola have been well known major oil exporters in Africa, and the sector played an important role in their economies (Andreasson, 2015; Birmingham, 2006; Clarence-Smith, 1985; Nugent, 2002). Ghana has discovered offshore oil and gas deposits recently, and only started exploitation in 2010 (Hickey, Abdulai, Izama, & Mohan, 2015). We focus on *resource dependence*, particularly in terms of oil and gas, because this has been known to exert an influence on the occupational choice of individuals, especially in developing countries. Attitudes towards HGAE may depend on peoples' perceptions of how successful and prominent individuals attained their current position and status. Governments in developing economies are often expected to create secure jobs, and government sectors of countries without oil revenues are on average half as large as of those with them (Ross, 2012; Wenar, 2016).

Nevertheless, there are significant differences between the three countries. Nigeria has the second highest level of entrepreneurial growth aspirations in our sample, as illustrated by Figure 2 below. The GEM data is consistent with a survey conducted for Forbes Insight: 86% of Nigerian

respondents were interested in starting their own business, above the 80% average for sub-Saharan Africa (Forbes Insights, 2015). Their report further highlights that, while Nigerians were not uncritical of entrepreneurs, 63% admire their courage and resilience and only 13% believed that they made their profits dishonestly. Moreover, 40% of Nigerians counted on entrepreneurs and small and medium enterprises (SMEs) to create the most jobs for young people in the next five years.

{Figure 2 here}

Angola also scores relatively well in terms of entrepreneurial growth aspirations, like Ghana, yet lower than Nigeria. These differences are more marked with respect to general entrepreneurial attitudes; in the Forbes Insight survey (2015), only 51% of Angolan respondents were interested in starting their own business, while 54% of Angolan respondents counted on the government/public sector to create jobs. Angolans also viewed entrepreneurs more critically than Nigerians, with 41% assuming they used their connections to build a business, and 29% believing that they did not make their profits honestly. Nevertheless, Angola shows strong entrepreneurial growth aspirations, even if these are not at the same high level as in Nigeria.

While we would expect resource rents to work against HGAE, this may be counterbalanced by the fact that all three countries have access to the sea. We noted earlier that not being *landlocked* has significant benefits, such as openness and trade opportunities, all conducive to HGAE.

2.2.2 Colonial history

Many African countries were shaped in the nineteenth century by a process of colonial occupation. Thus, pre-existing political entities were subsumed within different colonial systems with implications for institutional frameworks, language, and administrative heritage. As a result,

African countries often have a colonial legacy of *ethnic heterogeneity*. However, there are significant differences in how this has become reflected in current political structures. Among our three examples, ethnic heterogeneity is relatively lower in Angola. This may have been an important factor in overcoming the heritage of conflict and of relatively authoritarian governance historically. This relatively lower level of diversity is important for HGAE because it extends the internal markets for goods, services and labour and excludes fewer groups of people from entrepreneurial activity (Khouri and Prasad, 2016). The level of conflict in Angola has recently remained low and the resulting stability has likely had a positive effect on entrepreneurial growth aspirations.

Ghana is an example of how the potentially negative impact of ethnic heterogeneity has been contained within the political system. At present, the country is considered to be democratic, but has been termed ‘clientelist,’ referring to a political process in which certain groups (local, regional, ethnic, occupational, etc.) demand material goods in return for electoral support.⁵ Critically however, with two major parties competing at the elections – the NPP being broadly pro-market and the NDC more populist and statist (Hickey et al., 2015) – this process of gaining and rewarding support is not ethnically based. This contrasts with Nigeria, where the federal decentralised system bestowed by British reinforced existing ethnic and religious divisions, and has formed the basis of the main political parties (Diamond, 1988). What followed was political competition between the Muslim North and the largely Christian and Animist South, with these regional tensions leading to the secession of Biafra in 1967 and the Nigerian civil war (Klieman, 2012; Nugent, 2002; Uche, 2008). Thus, ethnic heterogeneity does not always transform into dysfunctional politics, helping us to *refine* our understanding of ethnic heterogeneity in terms of how it interacts with the political system with implications for HGAE.

⁵ On wider discussion of clientelism and patronage systems, see: Fukuyama (2014).

Other elements of colonial history may favour HGAE in Ghana and Nigeria over Angola. The key difference between Nigeria and Ghana on the one hand, and Angola on the other, is the different nature of the colonial regime. We summarize this through the distinction between *common* and *civil law* countries, and the differential economic outcomes attributed to each. First, the literature argues that British (common law tradition) vs. Portuguese (civil law tradition) colonialism embedded different political and economic institutions, with the former more friendly to entrepreneurial activities than the latter (La Porta et al., 2008). Second, it has been documented for Africa that in former British colonies the level of educational attainment is higher (Michalopoulos and Papaioannou, 2018)⁶, and the latter has been generally identified as a strong factor enhancing entrepreneurial growth aspirations (e.g. Estrin et al., 2013). Thus, we could argue that both in the case of Nigeria and more recently in Ghana, the impact of oil resources was counterbalanced by the tradition of an indigenous thriving business culture which British colonial rule had not entirely suppressed (Deutsch, 1995; Fieldhouse, 1986; Forrest, 1994; Hopkins, 1965; Nwabughuogu, 1982). Both countries also benefitted from access to the sea, which contributed to entrepreneurial activities through the easier access to international trade.

Angola illustrates different dynamics. Commencing with the impact of the colonial system, the legacy of Portuguese colonialism is often considered to be more extractive than British or French colonial institutions; Portugal's management of its colonies was bureaucratic, highly protectionist and provided little investment in industry or education. It instead relied extensively on forced labour (*corvee*) and repression (especially during the Salazar dictatorship) and this helped to create a sharp distinction between cities (where Portuguese settlers and Creole elites

⁶ The partitioning of a single ethnic area into Ghana and Togo offers a natural experiment on the impact of different colonial systems. After the First World War, the western part (Ghana) became a British and the eastern part (Togo) a French colony. It has been documented that the level of educational attainment is higher on the Ghana side of the border (Michalopoulos and Papaioannou, 2018).

lived) and the countryside (Clarence-Smith, 1979; Hodges, 2004). The private sector remained underdeveloped in Angola under Portuguese rule and was largely reserved for Portuguese settlers.

Despite this legacy, Angola scores high for entrepreneurial growth aspirations, even if lower than Nigeria. This points to the importance of looking at the *configurations* of dimensions. Factors that may be counterbalancing the impact of the nature of colonial rule include the relatively lower ethnic heterogeneity and the country's geographic location. We already noted the importance of access to sea, and Angola's capital, Luanda, always remained a significant trade centre, which, here as elsewhere, provided strong opportunities for HGAE. When Angolan politics became overshadowed by a business-hostile ideology and conflict, entrepreneurship went below the radar screen and was channelled into the shadow economy. In this respect, the heritage of rather inefficient Portuguese colonial administration made the dysfunctional policies less effective. This indicates that the impact of legal origins may be through an administrative legacy, thus *refining* our understanding of this dimension.

2.2.3 Postcolonial history

The differences in entrepreneurial growth aspirations between the countries may also be explained by variations in individuals' perceptions of the potential gains from entrepreneurship. The character of a new venture is influenced by economic opportunities related to entrepreneurship, and these result from recent historical developments that shape both attitudes and available resources. Hence our final set of dimensions relate to postcolonial history.

All three countries have experienced a great deal of economic and political upheaval since independence, but to varying degrees. Ghana has had a turbulent post-independence history and suffered periods of economic collapse and military dictatorship. However, it experienced less political violence than Nigeria or Angola; while in turn Nigeria's civil war was significantly

shorter than Angola's and that country's transition to democracy also has been longer and more sustained.

Thus, Nigeria had an early post-independence history of internal conflict in the 1960s, but it has since enjoyed relative stability, albeit interspersed with periods of repressive and autocratic regimes. Despite the history of civil war, and the ongoing conflict with Islamists in the North, some political solutions were achieved by widening participation in the sharing of rents from oil, especially when the militias in the Niger Delta accepted stabilisation in return for a \$400 million per year amnesty programme (Wenar, 2016).

After the colonial war (1961-1975), Angolan independence was overshadowed by conflict between rival movements, each backed by different Cold War powers: MPLA by USSR and Cuba, and UNITA by the USA (Birmingham, 2002; Hodges, 2004). The country was subject to a series of external and civil wars, with over three million civilians displaced (Wenar, 2016). The capital city, Luanda, was dominated by the Marxist MPLA and political concepts borrowed from the USSR reinforced authoritarian and bureaucratic traits inherited from the Portuguese (Hodges, 2004). During the 1990s, these fault lines erupted again (without much ideological allegiance) in two civil wars, driven by the MPLA's access to crude petroleum and UNITA's control of most of diamond mining.

