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IMPACT OF PUBLIC POLICY ON ENTREPRENEURSHIP: A COMPARATIVE ANALYSIS OF ASIA, LATIN AMERICA AND SUB-SAHARAN AFRICA

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Abstract

The purpose of this publication is to explore policy interventions targeting entrepreneurial activities, research and development and innovation in order to reinvigorate the sector thereby creating more employment opportunities and growing economies and sustainable development in Sub-Saharan Africa. It looks at how Asia and Latin America have promulgated public policy and the effects such policy interventions have had on the economies under study. Although Sub-Sahara tries to follow suit, effects of such policies are blurred by policy inconsistences, economy mismanagement and corruption. The study made a comparative analysis of entrepreneurial government policy interventions in Asia, Latin America and Sub-Saharan Africa. Qualitative research methodology was used and data were collected from various documents and observation where possible. The documents involved library-based, desk and archive research. Literature was reviewed from books, journals, website pages, newspapers, magazines, government Acts and publications and official statistics. The study makes some recommendations on how Sub-Saharan Africa can go about bearing in mind its unique position in the scheme of things. It is hoped that formulation and implementation of such policies will go a long way in assisting Sub-Saharan countries achieve their medium and long term income related goals.

Keywords: Public policy; Entrepreneurship; Comparative analysis; Asia; Latin America; Sub-Saharan Africa

INTRODUCTION

While entrepreneurs struggle along the bumpy roads, dense forests and murky waters in an attempt to reach their desired destinations; scholars, lobbyist and other interested stakeholders also play their part by giving the necessary 'soft' moral support. The ball squarely moves into government hands to offer support to the entrepreneurial efforts, research and development and innovation through enabling and conducive public policy interventions. That way, Sub-Saharan African governments may increase the chances of attaining middle income economies in the not very far future.

Entrepreneurial efforts

Entrepreneurial activities form the back bone of economic prosperity and sustainable development. Such activities date back to the time when man began to conduct trade. Documented entrepreneurial prowess can be traced right back to the time of Thales of Miletus who lived around 800-700BC. When challenged on one occasion, he showed his practical genius by cornering the market for olive oil. His understanding of meteorology warned him in advance that harvest of olive oil would be beyond expectation. He was entrepreneurial enough (having spotted an opportunity) to hire all the presses he could lay hands on-resources mobilisation, and, when the time came, let them out at his own price. He thus made quite a sum and showed the scoffers that philosophers were capable of making money as and when they choose Bertrand (1970:16). Of all races, Jews were known for their entrepreneurial acumen. They risked their lives by opening long and dangerous routes from the Middle East to the far-east at times, at a very heavy cost to their matrimonial unions. They made money in banking/usury, beer brewing and selling and estate agents Cantor (1995). Cantor goes further to say that despite all odds, Jews were the pioneers of capitalism and dominated in international trade. They contributed immensely in growing the economies of North Africa, near and Middle East and most European countries. In England alone, during the medieval age, there was a very small population of Jews but, ironically, they contributed four-fifths of England's tax revenue Early Calvinists and the Jews themselves agreed that business success was a blessing from God and a sign of the worth of the entrepreneur in God's eyes; and because both religious groups admired patriarchal family, hard work, social intelligence, rational calculation and puritanical postponed gratification Cantor, N, (1995:266). However, the book does not give a scientific revelation attributable to such success other than that the Jews may have had superior genes. Franz Boas, another Jew, cited by Cantor (1995) argues that no ethnic group or culture is superior to another because empirically, no category of comparative can be established.

Solimano (2014:38) argues that entrepreneurship is seen as a dynamic process of business creation and destruction and is therefore linked to the process of economic growth. However, entrepreneurship has never been given a central role in economic analysis that is dominated by theories of production processes. Instead, the main role has been given to the mechanical accumulation of capital and labour with little attention to the fundamental entrepreneurial process of organising production, envisioning opportunities, mobilizing factors of production, and linking them with credit and products market-all in the context of risk and uncertainty.

