

## **IMPACT OF INDIGENOUS ENTREPRENEURIAL ACTIVITIES AND LIVELIHOOD SUSTAINABILITY IN SOUTH-WESTERN NIGERIA**

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### **ABSTRACT**

*Indigenous entrepreneurship deals with participation in local and or small businesses towards provision of income, employment and wealth in order to be self-sufficient and contribute meaningfully to the society. Studies that related to entrepreneurial activities existed in the literature, however, not much has been done on indigenous entrepreneurial activities impacted the society particularly livelihood sustainability in Nigeria, hence, the objective of this study is to analyze the impact of entrepreneurial activities on livelihood sustainability in south Western Nigeria. Data were collected primarily through the use of questionnaires administered in south-Western part of Nigeria, specifically from Oyo, Ogun, and Osun States. Stratified sampling technique was used to draw a sample size of 400 from people that make their livelihood from indigenous entrepreneurial activities like mat weaving, clothes dying, traditional medicine etc. The sample size of 400 was determined with the help of Taro Yamane formula. Data collected were analyzed using Ordinary Least Square (OLS) regression and SPSS statistical tools. The outcome of the study revealed that indigenous entrepreneurship contributed significantly to employment generation and sustainable livelihoods (survival, sources of income, necessities of life etc.). The results also showed that indigenous entrepreneurial activities significantly improved human*

*well-being (stress free, health and reduction in poverty). Policies and incentives that would encourage indigenous entrepreneurship should be created. Other institutions and corporate bodies like donors, lending institutions, educational institutions and business development agencies in the country should help focus attention on capacity development programmes for indigenous entrepreneurs.*

**Keywords:** Indigenous entrepreneurship, livelihood sustainability, employment generation.

**JEL Classification:** J15, J31, L84,

## INTRODUCTION

An indigenous entrepreneur is the person who creates manages and develops business activities through local sources resources which he makes available in his locality (Hindle and Lansdowne, 2002). Ottih, (2016) posited that entrepreneurial activities is the weapon for market transformation which creates new opportunities for advancement of economic growth and per capital income. Thus, indigenous entrepreneurial activities include those jobs or production activities within the country's resources.

In the past decades, Nigerian populace lived and survived within the strength of indigenous business activities such as blacksmithing, bamboo basket and mat manufacturing, locus beans producing, red oil producing, cloth manufacturing (Aso Ofi, Kampala), farming, fishing and lot more. In fact, one barely sees someone with no job in those days (Lemo, 2013). However, many obstacles like poor quality standard control, insufficient technology, and limited access to financial service, weak business support, limited access to raw materials, inadequate infrastructure facilities among others weakened and hindered the performance of indigenous entrepreneurial activities in Nigeria. In addition, the advent of globalization coupled with earlier identified challenges shifted the attention of citizenry to foreign goods and services as most of the products produced through these indigenous activities were underrated, considered inferior and neglected to foreign products. However, economic necessity as result of poverty and unemployment gradually shifted attention back to these activities (Nkechi, Ikechuku and Okechuku, 2012).

Indigenous entrepreneurial activities are often environmentally sustainable. According to Morgan (1999), despite huge and persistent generation of foods and shelter through indigenous entrepreneurship by indigenous people, they have destroyed no forest, polluted no water, endanger no species, caused no contamination for the past fifty thousand years. In addition, wastes generated during production are converted to use (Dana, 2015). According to (United Nation, 2016) documented that 370 million estimated indigenous people exists around the world which represent 5 percent of the world population and third of the world 900 million poorest people out of which 50 million are from Africa.