Angola emerged relatively late into independence (1975) and immediately suffered from the abrupt departure of about 300,000 Portuguese administrators and other professionals, significantly disrupting the previous colonial institutional framework. They were largely replaced by indigenous Portuguese-speaking Angolans, who subscribed to the same tradition of bureaucratic authoritarianism inherited from colonial times. Parallel to this, off-shore petroleum resources were discovered during the oil boom of the 1970s (Chabal, 2002). The state-owned oil company provided significant resources to state employees during the wars of the 1980s and 1990s. As inflation eroded government salaries, access to subsidised housing and products that could be

traded on parallel markets continued to ensure state employees had higher standards of living than other urban residents. The extensive Angolan state administration built on these oil revenues has been described as a hierarchical structure of patronage and privilege, which provided a political basis for the authoritarian regime (Shaxson, 2007; Wenar, 2016). Domestic entrepreneurs did emerge during this time period, but they often depended on people with stable (government or oil company) salaries for their businesses (Birmingham, 2002; Cain, 2004; Chabal, 2002).

For Ghana and Nigeria, the experience of decolonization was not just very different, but also completed earlier; by 1957 and 1960 respectively. With the departure of British colonial civil servants, educated Nigerians and Ghanaians benefitted from increased opportunities for appointment and promotion in the civil service and in multinationals from the mid-1950s until the 1970s, as the handover from expatriates was gradual (Decker, 2008). By the 1970s, the Nigerianization decrees and the Ghanaian Business Promotion Act forced foreign investors to sell their businesses to nationals (Biersteker, 1987; Collins, 1974, 1977; Esseks, 1975; Genova, 2010; Rood, 1976; Uche, 2013). This opened opportunities for entrepreneurs with high growth aspirations. In more recent years, technology-based clusters have been emerging in West Africa, and with them expectations of enabling these economies to leap-frog stages of economic development (Economist, Nov 10th, 2017). These new sectors, such as information and mobile technology, are perceived as more meritocratic and offering opportunities in an equal and democratic fashion to people based on their skills rather than their connections or via political patronage. This may create a virtuous circle of dynamic entrepreneurship and social support for it (see: Arora and Gambardella, 2006, on India). By witnessing others achieving successful entrepreneurial careers, HGAE is fuelled in both Nigeria and Ghana (Amankwah-Amoah, 2018; McDade & Spring, 2005; The Economist, 2012).

However, the postcolonial history of a country's neighbours is also important for HGAE. Negative effects of conflicts in the neighbouring countries can include trade disruption (which has particularly harsh effects for countries that are landlocked), and massive waves of refugees. Ghana, for example, has recently encountered difficulties because of the conflict in neighbouring Côte d'Ivoire, but for most of its postcolonial history has remained relatively unaffected by external conflicts. Nevertheless, during deep economic and political crisis in the early 1980s, Nigeria chose to expel a large number of its Ghanaian residents, whose return significantly exacerbated the poor economic situation (Afolayan, 1988). Nigeria has similarly not been severely affected by conflict outside of its borders, even though recently there have been protests in Anglophone parts of Cameroon, which are located next to its Western border. Angola, on the other hand, has been most affected. It shares a long border with the Democratic Republic of Congo and was involved in the first and second Congo War in the 1990s (Chabal, 2002).

Another important negative factor from post-colonial history is the internal disruption caused by ethnic displacement which results in *refugee outflow*. It is crucial here to distinguish between forced migrations and voluntary migrations. Angola, for example, has had high levels of refugee outflow due to its long history of postcolonial conflict. On the other hand, neither Nigeria nor Ghana have seen large-scale outflow of refugees in recent years, but both continue to benefit from established diasporas based on earlier voluntary migration (van Hear, 2005). Some studies have noted that migrant returnees have a positive impact on entrepreneurial activity and that remittances and returnees are key factors facilitating business creation back in the home country (Amassari 2004; Vaaler, 2011, 2013; Linde, 2013; McCormick and Wahba, 2001; Estrin et al., 2018). This is not the case where migration is forced.

The case of Ghana is instructive. The country has seen high outward migration after independence, yet greater inward migration since the mid-1990s. Due to political and economic conditions at the time, highly skilled and professional Ghanaians left the country between the

1960s and 1980s – indeed migration has been a significant survival strategy for many families since Ghana’s independence (Anarfi & Kwankye, 2003; Van de Walle, 2001). Furthermore, the pattern of migration shifted away from regional destinations to more international ones in the 1980s (Afolayan, 1988). Important destinations have included the UK, Germany, the Netherlands, and the United States, all of which have sizeable Ghanaian diaspora communities (van Hear, 2005).

This large-scale migration was largely voluntary and did not result from ethnic cleansing or conflict. This has implications for how the emigrants relate to their home country; and has created opportunities for post-migration backward linkages. Ghanaians formed a sizeable and highly visible diasporic community. The distinction between diaspora and migration is significant in cultural terms; unlike a fragmented migrant community, a diasporic community has a shared identity based on a ‘homeland’ which may provide the social capital critical to linkages stimulating the entrepreneurial development in the home country (Davidsson and Honig 2003; Nanda and Sørensen, 2010). Further migration is facilitated by diasporas: established communities abroad offer help with finding jobs, gaining skills, having access to knowledge, and educational opportunities (Kapur, 2001; Kloosterman, Van der Leun, Rath, 1998). All these actions may be positively related to HGAE in the home country. The existence of a strong network through the diaspora supports experiences conducive to building up the resources and capacity of entrepreneurs by accumulating human and financial capital abroad, as well as by giving the ability to draw on ties within international relationships (Estrin, et al., 2018). However, these effects are weak or not present in countries that have experienced massive ethnic cleansing, as for example Uganda.

2.2.4 Summary

Our framework is based on explanations from the social science and historical literature and focuses on how geography, colonial and postcolonial history shaped the SSA countries. We highlight not just how each country experienced a different *configuration* of these dimensions, but also that history suggests that these dimensions interact and moderate each other in unexpected ways, which makes them more than the sum of their parts. For example, the presence of natural resources can have an ambiguous effect on entrepreneurial growth aspirations, as suggested by the contrasting cases of Botswana and the Republic of South Africa (RSA) (Acemoglu and Robinson, 2012). In RSA, the natural resources were discovered in the nineteenth century, which turned out to be a curse. In Botswana, diamonds were discovered later, after strong inclusive institutions had been established. At the same time, Botswana is a country with the lowest ethnic heterogeneity in our sample. Thus, the role of a single factor, such as resources, is difficult to disentangle, leading us to focus on configurations of dimensions, and this is where fuzzy sets qualitative comparative analysis (fsQCA) can help. In the spirit of QCA approach, ‘cases are represented as configurations of conditions’ (Ragin, 2014: xxi). Their study through the analysis of the dimensions is the first step leading to fsQCA. While some of our dimensions can be measured in a clear and unambiguous way (a country has either access to the sea or it is landlocked), others must be conceptualized as continuous or ‘fuzzy’, for example resource dependence or ethnic heterogeneity. We will outline how we translate our theoretical framework into fsQCA in the next section.

2. FSQCA ANALYSIS

As will be discussed below, we have data on entrepreneurial growth aspirations for 14 SSA countries; when different available years are taken into accounts this yields 53 data points. Given the large variety of factors we have been considering, there are insufficient degrees of freedom and too little heterogeneity for the use of country-based regression analysis. However, we can

move beyond case studies by applying fsQCA.⁷ This method relies on fuzzy set logic and is able to identify the configurations of dimensions that are sufficient for a specific outcome to emerge (Ragin, 2009). It is not only data limitations that directs us towards fsQCA. The method has the advantage over regression methods that it can handle situations where more than one configuration is associated with a given outcome (equifinality).

In our model, the outcome is a high level of entrepreneurial growth aspirations and our previous discussion has identified six explanatory dimensions related to colonial history, post-colonial history, and geography respectively, as presented in Table 1 and Figure 1. Each dimension is defined as membership in a set representing a given characteristic, but this membership can be partial (fuzzy), therefore taking any value between 0 and 1. A configuration is defined as being sufficient for an outcome if fuzzy set membership in the outcome is higher or equal to the fuzzy set membership level for each of the dimensions that constitute this configuration (Schneider and Wagemann, 2012).

We start with the operationalisation of our outcome variable: entrepreneurial growth aspirations, and then consider the possible explanatory dimensions, based on the framework and factors discussed above. The fsQCA analysis will follow.

3.1 Calibrating the outcome: entrepreneurial growth aspirations

We start with our outcome measure; entrepreneurial growth aspirations. There have been a number of recent surveys of working age population for African countries within the framework of GEM.⁸ We utilize GEM's aggregate country-level data for 2001-2017 and follow the literature in using involvement in nascent high growth aspirations start-up as our core measure of HGAE

⁷ We are greatly indebted to the anonymous referee for suggesting this as a methodological strategy.

⁸ The GEM database is widely recognised as the best source of comparative entrepreneurship data (Davidsson, 2016). Its methodology is described by Reynolds et al. (2005). SSA countries that participated are: Republic of South Africa (RSA), Uganda, Angola, Ghana, Zambia, Nigeria, Botswana, Ethiopia, Malawi, Namibia, Burkina Faso, Cameroon, Senegal, and Madagascar.

