An Economic Sociology of African Entrepreneurial Activity

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Consider the following statement that was made by Bruton, Ahlstrom and Obloj (2008) after a literature review of nine of the leading management and entrepreneurship journals:

> Given the importance and steady growth of emerging economies worldwide, it is somewhat surprising that over the last 17 years only 43 articles have been published on entrepreneurship in that domain. Entrepreneurship is the engine that will push the emerging economies forward as the states of the developing world quickly grow to be major economic forces. Yet it is particularly startling that there is virtually no research on the poor in the subsistence economies of the developing world. These economies hold a billion people – one-sixth of the world's population.

In addition to the comparative lack of attention given to entrepreneurship in emerging economies, particularly those in sub-Saharan Africa, there is also a relative lack of diversity in theoretical and methodological approaches to African entrepreneurship. Previous research that has explored the variation in entrepreneurial activity among African nations has focused on the standard economic and infrastructure factors such as GDP, FDI, and education. These are meaningful variables and provide scholars with a baseline of knowledge about entrepreneurship in Africa as well as measures to compare African nations with other emerging economies across the world. However, these factors fail to adequately take non-economic factors into consideration.

This paper aims to diversify both the methodological approaches and the contexts of research on entrepreneurship in Africa. In regards to the former, we draw on research by economic sociologists, cultural anthropologists, and management scholars of culture to augment our argument that research in this area lacks the texture provided by socio-cultural indicators of entrepreneurship. We present arguments regarding the influence of social structure and institutions on entrepreneurship and entrepreneurial activity on the African continent. We define the mechanisms by which various types of ethnic and cultural identity, language, religiosity and historical factors can contribute to a better understanding of the variation of entrepreneurial activity. In regards to our latter concern, we use the Economic Community of West African States (ECOWAS) as a case example. With this collection of fifteen African states as our primary context, we demonstrate the usefulness of these explanations and the lack of nuance that exists in contemporary analysis of business activity on the African continent. In addition, we make propositions regarding the patterns of influence on entrepreneurship and economic development.

Entrepreneurship, Entrepreneurial Activity

Interest in entrepreneurship and entrepreneurial activity has increased during the last two decades. Early writings by Schumpeter (1934) and work by economists, such as Baumol (1990, 1991; 2007) and Schramm (2006) are gaining attention because of their relevance to modern economic challenges. The basic assumptions of proponents of entrepreneurship include:

1) entrepreneurship is the driver of national economies (Acs, 1999; Baumol, 1990);
2) it is driven by innovation (Acs & Audretsch, 1988; Drucker, 1985; Klepper & Simons, 2000; Schumpeter, 1934);
3) it involves a process of discovery, evaluation and pursuit of opportunities (Kirzner, 1997; Klepper & Simons, 2000; Shane, 2000; Shane & Venkatraman, 2000); and
4) networks of people and capital are critical components of the entrepreneurial process (Aldrich, 1989; Burt, 1992; Ruef, Aldrich, & Carter, 2003; Shane, 2002; Uzzi, 1997, 1999).

Moran and Goshal argue that firms have a significant role in economic development and that they are "powerful levers that enable people to productively defy the market's institutional forces (1999)." In developing nations, these institutional forces are particularly strong in opposition to entrepreneurial activity.

For the purposes of this paper, we define entrepreneurial activity broadly to include formal and informal activities; both traditional entrepreneurship (with formal registration) and various forms of self-employment are technically entrepreneurial activity. This follows previous work that makes little distinction between formal and informal types of entrepreneurship (Bates, 1997; Butler & Herring, 1991; Fairlie, 1999; Fairlie & Meyer, 1996; Rhodes & Butler, 2004). However, we believe that for analytical purposes, it is important to define the type of entrepreneurial activity that is being described because specific factors may influence formal entrepreneurship one direction and informal entrepreneurship in the opposite direction. It is important, however, to note that we are making a distinction between general economic activity which is measured by such measures as GDP or foreign direct investment and specific entrepreneurial activity. We describe five approaches below.