Business and economic historians noted that entrepreneurs emerged from England's industrial revolution. This class of bourgeoisies had a penchant for delayed gratification, risk taking, hardworking, making profits in industrial production organised along capitalistic concept as opposed to the high income elite who were known for low saving, low investment, risk averseness, conspicuous consumption and leisure. The same pattern was observed in 19th century America.

It was Joseph Schumpeter the twentieth century renowned theoretician on entrepreneurship who developed a theory of the entrepreneur based on a mix of direct observation, psychological theory and economic analysis Solimano (2014). In Schumpeter's theory, the entrepreneur has a talent for combining capital and labour and for entertaining a vision of opportunities with prospects for profits Schumpeter (1911, 1934) as cited by Solimano (2014)

Schumpeter as cited by Mourdoukoutas (1999:75) and Kruger (2004 treated entrepreneurship as a distinct and separate function of the firm and identified five critical roles of an entrepreneurs as:

- Development of a new product
- Discovery of a new production method
- Discovery and exploitation of a new market
- Discovery and exploitation of a new source of supply of raw materials
- The discovery/development and implementation of a new way of organisation

It was Schumpeter who really launched the field of entrepreneurship by associating it clearly with innovation Filion (1997:2) cited by Kruger (2004).

Zahra & Dess (2009:1) cited by Kruger (2004) see entrepreneurship as a relatively young dynamic field in the early stages of its developmental cycle creating a problem in defining the field and scope of its research. They also claim that there lacks a unifying framework that distinguishes entrepreneurship from strategic management. Kruger observed two basic trends in the field of entrepreneurship. He goes on to say that it first stemmed from the work of Turgot and Say (1803) who considered the entrepreneur to be a person who creates and develops new business. The second takes the view of Cantillon and Schumpeter namely that entrepreneur is an innovator.

An entrepreneur must face the existing habits-traditions-customs-norms that are attached to the current way of doing things and somehow be able to push through a new combination. Thus the challenge of the modern entrepreneur would be to replace the existing order with completely new one Swedberg (2007). Drucker (1964) defines entrepreneurship as purposeful innovation aimed at creating customers:

- by creating utility
- by pricing
- by adaptation to the customers social and economic reality
- by delivering what represent true value to the customer

Sharma & Chrisman (1999:12) as cited by Kruger identified two clusters of thought on the meaning of entrepreneurship. One group focused on the characteristics of entrepreneurship that is innovation, growth and uniqueness while the second group focused on outcomes of entrepreneurship that is the creation of value.

Entrepreneurs are distinguished from the rest mostly through strong innovation and then opportunity recognition and growth in business Watson, (2001). Despite resources under control, entrepreneurship motivates creation or seizing opportunity and pursuing such opportunity Timmons, (2000).

An entrepreneur is a person who sees an opportunity in the market gathers resources and creates and grows a business venture to meet these needs. S/he bears the risk of the venture and is rewarded with profit if it succeeds Neiman and Nieuwenhuizen (2011). The following traits have been attributed to entrepreneurship: spotting opportunities, creativity and innovation, exploiting opportunities, passion and enthusiasm and determination and persistence Burke (2014). Entrepreneurship is the assumption of risk and responsibility in designing and implementing a business strategy or starting a business. The activity of assuming, organizing and managing risks of a business enterprise leading to:

- Wealth creation
- Innovation Kamalanabhan, (2015) as cited by Kruger (2004).

All the definitions have one thing in common; building a business or enterprise. Of all the definitions above, only that of Neiman and Nieuwehuizen touches on the ultimate goal; the reward. The ultimate goal of strong innovation, creating, seizing and pursuing opportunities and gathering resources is to earn a profit thereby increasing wealth. Thus, definitions must state the motive behind these endeavours.