(e.g. Autio and Acs 2010; Estrin et al., 2013). Our measure is constructed from the GEM survey instrument, drawing on the question where respondents are asked to declare their target level of employment five years hence.⁹ High entrepreneurial growth aspirations are measured as the percentage of all early stage entrepreneurs (with new ventures that are less than 42 months old), who declare a target of more than five employees five years hence.¹⁰

However, we introduce one important modification to the GEM indicator, because in its original form it is masking some selection effects. The ratio of high growth aspiration entrepreneurs to all entrepreneurs, by construction, reflects both the denominator and nominator, and therefore does not represent the overall prevalence rate of high growth aspiration entrepreneurship, which we consider a superior measure. Thus, we instead use a product of two GEM indicators:

$$HGAE = (High\ growth\ aspiration\ entrepreneurship) / (Working\ age\ population) = \\ (High\ growth\ aspiration\ entrepreneurship) / (Early\ stage\ entrepreneurship) \times \\ (Early\ stage\ entrepreneurship) / (Working\ age\ population) \quad (1)$$

The distribution of this variable for all data points for SSA is illustrated in Figure 2 above. It produces the ranking of countries already referred to at the beginning of Section 3.

In order to apply fsQCA, we need to transform the raw data for every independent variable into a range between zero (minimum) and one (maximum), thereby allowing membership of a set to be partial (fuzzy) (Ragin, 2009). We rank order all our variables and standardize them between

⁹ The exact question is the following: “How many people will be working for this business, not counting the owners but including all exclusive subcontractors, when it is five years old? By exclusive subcontractors, we mean only people or firms working ONLY for this business, and not working for others as well.” (*Global Entrepreneurship Monitor Adult Population Survey*, various years).

¹⁰ The underlying entrepreneurial growth aspiration data are continuous, but suffer from serious non-normal distribution and beyond some threshold, the pattern of high level answers clearly demonstrates problems. Thus, to apply a cut-off point is justified on empirical grounds.

zero and one utilising the algorithm recommended by Longest and Vaisey (2008) in the context of fsQCA. That is, we use the following formula for this transformation:

$$(\text{rank of HGAE} - \min \text{rank of HGAE}) / (\max \text{rank HGAE} - \min \text{rank of HGAE}) \quad (2)$$

3.2 Calibrating colonial, postcolonial history and geography

The arguments in Section 3, summarized in Figure 1, explain our choice of six dimensions for fsQCA. Starting with colonial heritage, for the common law versus civil code legal origin, we utilise the zero-or-one coding presented by La Porta et al. (2008). For the ethnic heterogeneity, we took data on SSA countries from Fearon (2003) based on the ‘ethnic fractionalization’ (diversity) measure, ‘defined as the probability that two individuals selected at random from a country will be from different ethnic groups’ (*ibid.*: 208). If there are n ethnic groups in the country, which shares are denoted as p , the measure is equivalent to the following formula:

$$F = 1 - \sum_{i=1}^n p_i^2 \quad (3)$$

This is then standardized to fit the zero-one range applying the method given by equation (2) above.

Turning to geographic dimensions, ‘being land-locked’ is our own zero-or-one dimension derived from inspection of the map of Africa. To measure the notion of being resource rich, we use the level of natural resources rents (the sum of oil rents, natural gas rents, coal rents, mineral rents, and forest rents) as a percentage of GDP (World Bank). Again, we transform the variable using equation (2) above.

For recent variables from post-colonial history, we focus on two dimensions. The first is the presence of ‘bad neighbours’, contemporary or in recent history, based on our own zero-or-one coding. We derive this from data on major episodes of political violence with respect to neighbouring countries from the Center for Systemic Peace. In the second dimension, we aim to

capture the effects of conflicts and oppressive governments with special emphasis on forced displacement. This is represented by annual data on forced displacement originating from the International Conflict Research database compiled and made available by the Department of Humanities, Social and Political Sciences of ETH Zürich. We take their figures on the annual numbers of refugees originated from a country scaled by total population (the latter taken from the World Bank database) to produce annual numbers going back to 1975. However, this is recent history and we wish to capture the aggregate impact of these annual flows for the points of time we have in our data. For this, we utilise the idea of applying depreciation rates to history, as developed by Persson and Tabellini (2009). Accordingly, to obtain a scalar representing a proxy for the overall current impact of refugees escaping from a given country at a given point of time, we assume that the impact of each particular year of the past depreciates with each year at a standard depreciation rate of 0.03 (so the annual discount factor becomes 0.97, as used by Persson and Tabellini, 2009). This method leads us to apply the following formula, where ref/pop_t corresponds to the ratio of refugees from a country to its population in year t ; next t_0 corresponds to 1975; and finally T corresponds to 2016:

$$\sum_{\tau=t_0}^T \frac{ref}{pop} 0.97^{T-\tau} \quad (4)$$

For fsQCA, this was again standardised to fit the zero-one range, using equation (2).

The data for all these dimensions are reported in the Appendix in their final form as Table A1, with an intention for make our results verifiable and replicable. We also report the averages for each country in Table 2.

{Table 2}

Table A1, with rows representing cases and columns representing explanatory dimensions and the outcome, becomes what, following the set-theoretic terminology, is called the *truth table* (Ragin, 2009; Schneider and Wagemann, 2012). It is utilised in this form in fsQCA, to which we turn next.

3.3 Results of the fsQCA tests

We perform fsQCA on the truth table, applying the Fuzzy module for Stata designed by Longest and Vaisey (2008). The module utilises fuzzy sets logic (Ragin, 2009) to identify the alternative configurations of dimensions (solutions) consistent with the outcome (in our case defined by the population prevalence rates of high growth entrepreneurial aspirations). It next simplifies the solutions, combining raw solutions where possible. This is achieved by eliminating the dimensions that are spurious: when a dimension appears both in its positive and in its negative form, then the two solutions can be combined into a simpler one, eliminating the dimension for which all of its range is allowed.

Importantly, unlike standard regression techniques that are based on correlations and assume symmetry (positive outcomes need to be associated with positive, and negative with negative), fsQCA does not have the symmetry restriction. Instead, fsQCA is consistent with requirements of set-theory and formal logic. The solutions therefore should be interpreted as *sufficient conditions* for the outcome, and there may be many of them. Thus there may be several paths (configurations) associated with a given outcome; this characteristic is termed equifinality (Ragin, 2009; 2014). Moreover, lack of symmetry also implies that the configurations of dimensions associated with the negative outcome (in our case: low levels of entrepreneurial growth aspirations) need not to be the mirror image of the configurations of dimensions for the positive outcome (high levels of entrepreneurial growth aspirations). It is therefore recommended to perform two separate fsQCA exercises, for the positive and the negative outcomes respectively (Ragin, 2009), and this is what we do. The results of the first of these are presented in Table 3 below, in a form that became conventional in the literature, see for example Greckhamer (2016).¹¹ A black circle implies that a

¹¹ Following Schneider and Wagemann (2012), we take 0.75 as a conventional threshold point of low versus high consistency. We therefore ignore solutions characterised by consistency below that point.

dimension is present in a sufficient condition for the outcome (high growth entrepreneurial aspirations), while a white circle implies that an absence of a dimension is present in a sufficient condition for the outcome.

{Table 3}

The configurations (solution sets) that we present in the rows of Table 3 are conservative. It is common in fsQCA to simplify the solutions further by utilising additional assumptions related to the counterfactual and possible outcomes of combinations not presented in the data (see Ragin, 2009). Yet, these simplification methods are often questionable (Schneider and Wagemann, 2012). Moreover, we did not feel we had strong enough priors for such an analysis. Hence our solutions are based solely on the information in the data, and as the result they are more complex.

The solutions can be presented in a single expression which facilitates interpretation. Let us adopt the following notation: *Res* for resource dependency, *Lnd* for being landlocked, *Bri* for the former British colonies (common law), *Eth* for high degree of ethnic heterogeneity, *Nei* for bad neighbours, *Ref* for the refugees escaping the country. In that case, the solutions presented in Table 3 can be expressed the following way, adopting conventional notation as in Schneider and Wagemann (2012), where \sim relates to negation:

$$Bri \sim Lnd (\sim Nei + Res \sim Eth) + Lnd \sim Ref (\sim Res \sim Nei + \sim Res \sim Bri + Eth \sim Bri) + Nei (\sim Eth \sim Lnd \sim Res + \sim Res \sim Lnd) \rightarrow HGAE$$

(5)

Our interpretation of this expression is the following. The first term stresses two dimensions that we expected to be associated with higher level of entrepreneurial growth aspirations: being a former British colony (common law tradition) and having access to sea. This term describes both Ghana and Nigeria. However, as often happens with fsQCA, the terms in parenthesis offer two

alternative interpretations open to us. Either we interpret high entrepreneurial growth aspirations in Ghana and Nigeria as a result of combining British colonial heritage and sea access with not having bad neighbours (Solution 4 in Table 3), or with being resource rich but with relatively low negative impact of ethnic fractionalisation (Solution 2 in Table 3). Obviously, a less negative impact of ethnic fractionalisation and not having bad neighbours are both likely to play a positive role but based on our analysis in Section 2, we are inclined to attribute the first case primarily to Ghana, and the second primarily to Nigeria.