Informal Entrepreneurship. We have come across very few attempts to capture data related to informal entrepreneurship in developing economies. These approaches tend to use in-depth interview techniques to produce estimates of informal entrepreneurship (Fadahunsi, 2000). Lack of reliable data has led to some scholars using many different proxies or modeling techniques to assess informal entrepreneurial activity (according to Klapper, Amit, Guillen, & Quesada, 2007).

Foundings and Business Registrations. The second approach uses business foundings and/or business registrations as a proxy for entrepreneurial activity. This approach has been used recently by the World Bank. In a policy research working paper, Klapper and her colleagues (Klapper et al., 2007) conducted a cross national survey of entrepreneurship and firm formation using rates calculated from national business registries. They offered this as a new approach to "enabling research on the dynamic of entrepreneurial activity" (Klapper et al., 2007). For this study they defined entrepreneurship as "the activities of an individual or a group aimed at initiating economic activities in the formal sectors under a legal form of business". With this definition, the informal sector of entrepreneurial activity (prevalent in the developing world) is left out. Their findings indicate that business entry rates are significantly related to political-economic country-level factors.

Investment and Venture Capital Activity. A second approach is to collect data on investment or venture capital activity. This could be done at the stock exchange level or from various sources of information about private investment. In developing nations this data may also be difficult to obtain or unreliable.

Total Early Stage Entrepreneurial Activity (TEA) – The Global Entrepreneurship Monitor (GEM) uses the TEA measure to identify the prevalence of startups or nascent entrepreneurs and new firms in the adult population. Data for this

Necessity vs. opportunity entrepreneurship. The GEM reports have also attempted to distinguish between entrepreneurship out of necessity (i.e. for survival) and entrepreneurship that is motivated by opportunity exploration. This dichotomy has been explored using surveys and interviews.

There may be other approaches that researchers have used to measure entrepreneurial activity in developing economies. No matter the approach, it is important to be clear about the type of entrepreneurial activity that one is predicting when exploring African entrepreneurial activity.

An Economic Sociological Perspective

Smelser and Swedberg (1994) in their Handbook of Economic Sociology define economic sociology as "the application of the frames of reference, variables, and explanatory models of sociology to that complex of activities concerned with the production, distribution, exchange and consumption of scarce goods and services." The authors also provide a high level comparison of economic sociology and mainstream economics. They argue that while mainstream economists state that the focal actor is uninfluenced by other actors, economic sociologists argued that the focal actor is a member of groups and society and thusly influenced by these groups. While all economic actors are assumed to be rational for the economist, the economic sociologist treats rationality as a variable with a variety of potential economic actions. Sociologists and economists also differ in their perspectives on constraint. The economist states that economic action is constrained by resource scarcity and consumer preferences, the economic sociologist accepts these constraints but adds social and meaning structures. Economists emphasize formal, mathematical models described by Smelser and Swedberg as "clean models", economic sociologists employ a variety of methodological tools often generating data through a process described as "dirty hands."

Our approach to analyzing entrepreneurial activity in African markets is drawn heavily from Granovetter's (1985, 1992) path breaking work on embeddedness. He developed the embeddedness concept to be a more descriptive of economic behavior than the under-socialized treatment by neo-classical economists or the over-socialized treatments of some sociologists. The contribution he made to both economics and sociology establishes a balanced and more realistic approach to the "sociology of economic life" (Granovetter, 1992; Smelser, 1973). In other words, the extremes do not serve us well. The under-socialized approach assumes that all actors will resort to profit maximizing, interest seeking behavior when engaged in economic action. This rendition does not allow for the influence of social structure or issues of trust. It is an atomistic approach to describing actors.

In the over-socialized account, human action is completely influenced by the opinions of others. The actor is socialized for norms and behaviors that represent the desires of the group and not necessarily the interest of the individual. This approach leaves little room for pursuits of individual interests. Embeddedness captures both possibilities by placing economic action in a social context. Transactions between individuals and firms are embedded in the relationships between the actors. Embeddedness allows for the possibility of trust, opportunism, malfeasance, or order exist side by side.