The website http://code.pediapress.com/ sums it all by saying that entrepreneurship has assumed importance in accelerating economic growth in both developed and developing countries. It promotes capital formation and creates wealth for the country. It is the hope and dreams of millions of individuals around the world. It reduces unemployment and poverty and it is pathway to prosperity. Entrepreneurship is the process of exploring the opportunities in the market place and arranging resources required to exploit these opportunities for long-term gain. It is the process of planning and organising opportunities under certain assumptions. It may be distinguished as an ability to take risk independently to make utmost earnings in the market. It is a creative and innovative skill and adapting responses to the environment. The site further posits that entrepreneurship has the potential to support economic growth, hence it is the policy goal of every government to develop a culture of entrepreneurial thinking. This can be done by integrating entrepreneurship into education systems and legislating to encourage risk taking. These should be supported by national campaigns.

The word opportunity threads through most of the definitions. One may ask; how are these opportunities identified. Basically, there are five ways of identifying opportunities:

- Following both print and electronic media
- Keeping an ear to the ground
- Networking
- Observing people's patterns of life, identifying problems and finding solutions to such problems or creating needs out of them.
- Identifying a threat and creating a want or a need out of it.

Baumol (1990:24) argues that some entrepreneurs devote their time to productive activities such as innovation but majority allocate it to rent-seeking activities and organised crime. He goes further to say unproductive entrepreneurship takes many forms. Rent–seeking often through activities such as litigation and take-overs and tax evasion and avoidance efforts seem now to constitute the prime threat to productive entrepreneurship. The spectacular fortunes amassed by arbitrageurs revealed by the scandals of mid-1980s were sometimes surely, the rewards of unproductive, occasionally illegal but entrepreneurial acts. When litigation becomes a cheaper way of getting rewards, the entrepreneurs selects his closest advisors from lawyers instead of engineers.

Lindbeck (1987:15) cited by Baumol observed that the problem with high tax societies is not that it is impossible to get rich there, but that it is difficult to do so by way of productive effort in the ordinary production system. He cites as examples of the resulting reallocation of entrepreneurship "smart" speculative financial transactions without much (if any) contribution to the productive capacity of the economy as well as illegal business areas such as drug dealing and smuggling.

Research & Development and Innovation

Creation of new products and services and devising new and more efficient methods of production is no walk in the park and requires investment in research and development which involves prototyping and testing. This has been a domain of large firms able to finance large capital outlays but small firms are also coming in as evidenced by those operating in the Silicon Valley. Due to flexibility to adapt quickly as a result of their sizes, small enterprises are best suited to innovate. Innovation is a complex process involving new ideas; their development, transformation and application, using knowledge technologies, capabilities and resources Karlsson & Tavassoli (2015). Investment in innovation enhances technological advancement and minimises the firm's marginal cost of production Ganotakis & Love (2015). Innovation results from investment in R&D Czarnitzki & Hotterot (2011) because R&D increases a firm's stock of knowledge which knowledge can be used to introduce new products. The functions of R&D are to generate new knowledge through product and processes innovation and to increase a firm's absorptive capacity Cohen & Levinthal (1989)

Drucker further argues that innovation can be defined from the supply side (changing the yield of resources) or from the demand side (changing the value and satisfaction derived from the resources by the customer). Systematic innovation hinges on purposeful and organised search for changes and in the systematic analysis of opportunities such change may offer for economic and social innovation. Drucker's definition of entrepreneurship, namely a systematic professional discipline brought a new level of understanding to the domain Maurer, Shulman, Ruwe and Bucherer (1995:526) cited by Kruger (2004)

Sub-Saharan Africa, as a latecomer economy stands the advantage of utilising existing technologies formulated by advanced economies. However, Hobday (1995) argues this has got two disadvantages which such countries may face:

- They lack research, development and engineering capabilities and their poorly developed industrial and technological infrastructures operate in isolation from the world centres of science and innovation.
- They are also dislocated from global markets, whose demands help stimulate technological advances and innovation.