The second term represents countries that are landlocked, but critically for high growth aspiration entrepreneurship to emerge, this must be compensated by a low level of internal conflict. Thus, nowhere else in the whole expression do we see being landlocked without a low level of conflict next to it (as proxied by a low number of refugees escaping from the country). Next, within parentheses we see additional dimensions that represent different configurations in the data that accompany being landlocked and having low level of conflict. Botswana is the clearest case here, and it corresponds to the first configuration within the parenthesis: it has bad neighbours and its economy is not dominated by resources despite the diamond mining. Yet this is compensated by internal stability, the key factor for HGAE in this configuration. In Table 3, this is the solution S3. The two other solutions in this group has coverage of less than 0.05 and we omit them from the summary in Table 3.

The final term illustrates how the negative impact of having bad neighbours can be compensated. In parentheses we have two possible combinations (Solutions 1 and 5 in Table 3), and for the first of these, Angola is the best fit. In this case, we have a resource-dependent economy, but this is compensated by both access to the sea and by relatively low levels of ethnic heterogeneity. For the second configuration, bad neighbours are compensated by access to the sea and low dependency on natural resources (best fit: Cameroon).

We now turn to configurations associated with low entrepreneurial aspirations. Again, we can summarise the solution set in one expression, as below:

$$Bri^*(Nei^*\sim Lnd + Lnd^*\sim Nei) + \sim Bri^*\sim Nei^*\sim Ref^*(\sim Res + \sim Lnd) \quad (6)$$

The first term relates to former British (common law) colonies. Taken alone, we would expect this dimension to correspond to a higher level of entrepreneurial growth aspirations. However, looking inside the parentheses, we see this being either counterbalanced by bad neighbours (Solution 1, with the best fit here being RSA) or by being landlocked (Solution 2, with best fit here being Malawi). Thus, for Malawi, it seems that this is a scenario of the curse of geography. With RSA, it seems that a recent disruption in neighbouring countries, in particular in Zimbabwe, could have had a serious impact.

The second term represent former continental Europe colonies. It seems that other dimensions that we would associate with higher growth aspirations cannot compensate for the impact of this heritage on entrepreneurial dynamism. At the same time, the empirical relevance of this term (corresponding to Solutions 3 and 4) is low; the coverage figure is below 0.05 in each case; we do not report these solutions in Table 4 below.

{Table 4}

4 DISCUSSION

We do not have cases where a country would score highly on all the dimensions we would consider relevant for high entrepreneurial growth aspirations. Rather, the patterns that the fsQCA has identified suggest that ‘good’ outcomes are associated with configurations where some negative aspects are more than compensated by positive ones. For example, for Angola, the fsQCA suggests that the positive impact of coastal location and relatively low ethnic heterogeneity counterbalance the negative effect of resource rents. This logic is consistent with the literature as discussed in Section 3.

The second interesting outcome we would like to highlight is Botswana: solution S3 highlights the importance of low levels of internal conflict (as proxied by not having refugees escaping from the country), which compensates for unfavourable location. Acemoglu and Robinson (2012) argue that the origins of this may go back to indigenous local institutions that stressed resolving conflict by deliberation and debate instead of violence. This may be a deeper dimension that we did not capture in our data.

Based on the pattern seen in Figure 2, overall, resource-driven economies show higher rates of entrepreneurial growth aspirations which suggests, at least in the SSA context, that more and better economic opportunities can sometimes result either despite or even because of having resource extractive industries. Importantly, as argued by Wenar (2016) and Acemoglu and Robinson (2012), resources in SSA may become a blessing instead of a curse. This conclusion is conditional on the extent of consensus, the absence of a disruptive conflict, and the quality of formal and informal institutions at the time when the exploitation of the resource commences. In turn, the quality of institutions is affected by either the character of colonial governance or by the local indigenous institutions; again, Botswana is a good example here.

The presence of all the factors identified by fsQCA shows that, in addition to long-term historical factors (colonial history) and geography, medium to short-term postcolonial history also has an impact on entrepreneurial growth aspirations. In that sense, HGAE in Africa is not only rooted in the distant past; its prevalence is also affected by the specific recent factors in national postcolonial histories. This also includes the impact of neighbouring countries. The dimension that appeared in most of the solution sets for both ‘good’ and ‘bad’ entrepreneurial growth aspirations outcomes is the presence or absence of bad neighbours. In that sense, geography matters again: for African entrepreneurs it is not only relevant what happens in their own countries; the opportunities they face are also strongly influenced by their neighbours. To see how important this may be, it is sufficient to make a comparison for example with the European Union,

where the probability of having disruptive neighbours has become so low that it is no longer relevant either for economic development or for HGAE. Similarly, being land-locked is an important factor in most of the configurations: access to the sea dominates in solutions for ‘good’ outcomes (see Table 3). Again, this is unlikely to be as significant in other contexts where transport infrastructure is more developed.

In a way, what we did not find is as interesting as what we did find. One general result we would like to highlight is that we could not identify solutions based on strong presence of single dimensions; *it is always the configurations that matter*. This is consistent with both the analytical assumptions of multi-causal explanations in history and set-analytic approaches. Again, this can be illustrated in particular by the impact of high natural resource rents, a theme that features strongly in the social science and economics literature. For HGAE, the impact of natural resources is ambiguous: there are several SSA economies where resources rents do not discourage entrepreneurial activity and Angola is the most remarkable example of that. Rather, entrepreneurial growth aspirations are always co-dependent on other aspects of geography, coastal location, and both long and short/medium term histories, where the latter are not entirely dependent on colonial legacies.

Historical analysis in conjunction with fsQCA therefore provides significant theoretical insights into how institutional environments affect entrepreneurship (Baumol, 1990; Baumol & Strom 2007), and specifically high growth aspirations (Autio and Acs, 2010; Estrin et al., 2013). We highlight the role of context-bound factors such as bad neighbours and coastal location as important determinants of HGAE, which would not have been discernible from research in more commonly investigated regions such as North America or Western Europe (Tsui, 2004). Here, high quality of governance in neighbouring states and good transport infrastructure make these variables irrelevant to analysis, and thus render them invisible for theorization. Our analysis further contributes to entrepreneurial theory by investigating common factors emphasised in the

development literature as detrimental to economic and entrepreneurial activities, such as resource dependence and ethnic heterogeneity. Importantly, we find that they do not have a uniformly negative effect on entrepreneurial growth aspirations. Rather their effect depends on other factors such as coastal location, and can even be beneficial. We also challenge the idea that legal origins determine long-term economic development. FsQCA demonstrates that specific configurations offset the effect of legal origins, and that other dimensions are more important determinants of entrepreneurial growth aspirations: in three out of five solution sets for positive outcomes, legal origins do not feature.

Overall, our results underline the importance of theorizing the influence of institutional environments on entrepreneurship as configurations of multiple dimensions. On the one hand, the analytically structured histories emphasised multi-causal explanations for institutional developments in our three focal countries (Angola, Ghana and Nigeria) and helped us interpret the results of the fsQCA. Set-theoretic approaches, on the other hand, provide unambiguous solutions that identify which dimensions matter in what configuration. Our approach contributes to institutional and entrepreneurship theory (North, 1990; Baumol, 1990) and represents a methodological contribution through its innovative combination of historical narrative and fsQCA. Theoretically, we emphasise the importance of configurations in understanding the influence of institutional environments on high growth aspiration entrepreneurship. We identified several relevant dimensions that occur in configurations that impact entrepreneurial activity, but we believe that further research will specify additional dimensions.

5 CONCLUSION

We focus on the role of history, both long term and more recent, as well as geography in enabling or inhibiting high growth aspiration entrepreneurship. Our first objective is to understand which configurations of historical and geographic dimensions affect entrepreneurial growth

aspirations in present-day SSA. We therefore begin with a synthesis of the extant social science and historical literatures, which we present as analytically structured histories of three focal countries: Angola, Ghana and Nigeria. On the basis of the historical analysis, we develop a theoretical framework that highlights the role of colonial and postcolonial history and geography in determining the institutional environment of entrepreneurship. We go on to apply fsQCA to identify the configurations of historical and geographic factors supportive of HGAE, and detrimental to it. We confirm that, firstly, it is configurations that explain entrepreneurial outcomes, not individual variables. Also, some variables highlighted in different literatures are not uniformly associated with positive or negative outcomes (resource dependence, ethnic heterogeneity, legal origins) as previously claimed. Finally, our context-bound theorizing contributes new analytic dimensions to entrepreneurial theory that research in more commonly studied context would not have revealed (bad neighbours, landlocked).

Our research makes several contributions to the entrepreneurship literature. First, despite increased awareness of the institutional determinants of entrepreneurship (e.g. Baumol, 1990; De Clercq, Lim and Oh, 2013), the role of historical dimensions in shaping entrepreneurial growth aspirations has not previously been explored. Moreover, while research on African entrepreneurship is growing (Scott et al., 2012; Acs, Szerb and Jackson, 2013; Daspit and Long, 2014; Khayesi, George and Antonakis, 2014; Rooks, Klyver and Sserwanga, 2014; Kuada, 2015; Nyantakyi, 2016), no one has as yet considered the role of historical factors and how they combine with geographic ones to explain entrepreneurial growth aspirations on that continent. Our approach builds on the premise that an analytically structured history (Rowlinson, Hassard and Decker, 2014) can enhance explanations of the difference in entrepreneurial growth aspirations between countries. By integrating analytically structured histories within entrepreneurship studies, we build on previous research about the historical origins of economic development in Africa (Austin, 2008; Woolcock, Szepter and Rao, 2011; Hough and Grier, 2015; Michalopoulos and

Papaioannou, 2018) and follow the call for a greater awareness of history in business studies by Wadhvani (2016a, 2016b), Lippmann and Aldrich (2014, 2016) and the recent special issue on historical entrepreneurship in this journal (Gartner et al., forthcoming). The latter highlight the relative scarcity of work that explore the relationship between broad processes of socio-economic change and entrepreneurship, one of the areas to which the journal seeks to contribute.