Existing studies have concentrated generally on entrepreneurship development and activities in Nigeria. Some of the studies in Nigeria are Nafiu, Ogbudu and Yakubu (2018), Yakubu and Kadiri (2019). They concentrated on impact of globalization, entrepreneurship as a driver of economic growth and its economic problems. In other countries, related studies on indigenous entrepreneurship such as

Collins and Norman (2018) Mapunda (2014) examined indigenous entrepreneurship as it relates to indigenous employment, trade and entrepreneurial leadership. In addition, Kabir, et al (2012), examined entrepreneurship on livelihood assets rural poor Women in Bangladesh; Guta et al., (2017), sustainability of rural entrepreneurship as a livelihood strategy in Zimbabwe. However, little or no studies have been done on indigenous entrepreneurial activities affect livelihood sustainability in Nigeria, hence, the objective of this study is to analyse the impact of indigenous entrepreneurial activities on livelihood sustainability from Nigerian perspectives.

The rest of the paper was organized as follows: Section 2 presented a review of related literature on the linkage between indigenous entrepreneurial activities and livelihood sustainability . In Section 3, we presented data and research method. Section 4 showed the empirical results and discussion, while section 5 concluded the study.

## **LITERATURE REVIEW**

### **2.1 Concept of Indigenous Entrepreneurship**

Entrepreneur is a word derived from French language *entreprenre*, in which *enter* means under and *prendre means* take. Hence, an entrepreneur is a risk taker (they embrace and endure most of the risk of both time and money), developer (job providers), innovator (bring up new ideas), someone who establishes a new business or takes over an existing one, finance it to advance to the level of profitability. To entrepreneur, problems are opportunities, because they make use of these problem, find solution to them and get rewarded through profit. Beaver (2002) described entrepreneur as one who possess both managerial skill and organizational ability and innovation.

Indigenous people consist of a minority group of people identified as the first inhabitants of a territory and have experienced colonization and domination which prone them to discrimination and social barrier in various contemporary societies. They are found in both developing countries in Africa, Nigeria inclusive and Asia as well as developed nations like USA, Canada, Australia, (Perdro et al, 2014). They are set of people who have maintained (at least in part) their distinct linguistic, cultural and social characteristics (Peredo et al, 2014). Indigenous people are commonly characterized with reliance upon subsistence-based production and predominantly rural society, usually found in every inhabited climate zone and continent as well as surrounded with chronic poverty, lower level of education and poor health (Dana, 2015)

Indigenous entrepreneurial activities are those economic activities conducting within the boundary indigenous communities that has to do with new business establishment or the pursuit of economic opportunity or both, for the purpose of reducing indigenous disadvantaged via cultural viable and community acceptable wealth creation. (Conway, 2011). Thus, indigenous entrepreneurial involves those economic activities which are strictly established and carried out for income generation and for the betterment of a community by indigenous people. Foley & Hunter (2013) observed that indigenous entrepreneurial activities are usually a less middle class and more lower-class business which provides people a government independent based economic, maintain bolster income generation, brings about economic spring board for revival of indigenous communities and development of enterprises in rural

area. Similarly, Dana (2015) observed that markets for indigenous entrepreneurship are based on a traditional model and in the informal sector, outside the mainstream market of the global economy.

## **2.2 Livelihood sustainability**

Livelihood is the capability, resources and activities required to provide means of living or to satisfy human basic need. It is describe as the process of accessing capital raging from natural, physical, financial and social to support human well being. Ellis (2000) observed livelihood to be how individuals plan their means of living; ways they used in obtaining it; how they make use of their capabilities asset and activities in a buoyant method for the purpose of searching for opportunities, diversifying by expanding enterprises and multiplying activities relationship for stability

Sustainability deals with protection and rational uses of nature and the environment for future purposes or avoidance of the depletion of natural resources in order to support and maintain a long-term ecological balance. (Peredo et al, 2014). Sustainability is conceptualized by Scott, (2015) as ways of meeting the need of present without compromising the ability of future generations to meet their need. The concept of Sustainability covers three pillars, which are economic, environmental, and social also known formally as profit, planet and people (Scott, 2015).