Nevertheless, several latecomer economies in East Asia, Japan in particular, the Republic of Korea, Singapore and Taiwan were able to exploit their advantages and overcome disadvantages by increasing their technological capabilities and designing organisation set-ups.

This enabled them to enter and upgrade their global value chain from original equipment manufacturers to own-design manufacturers and, in some cases to own-brand manufacturers Interarakurnnerd & Goto (2016)

Innovation can be done both internally and externally to enable exploitation of synergies of others. External R&D in alliance with suppliers, universities, research organisations and foreign stakeholders and the main benefits are:

- Firms may increase their competitiveness and increase performance
- Helps develop new products and processes and reduce costs
- Sharing risk and costs, shortening innovation cycle and exploiting economies of scale
- Provides intangible exchange of knowledge by means of people to people conduct and increases market power of each cooperating partner
- SMEs can overcome the challenge of resource constraints
- Increases access to R&D finance through cooperation (Interarakurnnerd & Goto 2016).

Research questions

- How has entrepreneurship evolved?
- What role does entrepreneurship play in the field of economics?
- How have various governments influenced entrepreneurial activities?
- What has been the impact of such influence?
- What other interventions can governments in Sub-Saharan Africa initiate to support economic growth and sustainable development?

RESEARCH METHODOLOGY

The study made a comparative analysis of entrepreneurial government policy interventions in Asia, Latin America and Sub-Saharan Africa. Qualitative research methodology was used and data were collected from various documents and observation where possible. The documents involved library-based, desk and archive research. Literature was reviewed from books, journals, website pages, newspapers, magazines, government Acts and publications and official statistics. Choice for such literature was based on its authenticity, creditability, representativeness and meaning. Observations were made in Zimbabwe and the Republic South Africa. The researcher was able to draw direct evidence of the eye by visiting various concerned ministries in the two countries and further went into the field to observe the impact of policies put in place. Such was premised on the fact that at times, it is best to observe what actually happens on the ground. The researcher did field work, direct observation of natural settings.

DISCUSSION

This section carries out a comparative analysis of public policy pronouncements on entrepreneurship in Asia, Latin America, and Sub-Saharan Africa and challenges necessitating such promulgations.

Entrepreneurship is a major contributor to economic development and subsequent sustainable development if properly regulated, implemented and managed. This section looks at various policy pronouncements promulgated to mitigate challenges faced by entrepreneurs in Asia, Latin America and Sub-Saharan Africa. It goes further to look at the impact of such policy pronouncements.

Asian Countries Public Policy Considerations

Asian economies are a very good example of that 'magic wand any government can wave' in form of public policy on entrepreneurial activities, research and development and innovation policies. Statistics below show how effective public policy is in promoting sustainable entrepreneurial activities.

Table 1: Comparison of Latin America, Asia and Mediterranean Europe entrepreneurial activities

Activity	**Latin America**	**Korea**	**Taiwan, China**	**Med. Europe**
Time in years between idea generation and venture creation	4.4	1.5	2.4	3.4
First year mean employment size of firm	9.1	22.7	10.8	8.7
Third year mean employment size	16.6	31.7	36.8	15.0
Initial investment (More than $000)	100	500	500	500
Firm creation	Solo	Teams	Teams	Teams
Innovation based competitive advantage %	27	70	70	54
Knowledge based firms %	34	68	68	--
Exploitation of outsourcing	24	50	50	40
Exports %	20	60	60	50

Source: Entrepreneurship in Latin America-A step up the social ladder

Asian countries measured the economic importance of SMEs using statistics on number of enterprises, employees, output and exports. It was noted that the sector contributed 60%, 70% and 40% to employment, output and exports respectively. The sector was just too important to ignore. Problem affecting the sector were identified as access to capital, availability of skilled and trained manpower, secure technology and access to both input and export markets. It was also noted that government induced barriers included, barring smaller firms from enjoying support programs, setting flat fee charges for all firms despite size, asking SMEs to comply with same regulations as their bigger counterparts thus making the cost of compliance higher for smaller enterprises (Vandenberg, Chantapacdepong & Yoshino 2016).