We are also the first entrepreneurship researchers to address this question by integrating fsQCA with historical analysis. As recommended by Ragin, we therefore aim ‘to make sense out of different cases by piecing evidence together in a manner sensitive to chronology and by offering limited historical generalisations that are both objectively possible and cognizant of enabling conditions and limiting means – of context.’ (Ragin, 2014: 3) This methodology, in conjunction with historical case studies, produces a rich set of insights on the deeply rooted, context-related factors of entrepreneurial aspirations. Clearly our work is only a preliminary step in this direction, and opportunities for both more nuanced analysis and for application to other emerging market regions abound. This more nuanced analysis naturally leads to historical research, which has the potential significantly to enrich entrepreneurial theorizing.

Our analysis raises new questions for the entrepreneurship literature, leading us to call for a shift towards an appreciation of the impact of complex configurations on entrepreneurial activity. Thus, in contrast to traditional regression-based analysis, our approach implies mapping the alternative historical and geographic configurations that can lead to high aspiration entrepreneurship. In the context of SSA, we posit that the relevant dimensions that form these configurations should draw upon elements of geography, colonial, and postcolonial histories.

Acknowledgements: The names of the authors are given in alphabetical order and do not signal the weight of their relative contributions, which have been equal. The authors would like to thank the editor of this journal, Gary Dushnitsky, the anonymous reviewers, Zoltan Acs, Peer C. Fiss,

Benson Honig, Susanna Khavul, and Adeline Pelletier, as well as participants at the Babson College Entrepreneurship Conference in Bodo, CSC conference at Aston (both: June 2016), Academy of Management 2017 Annual Conference reviewers and participants, and the Historical Entrepreneurship Research Symposium organisers and participants at the University of Southern California, Los Angeles, 2019, for comments and suggestions. Last but not least, we benefited from excellent insights, comments, criticism and research assistance by Rebeca Granda Marcos. Any remaining errors are our own.

References

- Acemoglu, D., Johnson, S., & Robinson, J. A. (2002). Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution. *Quarterly Journal of Economics*, 117(4), 1231-1294.
- Acemoglu, D., & Johnson, S. (2005). Unbundling Institutions. *Journal of Political Economy*, 113(5), 949-995.
- Acemoglu, D., Johnson, S., Robinson, J. A., & Yared, P. (2009). Re-evaluating the modernization hypothesis. *Journal of Monetary Economics*, 56(8), 1043-1058.
- Acemoglu D. & Robinson, J. (2012), *Why Nations Fail*, London: Profile Books.
- Acs, Z., Desai, S., & Klapper, L. (2008). *What Does 'Entrepreneurship' Data Really Show? A Comparison of the Global Entrepreneurship Monitor and World Bank Group Datasets*, World Bank Policy Research Working Paper 4667, Washington DC.
- Acs, Z. J., Szerb, L., & Jackson, S. (2013). Entrepreneurship in Africa through the eyes of GEDI. *The International Journal of Entrepreneurship and Innovation*, 14(4), 219-233.
- Acs, Z., Estrin, S., Mickiewicz, T., Szerb, L., (2018) Entrepreneurship, institutional economics, and economic growth: an ecosystem perspective, *Small Business Economics*, 51, 2, 501-14.
- Afolayan, A. A. (1988). Immigration and expulsion of ECOWAS aliens in Nigeria. *International Migration Review*, 22(1): 4-27.
- Aidis, R., & Van Praag, M. (2007). Illegal entrepreneurship experience: Does it make a difference for business performance and motivation? *Journal of Business Venturing*, 22(2), 283-310.
- Amankwah-Amoah, J. (2018). Revitalising serial entrepreneurship in sub-Saharan Africa: insights from a newly emerging economy. *Technology Analysis and Strategic Management*, 30(5), 499–511.
- Ammassari, S. (2004). From nation-building to entrepreneurship: The impact of élite return migrants in C   Fr d'Ivoire and Ghana. *Population, Space and Place*, 10(2): 133–154.
- Anarfi, J., & Kwankye, S. (2003). Migration from and to Ghana: A Background Paper. *Development Research Centre on Migration, Globalisation and Poverty*, (December), 38.
- Andreasson, S. (2015). Varieties of resource nationalism in sub-Saharan Africa's energy and minerals markets. *Extractive Industries and Society*, 2(2), 310–319.
- Arora, A., & Gambardella, A. (2006). Bridging the Gap. In: Arora, A., & Gambardella, A. (Eds.). *From Underdogs to Tigers: The Rise and Growth of the Software Industry in Brazil, China, India, Ireland, and Israel*. Oxford: Oxford University Press, 275-302.

- Autio, E., Acs, Z. (2010). Intellectual property protection and the formation of entrepreneurial growth aspirations. *Strategic Entrepreneurship Journal* 4 (3), 234–251.
- Austin, G. (2008). The “reversal of fortune” thesis and the compression of history: Perspectives from African and comparative economic history. *Journal of International Development*, 20, 996–1027.
- Baumol, W.J. (1990). Entrepreneurship: productive, unproductive, and destructive. *Journal of Political Economy*, 98 (5), 893–921.
- Baumol, W.J., Strom, R.J., (2007). Entrepreneurship and economic growth. *Strategic Entrepreneurship Journal* 1 (3–4), 233–237.
- Baumol, W. J., Litan, R. E., & Schramm, C. J. (2007). *Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity*. New Haven, CT: Yale University Press.
- Bjørnskov, C., & Foss, N. (2013). How strategic entrepreneurship and the institutional context drive economic growth. *Strategic Entrepreneurship Journal*, 7(1), 50–69.
- Biersteker, T. J. (1987). *Multinationals, the State, and the Control of the Economy: The Political Economy of Indigenization in Nigeria*. Princeton: Princeton University Press.
- Birmingham, D. (1988). Angola Revisited. *Journal of Southern African Studies* 15(1), 1–14.
- Birmingham, D. (2002). Angola. In *A history of Lusophone Africa* (pp. 137–184). Bloomington, IN: Indiana University Press.
- Birmingham, D. (2006). *Empire in Africa: Angola and its neighbours*. Athens, OH: Ohio University Press.
- Black, R., & Castaldo, A. (2009). Return migration and entrepreneurship in Ghana and Côte d’Ivoire: The role of capital transfers. *Tijdschrift voor Economische en Sociale Geografie*.
- Boone, C. (2006). *Merchant Capital and the Roots of State Power in Senegal: 1930–1985*. Cambridge: Cambridge University Press.
- Bowen, H.P. & DeClercq, D. (2008) Institutional context and allocation of entrepreneurial effort. *Journal of International Business Studies* 39 (4), 747–767.
- Braudel (1995/1949). *The Mediterranean and the Mediterranean World in the Age of Philip II*. Berkeley: University of California Press.
- Bruton, G. D., Ahlstrom, D., & Obloj, K. (2008). Entrepreneurship in emerging economies: Where are we today and where should the research go in the future. *Entrepreneurship: Theory and Practice*, 32(1), 1–14.
- Bruton, G. D., Filatotchev, I., Si, S., & Wright, M. (2013). Entrepreneurship and Strategy in Emerging Economies. *Strategic Entrepreneurship Journal*, 7(3), 169–180.

- Cain, A. (2004). Livelihoods and the Informal Economy in Post-War Angola. In J. Clover & R. Cornwell (Eds.), *Supporting sustainable livelihoods: a critical review of assistance in post-conflict situations* (pp. 87–101). Pretoria: Institute for Security Studies.
- Cardoso Reis, B. (2015). Myths of decolonization: Britain, France, and Portugal Compared. In *The Ends of European Colonial Empires* (pp. 126–147). London: Palgrave Macmillan.
- Chabal, P. (2002). *A history of postcolonial Lusophone Africa*. Bloomington, IN: Indiana University Press.
- Clarence-Smith, W. G. (1979). The Myth of Uneconomic Imperialism: The Portuguese in Angola, 1836-1926. *Journal of Southern African Studies*, 5(2), 165–180.
- Clarence-Smith, W. G. (1985). *The Third Portuguese Empire, 1825-1975: a study in economic imperialism*. Manchester: Manchester University Press.
- Clague, C., Gleason, S., & Knack, S. (2001). Determinants of lasting democracy in poor countries: Culture, development, and institutions. *The Annals of the American Academy of Political and Social Science*, 573(1), 16-41.
- Collier, P. (2008). *The Bottom Billion*. Oxford: Oxford University Press.
- Collins, P. (1974). The political economy of indigenization: The case of the Nigerian enterprises promotion decree. *African Review*, 4(4), 491–508.
- Collins, P. (1977). Public policy and the development of indigenous capitalism: The Nigerian experience. *The Journal of Commonwealth & Comparative Politics*, 15(2), 127–150.
- Cooper, F. (2002). *Africa since 1940: The Past of the Present*. Cambridge, UK: Cambridge University Press.
- Darwin, J. (1999). Decolonization and the End of Empire. In R. W. Winks (Ed.), *The Oxford History of the British Empire* (Vol. 5: History, pp. 541–557). Oxford and New York: Oxford University Press.
- Daspit, J. J., & Long, R. G. (2014). Mitigating moral hazard in entrepreneurial networks: Examining structural and relational social capital in East Africa. *Entrepreneurship Theory and Practice*, 38(6), 1343-1350.
- Davidsson, P. (2016). *Researching Entrepreneurship*. New York: Springer.
- Davidsson P. & Honig B. (2003). The role of social and human capital among nascent entrepreneurs. *Journal of Business Venturing* 18(3): 301–331.
- De Clercq, D., Lim, D. S., & Oh, C. H. (2013). Individual-level resources and new business activity: The contingent role of institutional context. *Entrepreneurship Theory and Practice*, 37(2), 303-330.