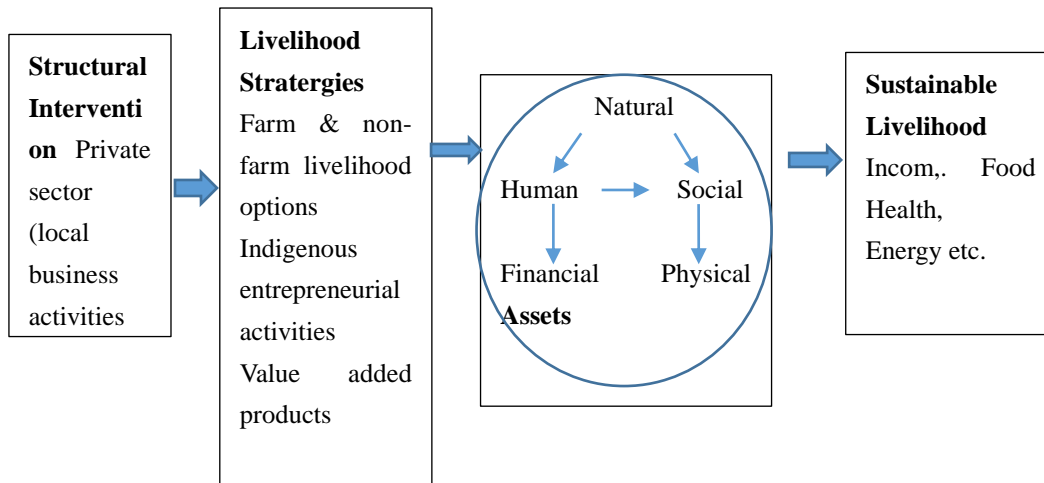
A livelihood is said to be sustainable when it can get along and surpass stress, shocks, and sustain capabilities and asset for present and future generation. Livelihood sustainability is perceived by (DFID, 2001) as an act of using individual's livelihood to earn a living, meet basic needs and improve quality of life at the present time by not damaging the futures generation means of living or livelihood.

## **2.3 Framework between Indigenous Entrepreneurial activities and Livelihood Sustainability**

According to Masukujjaman et al (2015), numerous agents of change agents exist in sustainable livelihood framework. There are institutions, organizations, policies and legislation that shape livelihoods within the transforming structure and process blocks. They work in dependent way to each other in the development endeavors. SLA emphasized holistic Diagnosis and a single-sector initiative that would be effective for good problem and opportunity analysis for target population and intervening in the way of development (Frankenberger, et. al., 2000). Thus institutional and organizational arbitration can be an effective point of such approaching because it has a profound influence on access to assets and it allows the identification of barriers and opportunities to sustainable livelihoods (DFID, 1999).

Indigenous Entrepreneurship is one of the strategies to fast track economic growth and development of the nation, however there is need to formulate sound economic polices capable of enhancing the growth of local business and investments within the economic. In line with DFID framework, indigenous entrepreneurial activities in Nigeria are majorly based of Agricultural/agro-allied, which includes faming, rearing of animals, livestock and poultries, fishing, animal's meals vending, as well as selling of fertilizer and other chemical for farming and so on. Other includes selling of foodstuffs, food vending, restaurant, bakery, blacksmithing, quarrying, germ stone cutting, polishing and crushing, haulage business (cargo and passengers), manufacturing and repairs of

cell phones accessories and the printing and selling of recharge cards, hotels, accommodation, resort centers, film and home video production; refuse collection/disposal, recycle process and drainage/sewage construction jobs and building and construction. Indigenous entrepreneurial activities are cable of impacting positively on livelihood and economic growth in the sense that, it is an economic base to revive Indigenous communities, bring about maintenance and growth of income generating products. Indigenous entrepreneurial activities lead to job creation and small business development, cultural revival and preservation, investment in environment conservation and development enterprises in remote communities.