Research on entrepreneurship in Africa has often followed the mainstream economic model. World Bank or IMF datasets are used to analyze preferred economic measures such as GDP, inflation or life expectancy. Yet, the economic sociologist broadens these considerations to include variables such as networks and degree of embeddedeness, gender, markets and corporations and most relevant to this paper – considerations of culture. While culture can be an elusive concept, in this paper, we consider four key components of African culture (religion, language, traditional leadership, ethnicity) on entrepreneurial activity. In addition, we also examine the relationship between political systems in Africa and entrepreneurial activity.

Cultural and Political Influence on African Entrepreneurial Activity

Religion and Entrepreneurial Activity

Scholars have explored the question of the relationship between religion and entrepreneurship for decades. Arguably the seminal work on the interrelationship between religion and entrepreneurship remains Max Weber's The Protestant Ethic and the Spirit of Capitalism. In his quest to explain the "spirit of Capitalism", Weber (1930) argues that Protestant doctrines, e.g. Calvin's doctrine of predestination provide the theological motivation for capitalistic activities. The primary mechanisms for Weber are the sense of calling as evidence of God's election and a Protestant ascetism that differed from Catholic monasticism by its engagement with society. Weber argues:

> It is obvious how powerfully the exclusive search for the Kingdom of God only through the fulfillment of duty in the calling, and the strict asceticism which Church discipline naturally imposed, especially on the propertyless classes, was bound to affect the productivity of labour in the capitalistic sense of the word. The treatment of labour as a calling became as characteristic of the modern worker as the corresponding attitude toward acquisition of the business man (p.179).

Research examining the Weberian thesis has been conducted at multiple levels of analysis and from regional as well as national perspectives. However, the results have been far from conclusive and there remain substantial opportunities for additional exploration and for research using different settings..

At the individual unit of analysis, Audretsch, Boente and Tamvada (2007) expanded the Weberian thesis beyond its normal Christian applications and examined the relationship between religion and the decision to become an entrepreneur. The authors examined nearly 90,000 Indian workers who were representatives of multiple faith traditions. Islam and Christianity were shown to be conducive to entrepreneurial behavior while the most representative faith of the sample; Hinduism was shown to inhibit entrepreneurial behavior. Woodrum (1985) also expanded Weber beyond his original Protestant conceptualizations. In his study of Japanese Americans, Woodrum asked if the religion of a sample of Japanese Americans affect their economic achievements. His sample included not only Protestant Christians but also Buddhists and Shintos. Woodrum included religious and nonreligious predictors and consistently found stronger effects for his measures of religiosity. Bellu & Fiume (2004) found a positive effect between religiosity and entrepreneurial success. Using a sample of New York City entrepreneurs, the authors found a mediating effect of religiosity on the relationship between entrepreneurial actions and life satisfaction.

Other studies challenged Weber's relationship between religion and entrepreneurship. Minns and Rizov (2005), in a study of self-employment in Canada at the beginning of the 20th century, found no relationship between membership in Protestant sects and self-employment. Futhermore, Minns and Rizov also saw no relationship between Catholic affiliation but did see higher rates of self-employment for the Jewish members of the sample. Carswell and Rolland (2007) sought to examine the relationship between religious practice and entrepreneurial participation in New Zealand. Using a random sample of 2,000 New Zealanders, the authors actually found that those who identified themselves as Christians were less likely to be involved in entrepreneurial activity than those who were non-Christian. Drakopoulou-Dodd and Seaman (1998) sampled British entrepreneurs and found similar results to Minns and Rizov and Carswell and Rolland. The extent of religiosity for those British entrepreneurs appears to be similar to that of their non-entrepreneurial sample. Basu and Altinay (2002) also conducted their research in Britain but used a sample of 163 immigrant entrepreneurs from East Africa, India, Pakistan, Turkey and Turkish Cyprus. Like Drakopoulou Dodd and Seaman, they found on influence on entrepreneurial behavior by religion.