- Decker, S. (2010). Postcolonial transitions in Africa: Decolonization in West Africa and present-day South Africa. *Journal of Management Studies*, 47(5), 791-813.
- Deutsch, J.-G. (1995). *Educating the Middlemen: political and economic history of statutory cocoa marketing in Nigeria, 1936-1947*. Berlin: Das Arabische Buch.
- Diamond, L. (1988). *Class, Ethnicity and Democracy in Nigeria*. London: Macmillan.
- Diamond, J. (1997). *Guns, Germs, and Steel: The Fates of Human Societies*. New York: W.W. Norton & Company.
- Douglas, E., Shepherd, D., Prentice, C. (2020). Using fuzzy-set qualitative comparative analysis for a finer-grained understanding of entrepreneurship. *Journal of Business Venturing* forthcoming.
- Duffy, J. (1970). Portuguese Africa, 1930 to 1960. In *Colonialism in Africa 1870-1960* (vol. 2) (pp. 171–193). Cambridge, UK: Cambridge University Press.
- Easterly, W. (2013). *The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor*. New York, NY: Basic Books.
- Esseks, J. D. (1975). Economic Policies. In D. Austin & R. Luckham (Eds.), *Politicians and Soldiers in Ghana 1966-1972* (pp. 37–61). London: Frank Cass.
- Estrin, S., Korosteleva, J., & Mickiewicz, T. (2013). Which institutions encourage entrepreneurial growth aspirations? *Journal of Business Venturing*, 28(4), 564-580.
- Estrin, S., Mickiewicz, T., Stephan, U. & Wright, M. (2018), Entrepreneurship in emerging economies. In Grosse, R. & Meyer, K. (Eds.), *Oxford Handbook on Management in Emerging Markets*. Oxford: Oxford University Press, 23-39.
- The Economist, (Nov 10th, 2017), *What technology can do for Africa*.
- Gartner, W. B., Jones, G., Kirsch, D. A., Wadhwani, R. D., & Welter, F. (forthcoming). Context, Time, and Change: Historical Approaches to Entrepreneurship Research and the Sciences of Capitalism. *Strategic Entrepreneurship Journal*.
- Greckhamer, T. (2016). CEO compensation in relation to worker compensation across countries: The configurational impact of country-level institutions. *Strategic Management Journal*, 37(4), 793-815.
- Fearon, J. D. (2003). Ethnic and cultural diversity by country. *Journal of Economic Growth*, 8(2), 195-222.
- Fieldhouse, D. K. (1986). *Black Africa 1945-1980: Economic Decolonisation and Arrested Development*. Black Africa 1945-1980. London: Allen & Unwin.
- Forbes Insights (2015). *Job Creation in Sub-Saharan Africa*. *Entrepreneurs. Governments. Innovation*. Jersey City, NJ: Forbes Insights in partnership with Djembe Communications.

- Forrest, T. (1994). *The Advance of African Capital. The Growth of Nigerian Private Enterprise*. Edinburgh: Edinburgh University Press.
- Fukuyama, F. (2014). *Political order and political decay: From the industrial revolution to the globalization of democracy*. London: Profile Books.
- Genova, A. (2010). Nigeria's Nationalization of British Petroleum. *The International Journal of African Historical Studies*, 43(1), 115–136.
- George, G., Corbishley, C., Khayesi, J. N. O., Haas, M. R., & Tihanyi, L. (2016). Bringing Africa in: Promising directions for management research. *Academy of Management Journal*, 59(2), 377–393.
- Henrekson, M. & Stenkula (2016). *Understanding Entrepreneurship*. Lund: Studentlitteratur.
- Hickey, S., Abdulai, A., Izama, A., & Mohan, G. (2015). *The politics of governing oil effectively: Africa*. Working paper no. 54, Manchester, UK.
- Hitt, M. A., Ireland, R. D., Camp, S. M., & Sexton, D. L. (2001). Strategic entrepreneurship: Entrepreneurial strategies for wealth creation. *Strategic Management Journal*, 22(6-7), 479-491.
- Hitt, M. A., Ireland, R. D., Sirmon, D. G., & Trahms, C. A. (2011). Strategic entrepreneurship: creating value for individuals, organizations, and society. *Academy of Management Perspectives*, 25(2), 57-75.
- Hodges, T. (2004). *Angola: Anatomy of an Oil State*, Oxford: Oxford University Press.
- Holland, R. (1985). *European decolonization, 1918-1981: An introductory survey*. Basingstoke & London: Macmillan
- Hopkins, A. G. (1965). The Lagos Chamber of Commerce 1888-1903. *Journal of the Historical Society of Nigeria*, 3(2), 241-248.
- Hough, J. F., & Grier, R. (2015). *The Long Process of Development*. Cambridge: Cambridge University Press.
- Ireland, R. D., Hitt, M. A., & Sirmon, D. G. (2003). A model of strategic entrepreneurship: The construct and its dimensions. *Journal of Management*, 29(6), 963-989.
- Jerven, M. (2013). *Poor numbers: how we are misled by African development statistics and what to do about it*. Ithaca: Cornell University Press.
- Kapur D. (2001). Diasporas and technology transfer. *Journal of Human Development and Capabilities* 2(2): 265–286.
- Khayesi, J. N., George, G., & Antonakis, J. (2014). Kinship in entrepreneur networks: Performance effects of resource assembly in Africa. *Entrepreneurship Theory and Practice*, 38(6), 1323-1342.
- Khoury, T. A., & Prasad, A. (2016). Entrepreneurship Amid Concurrent Institutional Constraints

- in Less Developed Countries. *Business and Society*, 55(7), 934–969.
- Kiggundu, M. N. (2002). Entrepreneurs and Entrepreneurship in Africa: What is Known and What Needs to be Done. *Journal of Developmental Entrepreneurship*, 7(3): 239–258.
- Klieman, K. A. (2012). U.S. Oil Companies, the Nigerian Civil War, and the Origins of Opacity in the Nigerian Oil Industry. *Journal of American History*, 99(1), 155–165.
- Kloosterman R., Van der Leun J., & Rath J. 1998. Across the border: immigrants' economic opportunities, social capital, and informal business activities. *Journal of Ethnic and Migration Studies* 24(2): 249–268.
- Kuada, J. (2015). *Private enterprise-led economic development in sub-Saharan Africa: The human side of growth*. Houndsmill and New York: Palgrave Macmillan.
- Kuratko, D. F., & Audretsch, D. B. (2009). Strategic entrepreneurship: exploring different perspectives of an emerging concept. *Entrepreneurship Theory and Practice*, 33(1), 1–17.
- La Porta, R., Lopez-de-Silanes, F., & Shleifer, A. (2008). The Economic Consequences of Legal Origins. *Journal of Economic Literature*, 46(2), 285–332.
- Levie, J., & Autio, E. (2011). Regulatory burden, the rule of law, and entry of strategic entrepreneurs: An international panel study. *Journal of Management Studies*, 48(6), 1392–1419.
- Linde, S. (2013). What can be learnt from the performance of migrant entrepreneurs? The case of Indian and African migrant enterprises in Uganda [Presentation]. *Inclusive Growth in Africa: Measurement, Causes, and Consequences*, (September). Helsinki: UNU-WIDER.
- Lippmann, S., & Aldrich, H. E. (2014). History and Evolutionary Theory. In M. Bucheli & R. D. Wadhvani (Eds.), *Organizations in Time: History, Theory, Methods*: 124–146. Oxford: Oxford University Press.
- Lippmann, S., & Aldrich, H. E. (2016). The temporal dimension of context. In W. B. Gartner & F. Welter (Eds.), *A Research Agenda for Entrepreneurship and Context*: 54–64. Cheltenham: Edward Elgar.
- Longest, K. C., & Vaisey, S. (2008). Fuzzy: A program for performing qualitative comparative analyses (QCA) in Stata. *Stata Journal*, 8(1), 79.
- Marshall, M., Jaggers, K., & Gurr, T. (2010). *Polity IV project: Political regime characteristics and transitions 1800– 2010: Polity level 2004– 2008*. URL (accessed 20 April 2015): <http://www.systemicpeace.org/inscrdata.html>.
- McCormick, B., & Wahba, J. (2001). Overseas Work Experience, Savings and Entrepreneurship Amongst Return Migrants to LDCs. *Scottish Journal of Political Economy*, 48(2): 164–178.
- McDade, B. E., & Spring, A. (2005). The “new generation of African entrepreneurs”: Networking to change the climate for business and private sector-led development. *Entrepreneurship and*