**Figure 1: Conceptual Framework between Indigenous Entrepreneurial activities and Livelihood Sustainability**

Source: Adapted from DFID (2001) and Masukujji et al (2015)

## 2.4 Empirical Studies

Related studies on entrepreneurship development in Nigeria includes Farayibi (2015), Adeoye (2015), Nafiu, Ogbudu and Yakubu (2018), Yakubu and Kadiri (2019). They concentrated on impact of globalization, entrepreneurship as a driver of economic growth and its economic problems. Farayibi (2015) examined the role of entrepreneurship in economic growth in Nigeria and found that increase in the operations and activities of SMEs in Nigeria remains indispensable to the pursuit of economic growth and development. Poor infrastructural facilities, inadequate start-up process, financial management problems, lack of strategic planning and other socio-cultural problems were identified as the limiting factors. Also, Yakubu and Kadiri (2019) analysed impact of globalization on entrepreneurship development and found that massive adoption of globalization into Nigeria’s economy does more harm than good to entrepreneurial development of the country. Nafiu, Ogbudu and Yakubu (2018) studied the influence of entrepreneurship and economic problems and discovered that four major factors (pull, passion to utilizing opportunity, knowledge-skill-ability and unemployment) are attributed to the weak entrepreneurial practices in Nigeria.

However, to the best of our knowledge, not so much studies existed on indigenous entrepreneurship and livelihood sustainability in Nigeria. Existing related studies such as Collins and

Norman (2018) which found that indigenous entrepreneurship activities have capacity to generate indigenous employment. Briggs (2009) analyzed issues affecting Ugandan indigenous entrepreneurial activities using data from sampled 75 Ugandan traders and 12 institution based respondents. He showed that traders lack requisite entrepreneurial traits like sincerity, innovation, business skills, risk taking propensity and effective management. It was demonstrated further that factors such as lack of dependable business relationship, lack of capital, low patronage, competition and inadequate government support also affect indigenous entrepreneurs that engaged in trade. Whereas, investigating the role of entrepreneurial leadership in the development of indigenous business enterprises in Tanzania and South Africa, Mapunda (2014) discovered that leadership played a vital role in the success of indigenous business enterprises both community-run business enterprises and individually indigenous business enterprises.

The last set of related studies examined entrepreneurship on livelihood assets rural poor Women in Bangladesh; Gupta et al., (2017), sustainability of rural entrepreneurship as a livelihood strategy in Zimbabwe. They showed that more of necessity-driven entrepreneurial activities were highly prevalent than opportunities-driven ones. Kabir et al., (2012) studied the impact of small entrepreneurship on livelihood assets among rural poor Women in Bangladesh. Their study revealed that livestock and poultry entrepreneurship were significantly and positively associated with financial and social capital. In addition, vegetables entrepreneurship was confirmed to be positively associated with physical capital while fisheries entrepreneurship was positively and significantly associated with human capital.

In summary, existing studies showed that even though entrepreneurship development has been well researched as to how Nigeria economy is affected, not much have been done in the area of indigenous entrepreneurial activities and livelihood sustainability.

## **RESEARCH METHODS**

This study was carried out in South-Western part of Nigeria. South West Nigeria is one of the six geopolitical zones of Nigeria, consisting of Ekiti, Lagos, Ogun, Ondo, Osun and Oyo. It is majorly a Yoruba speaking area, although there are different dialects even within the same state. Three out of six states namely Oyo, Ogun, and Osun were selected for the purpose of the study. The population of South Western area of Nigeria is about 32.5 million, hence, the sample size of 400 was considered in this study and determined with the help of Taro Yamane formula. Non-parametric statistical test of Cronbach's alpha test is employed to verify the reliability of the research instrument. Considering the fact that the population of Oyo (7.8million) State was almost population of Ogun (3.7million) and Osun (3.4million) put together, 100 respondents were selected from Osun and Ogun, while 200 was selected from Oyo State, totalling 400 respondents. Stratified sampling technique to avoid under or over representation of particular segment.

The study conducted a pre-test of its questionnaire to enable the research team to know the thoroughness in the mix of items, compositions and discriminatory ability with a view to possibly reconstructing and/or re-organising the instrument.