Having identified economic benefits generated by the sector and challenges it was facing, Asian governments went on to device policies that would not only address these challenges but also would also encourage innovation thereby producing more at lower costs. Governments came up with supply side, demand side and systematic policies that have as of now, produced the favourable statistics shown above.

Challenges relating to access to finance saw Asian countries innovating on SMEs banks, specialised financial institutions, guaranteeing commercial bank loans, credit guarantee schemes, credit surety funds and easy access to information for the sectors. Japan went further to introduce credit risk database from which smaller enterprises creditworthiness would be assessed. Other tailor made access to finance institutions include microfinance institutions, scaling down of commercial banks and village and urban revolving funds. Other supply side interventions include tax incentives, government loans, grants and subsidies. On the human capital front training levies from which small entities could access finance for training were introduced together with training consortiums and pre-employment education and enterprise based training. Export credits schemes, usually through import-export banks that provide information on export markets and facilitating the sector to attend foreign trade fairs.

Supply side policy interventions

Tax incentives

Malaysia, Singapore and Thailand have tax incentives based on R&D expenditure. Taipei, China adopted tax credits. Where tax incentives are expenditure based, more expenses than actually spent are deducted. R&D tax credits allow firms to deduct a percentage of their R&D spending directly from company final tax liability. Singapore went further to allow for activities that took place outside of Singapore but for the benefit of Singapore for research & development as tax deductible but rates applied were lower than those for local activities. Successful innovation needs more than R&D but needs support of a combination of several activities. More R&D incentives for start-up were introduced to meet the needs for R&D intensive start-ups which spend the first few years developing products and incurring losses and not enjoying any tax benefits. These came in form of cash equivalent to the benefits they would receive from R&D tax credit.

Loans

Loans are popular in financing innovation in places like Thailand. Government provides loans of up to 75% of the project cost or $1m whatever is less. However, these are less prominent than grants and equity in Singapore. Taipei, China has several loan schemes to finances specific and innovative projects. Malaysia has low interest loan schemes for hi-tech enterprises and entrepreneurs to stimulate technology development and innovation

Grants

Grants are a key instrument in Singapore. The instrument applied to promote hi-tech entrepreneurship and R&D. Taipei, China uses grants as financial instruments to encourage firms to enhance their technological and innovative capacities. These schemes are seen as attempts to promote technological and innovative capabilities in the private sector and to forge relationship between industry, universities and public research institutions**.**

Equity instruments

Equity instruments are facilitated through venture capital financing on project life cycle targeting growth and expansion. Revenue departments provide taxation schemes to support venture capital funds investments. Investors usually inject 30% during initial stage and 70% in the growth and maturity stages. In most Asian countries venture capital is earmarked for companies with high growth potential and less risk later stages. Venture capital is the main source of capital for early stages of development in Singapore. Direct equity financing has been seen as a way of overcoming difficulties in financing enterprises in their early stages.

Observations

In most successful economies like Singapore and Taipei, policy instruments co-evolved with firm's level of technological and innovative capabilities. Different levels needed different policy instruments. Policy makers understood the current needs and technological barriers facing the firm. Copying and pasting from other economies often fail.

Singapore, Taipei, China and to a lesser extent Malaysia have a higher level of flexibility and policy coordination and learning. They offer a variety of instruments tailor made to the needs of the industry, sector, cluster technologies, type of firm or even individual firm demands-firm-specifics or incentives.

Developing firms' technological and innovative capabilities happen over a long span of time. Duration and continuity of government support schemes are crucial as they reflect policy priorities and government commitments. Besides, policy makers must have deep understanding of innovations and innovations systems and how they evolve.

Supply side interventions were dominant is all economies while demand side policies were not extensively used.