- Regional Development*, 17(1), 17–42.
- Megill, A. (2007). *Historical Knowledge, Historical Error: A Contemporary Guide to Practice*. Chicago and London: University of Chicago Press.
- Mehlum, H., Moene, K., & Torvik, R. (2006). Institutions and the resource curse. *Economic Journal*, 116(508), 1-20.
- Michalopoulos, S., & Papaioannou, E. (2018). *Historical Legacies and African Development*. National Bureau of Economic Research, Working Paper No 25278.
- Nanda R. & Sørensen JB. (2010). Workplace peers and entrepreneurship. *Management Science* 56(7): 1116–1126.
- Naudé, W. A., & Havenga, J. J. D. (2005). An Overview of African Entrepreneurship and Small Business Research. *Journal of Small Business and Entrepreneurship*, 18(1), 101–120.
- North, D. C. (1990). Institutions, Institutional Change and Economic Performance. (J. Alt & D. North, Eds.) *Political Economy of Institutions and Decisions*. Cambridge: Cambridge University Press.
- North, D. C. (2006). *Understanding the Process of Economic Change*. Princeton: Princeton University Press.
- Nugent, P. (2002). *Africa since independence*. Basingstoke: Palgrave Macmillan.
- Nunn, N. (2008). Historical legacies: A model linking Africa's past to its current underdevelopment. *Journal of Development Economics*, 83(1), 157-175.
- Nunn, N., & Wantchekon, L. (2011). The Slave Trade and the Origins of Mistrust in Africa. *American Economic Review*, 101, 3221-3252.
- Nwabughuogu, A. I. (1982). From Wealthy Entrepreneurs to Petty Traders: The Decline of African Middlemen in Eastern Nigeria, 1900-1950. *The Journal of African History*, 23(3), 365–379.
- Nyantakyi, E. B. (2016). Family ties, firm performance and managerial compensations in African SMEs. *Small Business Economics*, 46(3): 493–501.
- Park, Y., Fiss, P. C., & Sawy, O. A. El. (n.d.). Theorizing the Multiplicity of Digital Phenomena: The Ecology of Configurations, Causal Recipes, and Guidelines for Applying QCA.
- Peil, M. (1971). The Expulsion of West African Aliens. *The Journal of Modern African Studies*, 9(2), 205.
- Persson, T., & Tabellini, G. (2009). Democratic capital: The nexus of political and economic change. *American Economic Journal: Macroeconomics*, 1(2), 88-126.
- Ragin, C. C. (2008). *Redesigning social inquiry: Fuzzy sets and beyond*. Chicago, IL: University of Chicago Press.

- Ragin, C. C. (2014). *The comparative method: Moving beyond qualitative and quantitative strategies*. Oakland, CA: University of California Press.
- Reynolds, P., Bosma, N., Autio, E., Hunt, S., De Bono, N., Servais, A., Lopez-Garcia, P., Chin, N. (2005), Global Entrepreneurship Monitor: data collection design and implementation 1998–2003. *Small Business Economics* 24, 205–231.
- Rood, L. L. (1976). Nationalisation and Indigenisation in Africa. *Journal of Modern African Studies*, 14(03), 427–447.
- Rooks, G., Klyver, K., & Sserwanga, A. (2014). The context of social capital: A comparison of rural and urban entrepreneurs in Uganda. *Entrepreneurship Theory and Practice*, 40(1), 111–130.
- Ross, M. (2012). *The Oil Curse: How Petroleum Wealth Shapes the Development of Nations*. Princeton, NJ: Princeton University Press.
- Rowlinson, M., Hassard, J., & Decker, S. (2014). Research Strategies for Organizational History: A Dialogue between Historical Theory and Organization Theory. *Academy of Management Review*, 39(3): 205–274.
- Schneider, C. Q., & Wagemann, C. (2012). *Set-theoretic methods for the social sciences: A guide to qualitative comparative analysis*. Cambridge: Cambridge University Press.
- Scott, L., Dolan, C., Johnstone-Louis, M., Sugden, K., & Wu, M. (2012). Enterprise and inequality: A study of Avon in South Africa. *Entrepreneurship Theory and Practice*, 36(3), 543–568.
- Shaxson, N. (2007). *Poisoned Wells: The Dirty Politics of African Oil*. Houndmills: Palgrave Macmillan.
- Smallbone, D., Welter, F., & Ateljevic, J. (2014). Entrepreneurship in emerging market economies: Contemporary issues and perspectives. *International Small Business Journal*, 32(2), 113–116.
- Sobel, R. S. (2008). Testing Baumol: Institutional quality and the productivity of entrepreneurship. *Journal of Business Venturing*, 23(6), 641–655.
- Sowell, T. (2015). *Wealth, Poverty and Politics. An International Perspective*. New York: Basic Books.
- The Economist. (2012). Upwardly mobile: Kenya's technology start-up scene is about to take off - Innovation in Africa. *The Economist*, August 25(August 25).
- Tracey, P., & Phillips, N. (2011). Entrepreneurship in emerging markets strategies for new venture creation in uncertain institutional contexts. *Management International Review*, 51(1), 23–39.

- Tsui, A. S. (2004). *Contributing to Global Management Knowledge: A Case for High Quality Indigenous Research*. *Asia Pacific Journal of Management* (Vol. 21).
- Uche, C. (2008). Oil, British interests and the Nigerian civil war. *Journal of African History*, 49(1), 111–135.
- Uche, C. U. (2013). British government, British businesses, and the indigenization exercise in post-independence Nigeria. *Business History Review*, 86(4), 745–771.
- UNCTAD (2014), *Economic Development in Africa*, unctad.org/en/Publications Library/aldcafrica2014_en.pdf
- Vaaler, P. M. (2011). Immigrant remittances and the venture investment environment of developing countries. *Journal of International Business Studies*, 42(9), 1121-1149.
- Vaaler, P. M. (2013). Diaspora concentration and the venture investment impact of remittances. *Journal of International Management*, 19(1), 26-46.
- Van Hear, N. (2005). *New Diasporas: The Mass Exodus, Dispersal and Regrouping of Migrant Communities*. Abingdon: Routledge.
- Van de Walle, N. (2001). *African economies and the politics of permanent crisis, 1979-1999*. Cambridge, UK: Cambridge University Press.
- Wadhwani, R. D. (2010). Historical reasoning and the development of entrepreneurship theory. In H. Landstrom & F. Lohrke (Eds.), *Historical Foundations of Entrepreneurial Research* (pp. 343–362). Cheltenham & Northampton, MA: Edward Elgar Publishing.
- Wadhwani, R. D. (2016a). Historical methods for contextualizing entrepreneurship research. In W. Gartner & F. Welter (Eds.), *A Research Agenda for Entrepreneurship and Entrepreneurship and Context*: 65–78. Cheltenham: Edward Elgar.
- Wadhwani, R. D. (2016b). Entrepreneurship in Historical Context: Using History to Develop Theory and Understand Process. In W. Gartner & F. Welter (Eds.), *A Research Agenda for Entrepreneurship and Entrepreneurship and Context*: 65–78. Cheltenham: Edward Elgar.
- Wadhwani, R. D., & Decker, S. (2017). Clio's Toolkit: Historical Methods Beyond Theory Building from Cases. In R. Mir & S. Jain (Eds.), *Companion to Qualitative Research in Organization Studies* (pp. 113–140). London & New York: Routledge.
- Wadhwani, R. D., & Lubinski, C. (2017). Reinventing Entrepreneurial History. *Business History Review*, 91(4), 767–799. 74
- Welter, F., & Gartner, W. B. (2016). *A research agenda for entrepreneurship and context*. Northampton, MA: Edward Elgar Publishing.
- Wenar, L. (2016). *Blood Oil: Tyrants, Violence, and the Rules That Run the World*. Oxford: Oxford University Press.

Woolcock, M., Szreter, S., & Rao, V. (2011). How and Why Does History Matter for Development Policy? *Journal of Development Studies*, 47(1): 70–96.

Table 1. Development of dimensions for theoretical framework

Social science literature	fsQCA dimensions	Historical literature
The role of geography	Landlocked	Colonial border-shaping
Resource endowment	Resource-dependent	Resource curse
Legal origins	Legal origins	Colonial legacy; direct vs. indirect rule
Ethnic fractionalization	Ethnic heterogeneity	Colonial sharpening of ethnic cleavages
Bad neighbours	Bad neighbours	Postcolonial conflict
Disruptive conflict	Disruptive conflict: refugees	Forced migration

Table 2. Abbreviated Truth Table (country means): dimensions for fsQCA

Country	Resource rents	Landlocked	Bad neighbours	Ethnic heterogeneity	Common law	Refugees from (time-discounted)	Entrepreneurial aspirations
Angola	0.96	0	1	0.26	0	0.96	0.73
Botswana	0.04	1	1	0.00	1	0.00	0.93
Burkina Faso	0.83	1	0	0.07	0	0.00	0.66
Cameroon	0.36	0	1	0.89	0	0.00	0.63
Ethiopia	0.71	1	1	0.33	0	0.87	0.31
Ghana	0.67	0	0	0.47	1	0.65	0.64
Madagascar	0.50	0	0	0.52	0	0.00	0.00
Malawi	0.47	1	0	0.42	1	0.18	0.03
Namibia	0.02	0	1	0.12	1	0.89	0.50
Nigeria	0.72	0	0	0.37	1	0.23	0.93
Senegal	0.13	0	1	0.20	0	0.69	0.90
South Africa	0.28	0	1	0.69	1	0.44	0.23
Uganda	0.64	1	1	1.00	1	0.78	0.51
Zambia	0.81	1	1	0.16	1	0.00	0.47

Notes: For definitions and sources, please see Section 4.2. Where appropriate, figures in the table rounded to two digit decimal points for the sake of presentation.