While there are fewer studies that have examined this question from a more macro perspective, those that exist are also divided in their conclusions. Grier (1997) in a study of 63 Latin American former colonies, found no difference in economic development between those colonies that with Protestant legacies versus those colonies that were historically Catholic. Barro and McCleary (2003) used a cross-country data panel that measured both church attendance and religious beliefs. Their findings showed that increases in church attendance saw accompanied decreases in economic growth. However, certain religious beliefs (namely belief in hell) actually increased economic growth. Anderson, Drakopoulou-Dodd, and Scott (2000) in a study of culture of entrepreneurship in Margaret Thatcher's Britain, saw that religion played a similar role as it did in the original Weberian study. Religion provided the theological underpinnings for Thatcher's policies.

The degree of religiosity is well noted across the African continent. From the streets of Accra lined with businesses with that reflect the religious beliefs of the local entrepreneur to the massive mega churches that are sprouting in Ghana, Nigeria and Kenya, religion continues to play a major role in the day-to-day existence of most Africans. For an increasing number of these individuals, a key element of their faith system are the dual beliefs of God's desired prosperity for God's people and the necessity of living a prosperous life as evidence of one's blessedness.

This leads us to our first proposition.

Proposition 1: Consistent with the Weberian perspective, Higher degree of religiosity will be correlated with higher rates of entrepreneurial activity (formal and informal)

Ethnicity and Entrepreneurial Activity

Africa is a wondrously diverse continent with more than 50 nation states as well as countless numbers of ethnic groups and languages spoken. The continent is second only to Asia in population with steady expected population growth. However, is this diversity a facilitator or inhibitor of entrepreneurial activity? Economists William Easterly and Ross Levine argued that ethnic diversity is a powerful explanatory variable when one examines cross-country differences in growth rates (Easterly & Levine, 1997). However, they state that in the case of Africa, ethnic differences or ethnic fractionalization has had a definitive negative impact on Africa's growth prospects. Specifically, they note that, "high levels of ethnic diversity are strongly linked to high black market premiums, poor financial development, low provisions of infrastructure, and low levels of education." The primary mechanisms for this "disastrous" state of affairs are public policies and political instability.

Posner (2004) writes that "Easterly and Levine's findings have been broadly accepted" and their findings have led to the inclusion of an ethnic diversity measure as a standard for cross-country growth regressions. Yet, Posner challenges scholars to shift from the Ethno-Linguistic Fractionalization measure to the Political Relevant Ethnic Groups measure. However, Posner does not challenge Easterly and Levine's conclusions – just their preferred methodology to arrive at said conclusions.

van Ufford and Zaal (2004) prepared case studies of livestock trading in Kenya and Benin. They argued that traders used ethnicity both as a tool for obtaining trust and thus minimizing transaction costs and also as a tool to legitimize dominant market positions. Their findings would seemingly support the notion that ethnic diversity brings challenges to sustained levels of entrepreneurship. However, there is a body of literature that has theorized on those environments where ethnic entrepreneurs have flourished. Light (1972) advanced the protected market hypothesis where ethnic entrepreneurs have the advantage of developing new ventures within their ethnic communities. These entrepreneurs have strong kinship ties, sophisticated knowledge of consumer tastes and buyer preferences. Bonacich (1973) advanced the theory of the middleman minority who although not fully integrated into the larger culture are able to develop an entrepreneurial niche. Yet, Aldrich and Waldinger (1990) identify two key forces that are critical in determining the success of ethnic entrepreneurs: the level of interethnic competition for jobs and business and governmental policies.

We cautiously accept both the Easterly and Levine's perspective as well as the Light and Bonacich notions. At one level, ethnic diversity can lead to conflict that has the potential to destroy markets and infrastructure and to decrease the overall capacity for entrepreneurship. However, with each generation, it can be argued that ethnic identities are yielding to national identities, thus reducing the potential for fractionalization and conflict. Yet, even where ethnic identities remain strong, those groups who are in the minority have opportunities to carve out niches either in their minority communities or as middleman minorities.

This leads us to our next set of propositions about levels of entrepreneurial activity.

Proposition 2: Nations with strong national identities will have higher levels of entrepreneurial activity than nations with weaker national identities.

Proposition 3: In highly fractionalized countries, we predict a high level of entrepreneurial activity for minority ethnic groups.