Innovation financing policies require corresponding policy initiatives that produce capable human capital, attract foreign talent and help organisations work together. Examples of these synergies are public research institutes in Taipei, China and entrepreneurial universities in Singapore.

Institutional factors shape choices and policy implementation. These include laws and regulations, unity and capability of government bureaucracy, trust, entrepreneurship, attitudes towards corruption and government's role in supporting private firms.

Latin American Countries Public Policy Considerations

In Latin America, public policy on entrepreneurship is targeted at the high, middle and low income entrepreneurs. It caters for small groups of large scale entrepreneurs with access to credit, technology and innovative capacities, large group of small and medium entrepreneurs without the above and micro necessity entrepreneurs. Policy in Latin America targets the following activities which often clash:

- Productive entrepreneurship
- Business creations and consolidation
- Economy-wide growth
- Innovation
- Employment generation
- Income generation
- Personal economic autonomy

The first four above and the last three collide. The latter group seeks to support small, medium and micro necessity entrepreneurs while the former supports the small group of large entrepreneurs.

In coming up with policy, Latin American countries took the following factors into consideration:

- There is a small number but high impact entrepreneurs in economically active population
- Entrepreneurial activities are heterogeneous
- Pro-entrepreneurial policies not mass policies due to numbers

Policies were crafted with due consideration to the following impacts:

- For middle and lower income segments this may be a compensatory policy helping *to level the playing field* of the general entrepreneurship in view of the fact that entrepreneurs who do not come from high income families often start from disadvantageous positions with respect to resources such as educational, parental support, role models and financing
- Policies to ensure that an entrepreneur's functioning and capabilities are turned into actual realizations by providing supportive factors such as training and finance Sen (1985)
- Policies can democratize entrepreneurship where markets are dominated by few large players that impede the competition and entry of medium and small players through de facto barriers such as their superior access to funding, economies of scale, better technology and greater capacity to lobby policy makers. (Inter-American Development Bank)

Sub-Saharan Africa

In the Republic of South Africa, the departments of Economic Development, SMEs and Justice are among other things, responsible for the provision of regulatory framework, promotion and overseeing the activities in the sector. The department of SMEs spearheads promotion of interests of up and coming entrepreneurs. They are mandated to-and I quote- "lead and co-ordinate an integrated approach to the promotion and development of entrepreneurship, small business and co-operatives and ensure an enabling legislative and policy environment to support their growth and sustainability." Its mission is to coordinate, integrate and mobilise efforts and resources towards creating an enabling environment for growth and sustainability of small businesses.

The purpose of the Companies Act (71) of 2008 as stated in Section 7 is to encapsulates Government's macro-economic policy and the role that the Government envisages entities must play in the South African economy. It also reflects the government's acceptance of, and support for the enterprise as an essential component of South Africa's economy and as an essential means of achieving social benefits and economic growth." Stein, C. 2011

In my opinion, the South African Close Corporation Act (1984) and the Companies Act (Chapter 71) of 2008 are defective because they have abolished the main object clause. It is no longer necessary for a company to state its 'main object' or 'main business' in its MOI. Section 19 (1) (b) Stein, (2011). The Acts have been described as instruments that empower the formally marginalized, attract investment, easy to implement and bring with them world class corporate governance standards. Government has acknowledged fundamental importance of companies being good corporate citizens by also providing that other purposes of the Act are: promote the development of South African economy by encouraging transparency and high standards of corporate governance as appropriate. (s7 (b) (iii) (Stein, C, 2011). This is quite in line but the researcher feels the two Acts are highly flawed.

The Memorandum of Incorporation no longer requires an entity to state its main object or core business implying that, an entity can do anything as long as it is not illegal, immoral and contrary to public policy. Thus, an entity that has recently been incorporated and is involved in the vending of basic food by the road side can bid for tenders requiring huge outlays of capital; like construction, civil engineering, installation of hi-tech IT solutions etc. This has not only created Jacks of all trades with no knowledge of what they are bidding for but also corruption at highest levels. Getting the tender pretty much depends on who you know and not what you know. The customer or client, who in most cases, happens to be the government or municipal authorities are short changed. Treasury is siphoned of cash resources without getting the desired value in reciprocation. The long-term damage is frightening especially when contracts are entered into with unscrupulous people who go into business solely for the love of money. In the South African business dictionary, the word *Tender-preneur* has silently crept into the business vocabulary and is dominating business transactions, arrangements and agreements.