The implicit model underpinning the study is Schumpeter (1991) theory who viewed innovation along with knowledge as the main catalysts of successful entrepreneurship. He believed that creativity was necessary if an entrepreneur was to accumulate a lot of profits in a heavily competitive market. Based on this understanding, the explicit model for this study was adapted from the study of Okon (2016) who included average annual household income, Household Size, literacy rate, average size of homestead land, average annual health related expenditure as indicators of Sustainable livelihood in his model and Dana (2015) who uses level of income from livestock, poultry, vegetable fisheries as indigenous entrepreneurship and financial, physical and natural capital as livelihood asset. Therefore the models are specified in its function as follow:

$$INE = f(SL) \dots\dots\dots(1)$$

$$INE = f(S, Ne, Cr, Im, He, Ex, E St, Pov, Hc, Fc) \dots\dots\dots(2)$$

With the dependent variables captured average household income, and improved farm products and employment generation. Therefore we have two models to be estimated

$$AHI = f(S, Ne, Cr, Im, He, Ex, E St, Pov, Hc, Fc) \dots\dots\dots(3)$$

$$EG = f(S, Ne, Cr, Im, He, Ex, E St, Pov, Hc, Fc) \dots\dots\dots(4)$$

Other variables were defined as follows:

|                                     |                                  |
|-------------------------------------|----------------------------------|
| SL – Sustainable Livelihood         | INE- Indigenous Entrepreneurship |
| IBA- Indigenous business activities | AHI- Average household Income    |
| Hc- House condition                 | He – health                      |
| Ne- other necessity of Life         | S-Survival                       |
| Cr- Crime and Violence              | EG- Employment Generation        |
| POV- Poverty                        | Im- Improved farm products       |
|                                     | Stress-free                      |
|                                     | Fc- Food consumption             |

We captured dependent variable i.e indigenous entrepreneurial activities by average household income and

The Statistical Package for Social Sciences (SPSS) was used in the analysis of the data collected in this research work as the researcher deemed it the most appropriate given its versatility and considering the nature of data collected. The SPSS has the incredible capabilities and flexibilities of analyzing huge data within seconds of generating an unlimited gamut of simple and sophisticated statistical result. The package has the capabilities of executing such high level analysis as ANOVA, and tests of statistical hypothesis of the study. ANOVA, Regression and Correlation analysis will be used to test hypothesis.

## DATA ANALYSIS AND DISCUSSION OF RESULTS

### 4.1 Demographic Information about the Respondents

This section captured the data analysis of the data collected from the respondents, interpretation and discussion of results. Table 4.1 presented the gender distribution, age classification, marital status and educational qualification of the respondents in the study area. It was 125(37.4%) of the respondents were male while 209(62.6%) of the respondents were female. The result of the analysis above implies that female were the majority as far as indigenous entrepreneurship is concerned. Also, 53(15.9%) of the respondents were under the age of 20years, 85(25.4%) of the respondents are within the age range of 20-29years, 92(27.5%) of the respondents are within the age range of 30-39years, while 104(31.1%)

are under the age of 40-49%. However, majority of the respondents were discovered elderly ones (40-49years), which showed that participants of indigenous entrepreneurship were majorly aged people, participation in this regard is gradually fading away.

Moreover, marital status of the respondents revealed that 85(25.4%) of the respondents were single, 129(38.6%) of the respondents were married, 96(28.7%) of the respondents were divorced/separated while 24(7.2%) of the respondents are widowed. The result of the analysis implies that most of the respondents engaged in indigenous entrepreneurship were married and aged. Finally, it was shown that 46(13.8%) of the respondents had no formal education, 180(53.9%) of the respondents had only O' Level result, 87(26%) of the respondents were ND/NCE holders, 20(6.0%) of the respondents had first degree while 1(0.3%) of the respondents possessed other qualification. We deduced that majority of the respondents were within the categories of those with no formal education and O' Level holders.