Colonial Legacies and Entrepreneurial Activity

Although African nations are now approaching half a century of independence, it is arguable that many of the vestiges of the colonial powers remain in place and highly influential. Invariably, the colonial language remains the language of the elite and in many cases the language of commerce. However, the systems and structures of colonialism were not equally applied across African states. Blanton, Mason, and Athow (2001) note that, "The British and French systems of colonial administration were based upon different ideologies and methods of control." Specifically, they argue that the French system emphasized cultural assimilation and centralization. In the process of centralization, traditional leadership was replaced with the bureaucracy of the French state. Accordingly, it is argued that when independence was achieved, many former French colonies "lacked both the leadership and the mobilizing structures necessary to mobilize their members for collective action aimed at advancing their claims on the post-colonial state. (Blanton et al., 2001)" By contrast, the British system was administered primarily through local elites. The British were not concerned with granting British citizenship like the French but rather maintaining the existing ethnic rivalries in a "divide and conquer" type strategy (Blanton et al., 2001).

Geschiere (1993) also found variances in the colonial legacies between the British and the French in their relationships with the traditional rulers in Cameroon. He notes that "the different legacies of French and British rule are intersected by other factors which also influence the degree to which these chiefs can still command support from local society." Madeira (2005) compared discourses on public education between the Portuguese, British and French and illustrated how said discourses reflected the philosophies of each colonial power and their strategies for developing an educational infrastructure in their governed territory.

To the degree that the French limited the leadership capacity of their colonies, it is arguable that an entire class of potential entrepreneurs could have been underdeveloped. In addition, the infrastructure to generate new entrepreneurs could have also been severely limited. On the other hand, while the British model may have promoted regrettable class divides, the British system created a bourgeois class relatively well-equipped to develop entrepreneurial ventures.

Accordingly, we make the following prediction in regards to entrepreneurial activity and colonial heritage.

> *Proposition 4: Nations with French colonial legacies (Francophone nations) will have lower levels of entrepreneurial activity than nations with British colonial legacies (Anglophone nations).*

Traditional Leadership and Entrepreneurial Activity

Even as more African nations continue to adopt traditional democracies, the role and influence of traditional leaders should not be underestimated. Williams (2004) argues that, "Despite the dramatic changes that have occurred in South Africa over the last fifteen years, the chieftaincy remains an important political institution that continues to exercise authority." In his examination of democratic processes in South Africa generally, but specifically in rural South Africa, Williams acknowledged that the chieftaincy has been impacted by political changes. However, his work dispels the notion that South African democracy and the traditional chieftaincy were leadership models that could only be perceived as competing and mutually exclusive. Instead, chiefs were shown to work cooperatively with elected officials. In addition, the presence and activeness of chiefs provided cultural legitimacy to the election process. The involvement of chiefs in the election process also assuaged the fears about the presence of "outsiders" – often individuals from the larger cities who arrived to monitor or implement the elections.

Miles (1993) compared the chieftaincies of two West African nations, Niger and Nigeria and that of Vanuatu, an island nation in the South Pacific Ocean. Miles argues that despite their differences in colonial legacy and history, all three chieftaincies "now exist as parallel institutions alongside national governments committed to social and economic change." He provides five key modern functions of the traditional chieftaincy. First, chiefs play and linkage role between the populous and the government. Secondly, chiefs enlist national unity through the conferring of honorary chieftaincy titles on individuals who have gained national preeminence. By doing so, it is argued that identity boundaries are enlarged and regional group identity is redefined. In addition, chiefs were shown to serve as peacekeepers, often assisting the local government in managing conflicts. Fourth, Miles highlighted the role of the chief as ombudsman; this was especially emphasized in Nigeria. Lastly, the chief maintained the role of statesman, a symbol of the unity and tradition of the community.

Nyamnjoh (2003) also speaks to the sustaining power of the chieftaincy. He notes that, "instead of being pushed aside by the modern power elites, chieftaincy has displayed remarkable dynamism, adaptiveness and adaptability to new socio-economic and political developments." His study of the relationship between chieftaincy and democracy in Botswana argues that chiefs continue to reinvent themselves. The chieftaincy in Botswana was shown to be gender inclusive, chiefs continued not only to have symbolic power but were shown to be key intermediaries in the acquisition of land and financial resources.