Entities and their owners ought to stick to what they know best and deliver desired value for money. Value transferred to the customer comes first and money second. That way, businesses and economies grow.

In Zimbabwe, the Ministry of SMEs was created to promote and grow the activities of up and coming entrepreneurs. Its mandate is to stimulate economic growth, create wealth and employment opportunities and promote sustainable environmental practices among SMEs thereby reducing poverty while the mission is to be the nerve-centre for sustainable, inclusive socio economic empowerment, growth and development of SMEs. The regulatory instrument is the Companies Act (Chapter 24:03)

The impact of the Acts has become so blared due to dysfunctionality of the county's economy. Policy inconstancy, corruption, hostile operating environment, non-performing loans and hyperinflation have taken toll on what appears to be a worthy cause. Tawodzera, (2013) sums up the Zimbabwe situation when he noted that Zimbabwe's growth of SMEs has slowly risen as unemployment continues to sour at over 90%. More people are starting small business in order to survive. Some of these remain 'bread and butter' types of business while some have grown and expanded providing meaningful employment and development." Thus, due to a hostile economic environment, many have become necessity entrepreneurs living from hand to mouth.

CONCLUSION AND RECOMMENDATIONS

For Sub-Saharan countries to become middle income economies in the not very far future, they have to go back to the drawing board, seriously consider entrepreneurial activities, R&D and innovation and come up with their own brand of public policies that fit into their cultures and various backgrounds. Ideas can be borrowed from Asia and Latin America bearing in mind that we are unique economies with our own unique set of problems: social, economic, political and legal.

Policy pronouncements must have the potential to promote entrepreneurship at a large scale, reduce obstacles to and restrictions on the latent entrepreneurial potential of individuals facing constraints in access to education, credit, technology, and markets and have the ability to promote small and medium scale entrepreneurship that creates new jobs, enhances social mobility and generate income in face of the power and influence of big corporates, conglomerates and the economic elite that pressure the government to limit competition making it difficult for new actors to enter the market. (Inter-American Development Bank and World Bank). Public policy on entrepreneurial activities, R & D and innovation should however take into account the following:

Non-selectivity

Policy must cut across the economic, ethnic, political and social divide. It should include the high, middle and low income groups not forgetting students in secondary and tertiary education wishing to pursue entrepreneurship. For it to be acceptable to all, the policy, both on paper and in practice must not be seen to favour the rich, well connected, closely related to or politically affiliated to a certain group or political party. Once such is achieved, the policy is likely to be embraced by all.

Lowering costs and time of doing business

Cost of doing business and time taken to process papers for those wishing to set up business relate very closely to the quality and quantity of both local investment and foreign direct investment. I still remember when BMW proposed to set up a manufacturing plant in Zimbabwe. While policy makers were still busy making decisions, Mandela grabbed the opportunity with open hands. BMW never came to Zimbabwe. Instead, they set up their plant in South African and in the process, creating thousands of jobs for South Africans. Cost of doing business must remain low. This can effectively be achieved by weeding out corruption. As long as corruption remains part of our culture, the cost of setting up and doing business will remain high and deter many from investing in the country.

Taking into account and exploiting the importance of role models

Internationally renowned role models are Steve Jobs of Apple, Bill Gates of Microsoft, Mark Zuckerberg of Facebook and Sergei Brim and Larry Page of Google to name just a few. Empirical studies have shown that family background plays an important role in determining whether one is likely to be an entrepreneur. Children coming from an entrepreneurial background are likely to follow their parents' footsteps. So it is not only the Steve Jobs of this world who are role models. Entrepreneurial parents are also role models to their children who wish to venture into business. Parents are a motivating factor. In Africa we have our own black role models like Masiiwa, Dangote and Motsepe. Such patterns cascade down to generational and family levels.