**Table 4.1: Demographic Statistics of Respondents**

| <b>Variables</b>                 |                     | <b>Frequency</b> | <b>Percentage</b> |
|----------------------------------|---------------------|------------------|-------------------|
| <b>Gender</b>                    | Male                | 125              | 37.4              |
|                                  | Female              | 209              | 62.6              |
| <b>Age</b>                       | Under 20            | 53               | 15.9              |
|                                  | 20-29years          | 85               | 25.4              |
|                                  | 30-39years          | 92               | 27.5              |
| <b>Marital Status</b>            | 40-49years          | 104              | 31.1              |
|                                  | Single              | 85               | 25.4              |
|                                  | Married             | 129              | 38.6              |
|                                  | Divorced/Separated  | 96               | 28.7              |
| <b>Educational Qualification</b> | Widowed             | 24               | 7.2               |
|                                  | No formal Education | 47               | 14.1              |
|                                  | O'level             | 180              | 53.9              |
|                                  | ND/NCE              | 87               | 26.0              |
|                                  | First Degree        | 20               | 6.0               |

**Source: Authors' Construction**

Table 4.2 showed that 146(43.7%) of the respondents noted that unemployment was the reason they engaged in indigenous entrepreneurship, 107(32%) of the respondents were attracted to engaged in indigenous entrepreneurship because they found it easy and inexpensive to run, 35(10.5%) of the respondents started indigenous entrepreneurship because running it involved small capital and raw materials within the vicinity, 22(6.6%) of the respondents engaged in indigenous entrepreneurship because of low risk and its lucrative while 24(7.2%) of the respondents engaged in indigenous entrepreneurship because of other reasons

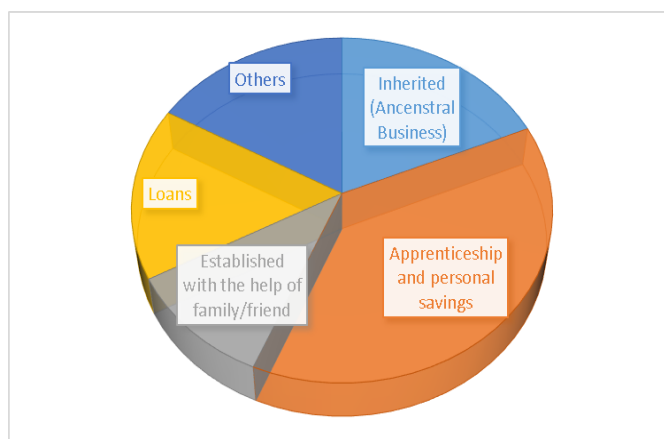


**Table 4.2 Attraction to establishment of indigenous entrepreneurship**

| Response  | Frequency | Percentage |
|---|-----------|------------|
| Unemployment  | 146       | 43.7       |
| Easy and inexpensive to run                         | 107       | 32.0       |
| Small capital and raw materials within the vicinity | 35        | 10.5       |
| Low risk but lucrative                              | 22        | 6.6        |
| Others  | 24        | 7.2        |
| Total   | 334       | 100.0      |

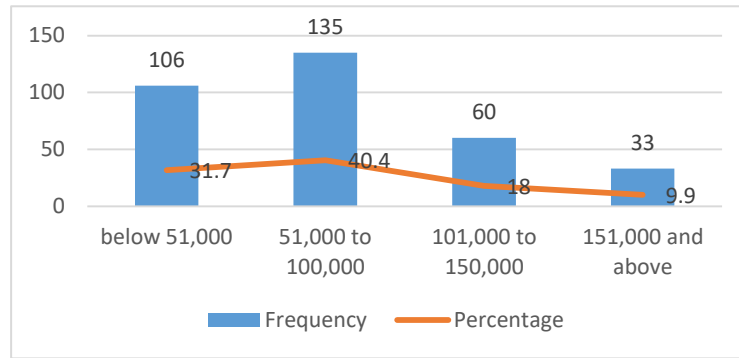
**Source: Authors' Construction**

Figure 1 showed that 62(18.6%) of the respondents established their indigenous entrepreneurship through personal saving, 126 (37.7%) of the respondents inherited the indigenous entrepreneurship, 36(10.8%) of the respondents established their indigenous entrepreneurship with the help of family/ friend, 54(16.2%) of the respondents established their indigenous entrepreneurship through loan while 56(16.8%) of the respondents used other means.