Table 3. Results of fsQCA: explaining high growth aspiration entrepreneurship

Solution					
Dimension	S1	S2	S3	S4	S5
Resource dependent	●	●	○		○
Landlocked	○	○	●	○	○
Common law		●		●	
Ethnic heterogeneity	○	○			
Bad neighbours	●		●	○	●
Refugees from			○		
<i>Best fit</i>	Angola	Ghana	Botswana	Nigeria	Cameroon
<i>Consistency</i>	0.881	0.887	0.959	0.785	0.912
<i>Raw coverage</i>	0.265	0.244	0.218	0.178	0.112
<i>Overall consistency</i>	0.766				
<i>Overall coverage</i>	0.858				

Note: Coverage measures how much of the outcome is covered by each of the solutions, and overall by all the solutions. With X corresponding to explanatory dimensions and Y corresponding to the outcome, the formula for coverage is: $\text{Coverage}(X_i \leq Y_i) = \sum [\min(X_i, Y_i) / \sum(Y_i)]$, as proposed by Ragin(2008).

Table 4. Results of fsQCA: explaining low growth aspiration entrepreneurship

Solution		
Dimension	s1	s2
Resource dependent		
Landlocked	○	●
Common law	●	●
Ethnic heterogeneity		
Bad neighbours	●	○
Refugees from		
<i>Best fit</i>	RSA	Malawi
<i>Consistency</i>	0.751	0.971
<i>Raw coverage</i>	0.482	0.073
<i>Overall consistency</i>	0.786	
<i>Overall coverage</i>	0.639	

Please see note to Table 3.

Figure 1: Institutional factors influencing entrepreneurial growth aspirations

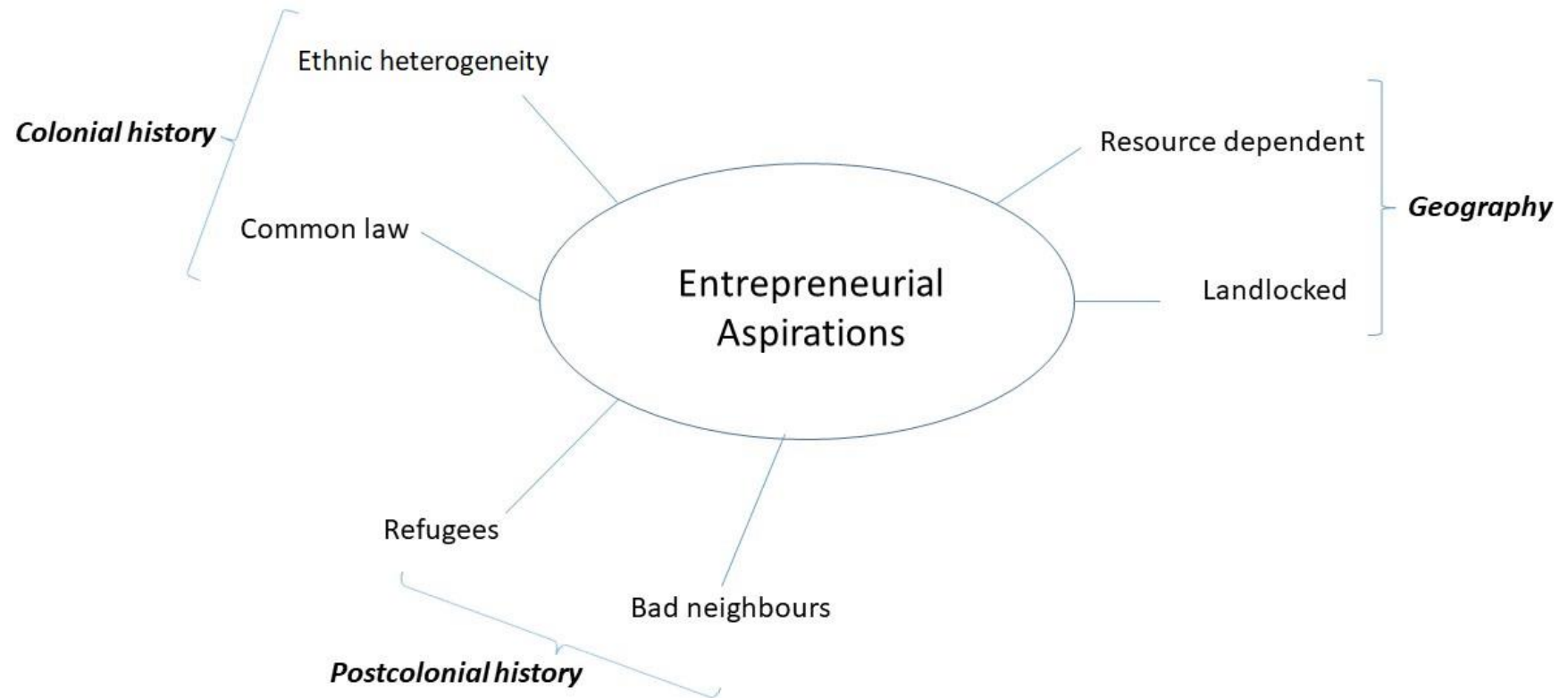
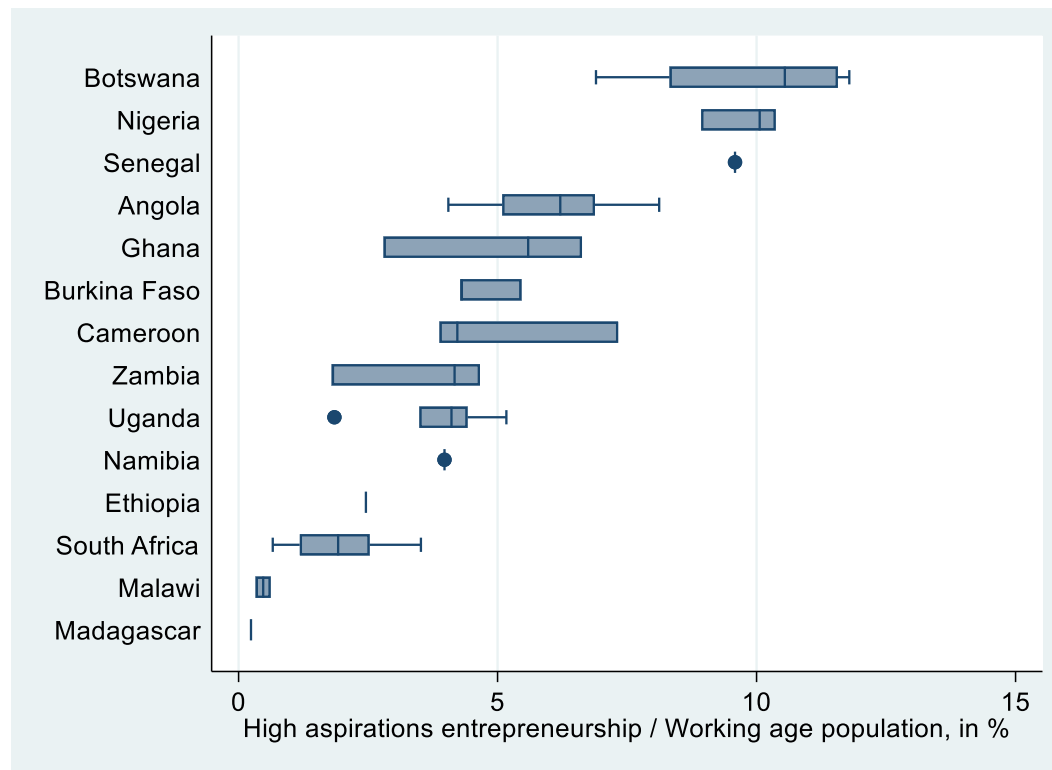


Figure 2: (High growth aspiration entrepreneurship / Working age population) rates amongst the Sub-Saharan African countries, 2001-2017



Box diagrams, where the borders of the box represent the 1st and the 3rd quartile of the distribution, median (the 2nd quartile) is represented by a vertical line, whiskers from the boxes are stretched to adjacent values (correspondingly: the lowest and the highest within the range defined with reference to quartiles and inter quartile range), and outliers are represented by dots. Source: Authors' calculations based on Global Entrepreneurship Monitor data. Please also see methodological discussion in Section 4.1.