Boafo-Arthur (2003) notes the resiliency of the chieftaincy in Ghana and focuses his work on the contemporary challenges facing chiefs in 21st century Ghana. Those challenges include HIV/AIDS education, succession, land and environmental degradation concerns, establishing development relationships both domestically and with international agencies. He quotes the Asantehene in stating:

> Our predecessors engaged in inter-tribal wars, fighting for conquest over territories and people. Today, the war should be vigorous and intensive against dehumanization, poverty, marginalization, ignorance and disease…Chieftancy must be used to propel economic development though proper lands administration, through facilitating investments in our communities…

This leads us to our next proposition:

> *Proposition 5: Higher levels of traditional leadership recognition by the state are correlated with higher levels of entrepreneurial activity.*

Political, Legal and Governmental Systems and Entrepreneurial Activity

Political systems can influence all forms of economic activity by establishing the rules and regulations for transactions to take place and for interactions to be governed. Scholars have argued that the economic variation is a result of political systems variation because political systems create and maintain the institutional structures that influence economic activity (Ingram & Clay, 2000; Nee & Ingram, 1998; North, 1990). For example, Klapper et al (2009) contrast the example of the two types of political/legal systems: Civil Law systems and Common Law systems. Civil Law countries require every business to register. Common Law countries require that only corporation register. These political/legal systems will have implications for both formal and informal entrepreneurship.

Governmental systems and laws can create new markets or deter entrepreneurs from entering markets. Formal institutional barriers may deter entry to a market if the market does not have the appropriate institutions to encourage formal entrepreneurial activity. For example, if the entrepreneurial opportunities are in places where there is significant disorder and disregard for property rights, there may be no incentive for entry into a. We predict that political and governmental systems can influence entrepreneurial activity through three mechanisms: political stability and social order; bureaucracy; and international engagement.

Social order and political stability are maintained by a variety of formal institutions (police, government, law, etc.). When these institutions do not exist, formal entrepreneurial opportunity is stifled but informal entrepreneurial activity (out of necessity) increases. Several studies have explored the role of political conflict and social order and economic activity (CITES). We predict that these same patterns will influence entrepreneurial activity.

Proposition 6a: Stable political systems increase formal entrepreneurial activity
Proposition 6b: Unstable political systems increase informal entrepreneurial activity.

Several studies from the World Bank have explored the relationship between the "Doing Business In …" indicators and entrepreneurial activity. In particular the Klapper et al (2009) paper argues that the number of steps it takes to formally register a business in a nation is inversely proportionally to the entrepreneurial activity in the country. For example, based on 2008 data, in Ghana it takes 11 administrative steps to become a registered business and approximately 42 days to be processed. By contrast, Nigeria is 9 steps and 34 days and Senegal is 10 steps and 58 days during the same period. Significant differences in how a business can be registered and who may be eligible or able to register a business will dramatically impact formal entrepreneurship. In highly bureaucratic situations, would-be entrepreneurs may choose to remain informal so as not to attract unnecessary attention or regulation. This leads to an additional proposition:

Proposition 7: Governmental bureaucracy stifles formal entrepreneurship and increases informal entrepreneurship

Finally, we predict that national engagement in the international community will also be correlated with higher levels of formal entrepreneurship. Following the research of Ingram, Robinson and Busch (2005), nations that have formal relationships with other nations through international governmental organizations have higher levels of bi-lateral trade. We predict that this will have an impact on the level of formal entrepreneurial activity.