**Figure 1: Ways of entering Indigenous Entrepreneurship**

Figure 2 showed that 106(31.7%) of the respondent generate an average income of below N51, 000 within a month, 135(40.4%) of the respondents generated an average income ranges from N51, 000 to N100, 000, 60(18.0%) of the respondents obtained an average income of N101,000 to N150,000 within a month while 33(9.9%) of the respondents obtained an average income of N151,000 and above within a month. It can be observed that average income generated through indigenous entrepreneurship by the respondents within a month is 51,000 to 100,000.



**Figure 2: Average income from Entrepreneurial activities within a month**

**4.3: Analysis of relationship between Sustainable Livelihood and Indigenous Entrepreneurship**

The analysis of the impact of indigenous entrepreneurship on livelihood sustainability began with the test of consistence on the research instrument, questionnaire. This was presented in table 4.1. From the table it was shown that the Cronbach’s alpha coefficient was ( $\alpha=.786$ ) which was greater than ( $\alpha=.7$ ) minimum benchmark, thus, we concluded that there was internal consistency and the questionnaire is reliable.

**Table 4.1: Reliability Statistics**

| Cronbach’s Alpha | Cronbach’s Alpha based on standardized | No of Items |
|------------------|--|-------------|
| 0.813            | 0.786                                  | 18          |

Table 4.2 showed the individual relationship of each explanatory variables with dependent variable. The critical regions is that if  $p < 0.05$ , that is probability value of t-statistic, then, the conclusion is that the independent variable is statistically related with the dependent variable. From t-statistic it can be seen that people survival, source of income, necessity of life, employment generation, health, stress free and standard of living have a positive and significant relationship with indigenous entrepreneurial activities ( $p < 0.000$ ) in the study area, while crime and violence, poverty reduction are negatively related with indigenous entrepreneurship ( $p < 0.000$ ).

**Table 4.2 Coefficients<sup>c</sup>**

| Model                         | Unstandardized Coefficients |            | Standardized Coefficients | T      | Sig. |
|-------------------------------|-----------------------------|------------|---------------------------|--------|------|
|                               | B                           | Std. Error | Beta                      |        |      |
| (Constant)                    | .391                        | .236       |                           | 1.660  | .009 |
| Survival                      | .149                        | .040       | .157                      | 14     | .000 |
| Source of income              | .429                        | .063       | .377                      | 6.793  | .000 |
| Necessity of Life             | .381                        | .050       | .393                      | 7.602  | .000 |
| Curb crime and other violence | -.267                       | .061       | -.249                     | -4.385 | .000 |

|                                       |       |      |       |        |      |
|---------------------------------------|-------|------|-------|--------|------|
| Health                                | .083  | .041 | .089  | 2.010  | .045 |
| Stress free                           | .085  | .026 | .144  | 3.327  | .001 |
| Indigenous activities reduced poverty | -.084 | .055 | -.075 | -1.531 | .127 |
| Standard of living                    | .179  | .066 | .164  | 2.704  | .007 |
| Adequate food consumption             | .063  | .065 | .069  | .966   | .335 |
| Adequate housing condition            | .023  | .068 | .026  | .338   | .735 |

The model summary of the regression analysis in table 4.3 showed that there was evidence of strong linear relationship between sustainable and independent variables (R=0.867). R-squared is the coefficient of determination which tell us the variation in the dependent variable due to changes in the independent variable. From the summary model, R Square=.752 an indication that explanatory variables accounted for about 75.2% of the variance in sustainable livelihood, while the remaining 28% of the variation in sustainable livelihood was due to other variables not in the study. The value of adjusted R-square of .747 signified that the model had a good fit. Lastly the value of Durbin Watson 1.891 is an indication that the model is free of serial correlation.

**Table 4.3 Model Summary<sup>b</sup>**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1     | .867 <sup>a</sup> | .752     | .747              | .63372                     | 1.891         |

Source: Authors' Computation

Table 4.4 showed that the value of F-statistic=42.481 with its corresponding value of probability (sig.=0.00). If p<0.05, the overall model was significant. Since the value of probability in the analysis of variance of the regression model for this study was less than 0.05, a conclusion that the overall model was statistically significant 5% can be drawn. This implied that the explanatory variables jointly contributed in predicting the dependent variable.