Building entrepreneurial capacities

Entrepreneurial traits on their own cannot sustain business as evidenced by many with such traits who have fallen by the wayside. Entrepreneurial capacities are enhanced through education and continuous development. Entrepreneurship education ought to start right at primary school level up to secondary and higher education. It should be borne in mind that jobs are getting less and less. Robots are taking over jobs in quite a number of sectors. For people to survive they need to innovate on new ways of generating income other than employment. Such training will bring economic, social and political stability to the countries where statistics indicate that majority of economically active population are currently looking for employment.

Improving financing

Need to access finance cannot be overemphasized. Many have taken years or failed to realise their dreams due to lack of finance. In most instances banks are just not willing to finance start-ups. Venture capital and Angel capital is non-existent in Sub-Sahara. The governments can go a long way by providing tax incentives and taking notes from Asian financing models. By far what our entrepreneurs need is start-up capital. Policy formulation needs participation of financial institutions who will be encouraged to scale down on their business models and accommodate start-ups. Tax incentives can be awarded to those involved in research and development hoping to come up with new innovations that will reduce the cost and time of production. No nation will ever prosper without investing in research and development. Such activities will generate new ideas and knowledge that will play an important part in growing the economy. Entities in Japan, China and the Silicon Valley invest billions in research and development. Although such is risky business, the rewards are extremely high.

Strengthening management within enterprises

Inefficiencies within management systems create leakages within an enterprise. One of the constraints faced by start-ups is getting skilled and trained human capital. Government can assist by introducing training levies for start-ups and getting into partnership with training institutions to assist start-ups with human capital training.

Improving networks

Universities, research institution and entrepreneurs must join hands and create synergies. Partnerships among these parties will go a long way in innovating on new products, services and new methods of doing things. By so partnering, university students will get to know the practical aspects while entrepreneurs tap in technical and expert knowledge. Networks will not just end there. Entrepreneurs will establish networks with foreign suppliers, foreign customers and competitors to tap in on new goods on market, consumers' needs and new technologies and innovations respectively.

Preservation of natural capital

In the last three decades, a school of thought has emerged in which the environment is seen as comprising a variety forms of capital that are just as important to the sustainability of the economy as are produced and human capital. These newly recognised forms of capital have come to be collectively called *natural capital.* They are the source of priced and unpriced environmental inputs upon which production depends. It is now increasingly recognised that natural capital must be maintained over time along with produced and human capital if the economy is to be sustainable Smith, Simard and Sharpe, (2015:5).

Entrepreneurial activities rely heavily on natural capital for raw material. No enterprise can operate in the absence of natural capital. People, profit and the planet can no longer be separated. Sustainable natural capital is the primary moral and economic imperative of the 21st century. It is one of the most important sources of both opportunities and risks of businesses. Nature, society, and business are interconnected in complex ways that should be understood by decision makers. Most importantly, current incremental changes towards sustainable natural capital are not sufficient-we need a fundamental shift in the way enterprises and entrepreneurs act and organise themselves King (2009). Success of enterprises in the 21st century bears a strong relationship to three independent sub-systems-the natural environment the social and political system and the global economy. Global enterprises cannot do without the three and they need all three to flourish (*Tomorrow's Company*.)

Policy is not static and should be subject to constant reviews and realignment with changing business dynamics. However, it should nevertheless be noted that conducive public policy is no guarantee to success. Despite conducive government policy many entrepreneurs in Latin America, Asia and even the United States, fall by the way side. In Sub-Saharan Africa, despite lack of it, some entrepreneurs continue to excel. Such observations leave the entrepreneurial success/failure riddle unsolved and create scope for further research.

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