Proposition 8: Engagement with the international system will be correlated with higher levels of formal entrepreneurship

Empirical Context: The Economic Community of West African States

The Economic Community of West African States (ECOWAS) is one of several regional economic communities in Africa. These communities have varied levels of activity and overlapping membership. Table 1 lists the various economic communities, their member states and founding dates:

Table 1: Regional Economic Communities in Africa

Economic Community	Member States	Founding Date
Community of Sahel-Sarahan	Benin, Burkina Faso, Central	1998

States	African Republic, Chad, Cote d'Ivoire, Djibouti, Egypt, Eritrea, The Gambia, Guinea-Bissau, Ghana, Liberia, Libya, Mali, Niger, Nigeria, Senegal, Sierra Leone, Somalia, Sudan, Togo, Tunisia	
Economic Community of Central African States	Angola, Burundi, Cameroun, Central African Republic, Chad, Gabon, Congo, Guinea, Equatorial Guinea, Sao Tome	Founded 1989, inactive since 1992
Common Market for Eastern and Southern Africa	Burundi, Comoros, Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, Zimbabwe	1994
Intergovernmental Authority for Development	Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan, Uganda	1986
Southern African Development Community	Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe	1980 (1992)

Source: About AU. Africa Union website.

ECOWAS was formed in 1975 with 16 founding member states. Table 2 details the current membership; Mauritania relatively recently withdrew membership (ECOWAS, Feb. 2008). ECOWAS is an appropriate research setting for an economic sociology of entrepreneurship in Africa for several key reasons. The region has a combined Gross Domestic Product of over $244 billion. Its combined population is more than 271 million. The majority of the member nations gained independence between 1957 and 1961, allowing for a common starting point as autonomous economic entities. There is a high level of comparability among the nations with migration relatively common across the 15 nations. The nation states have repeatedly, although unsuccessfully, discussed a common currency that would serve as a West African version of the "euro". There are many tribes who exist across national lines such as the Hausa of Nigeria and Niger, a fact that reinforces the relative arbitrariness of colonial boundaries. Yet, there are measurable differences that will allow for in-group comparisons. The differing colonial heritages and their corresponding institutional legacies enable institutional comparisons. There are major urban areas such as Lagos, Nigeria, Abidjan, Cote d'Ivoire, Dakar, Senegal and Accra, Ghana as well as a majority of rural and underdeveloped villages and towns. There are also varied levels of infrastructural development and foreign aid, each of which provides a key variable in surveying and theorizing about entrepreneurial activity. There is also a remarkable diversity of languages, religious beliefs and ethnic groups.

ECOWAS provides an appropriate setting for all the dimensions that we have highlighted in this paper. There is solid representation of both Anglophone (5) and Francophone (8) countries. Religion plays a major role in many of the countries with growing numbers of Catholic, Protestant, Muslim and traditional religion adherents. The countries have experienced different degrees of political stability from Ghana's relatively peaceful recent changes of power through democratic processes to the civil wars that were tragically a part of Sierra Leone's recent history. There is also variation in current entrepreneurial activity as evidence by the 6,189 new corporations developed in Ghana in 2003 versus the 57 in Senegal.

Table 2: Profile of ECOWAS Member Nations

Country	Independence	Population	GDP	Official Language
Benin	1960	7,900,000	5,920,000,000	French
Burkina Faso	1960	13,900,000	5,600,000,000	French
Cape Verde	1975	507,000	1,100,000,000	Portuguese
Cote d'Ivoire	1960	18,700,000	15,900,000,000	French
Gambia	1965	1,500,000	511,400,000	English
Ghana	1957	23,000,000	12,500,000,000	English
Guinea	1958/1984	8,444,559	3,380,000,000	French
Guinea-Bissau	1974	1,590,000	386,800,000	Portuguese
Liberia	1847	3,570,000	631,000,000	English
Mali	1960	12,500,000	5,847,000,000	French
Niger	1960	14,853,000	3,540,000,000	French
Nigeria	1960	140,000,000	175,000,000,000	English
Senegal	1960	12,521,851	10,600,000,000	French
Sierra Leone	1961	6,144,562	1,233,000,000	English
Togo	1960	6,300,000	2,200,000,000	French

Source: United States Bureau of African Affairs

Conclusion

This paper seeks to outline a series of projects that will significantly enhance our understanding about entrepreneurial activity across the African continent. While, we present ECOWAS as an attractive setting, we hope that similar research will be performed using the other economic communities. In addition, many of these and similar measures can be used for in-depth country-level case studies. Even as we recognize the value of the large dataset, standard GDP and related variables based research study; an economic sociological approach will enable researchers to capture the rich diversity and uniqueness of the African setting.

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