**Table 4.4: ANOVA<sup>a</sup>**

| Model |            | Sum of Squares | Df  | Mean Square | F      | Sig.              |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1     | Regression | 85.303         | 5   | 17.061      | 42.481 | .000 <sup>b</sup> |
|       | Residual   | 131.727        | 328 | .402        |        |                   |
|       | Total      | 217.030        | 333 |             |        |                   |

Source: Authors' Computation

Table 4.5 implied that the independent contribution of each explanatory variables and significance (p) value for the independent variables. If p<0.05, the conclusion is that the independent variable is a predictor of the dependent variable. In testing the relationship between indigenous entrepreneurship and sustainable livelihood, significant value (p) of 0.000 from t-statistic showed that indigenous entrepreneurial activities had a positive significant relationship with sustainable-livelihood

in the study area. Employment generation was positively and significantly related with sustainable livelihood (standard of living) ( $t=4.538$  and  $p=0.000$ ). Sources of income also had positive significant relationship with sustainable livelihood ( $t=2.876$  and  $p=0.000$ ), access to health care was positively and significantly related with sustainable-livelihood with  $t$  value of  $4.908$  and  $p$ -value of  $0.000$ . Adequate housing was positively and insignificantly related with  $d$  in study area. The unstandardized coefficient showed that a unit increase in indigenous entrepreneurial activities lead to  $0.310250$  unit increase in sustainable livelihood.

Therefore, the equation for the regression model was given by

$$INE(\text{Emp Gen}) = .480 + .310IBA + .279SL + .113AHI + .289He + .043Hc + e_i$$

**Table 4.5 Coefficients<sup>a</sup>**

| Model                          | Unstandardized Coefficients |            | Standardize d Coefficients | t-Stat. | Sig. |
|--------------------------------|-----------------------------|------------|----------------------------|---------|------|
|                                | B                           | Std. Error | Beta                       |         |      |
| (Constant)                     | .480                        | .258       |                            | 1.860   | .046 |
| Indigenous business activities | .310                        | .057       | .280                       | 5.465   | .000 |
| Standard of Living             | .279                        | .061       | .295                       | 4.538   | .000 |
| Sources of Income              | .113                        | .039       | .132                       | 2.876   | .004 |
| Access to Adequate Health care | .289                        | .059       | .257                       | 4.908   | .000 |
| Adequate Housing Condition     | .043                        | .057       | .049                       | .745    | .457 |

The table 4.6 presented the result of multicollinearity testing for the data used for the study. If the value of VIF is greater than 1 or less than 10, conclusion would be that there was presence of multicollinearity. However, from the tables above, it can be seen clearly that all the value of variance Inflation factor for each of the explanatory variables NDE, EML, AHI, He and Hc are 1.384, 1.681, 2.466, 2.479, 1.461 respectively. Since the value of VIF obtained were within the acceptable range of 1-10, there was no presence of multicollinearity in the data. This implied that the independent variables were not highly correlated with each other.

**Table 4.6: Multicollinearity Testing**

| Model  | Collinearity Statistics |       |
|--|-------------------------|-------|
|  | Tolerance               | VIF   |
| (Constant)   |                         |       |
| Indigenous entrepreneurship  | .722                    | 1.384 |
| Indigenous bus. activities bring about standard of living at the local level | .595                    | 1.681 |
| Sources of income within a month   | .406                    | 2.466 |
| Access to adequate health care   | .403                    | 2.479 |
| Adequate housing condition   | .684                    | 1.461 |

Table 4.7 revealed that R=.783, R Square=.613, Adjusted R Square=.591 and Durbin-Watson=2.092. The value of R indicated that a strong linear relationship between indigenous entrepreneurship and independent variables stood at .867percent. The value of R-squared (.613) obtained was an indication that explanatory variables accounted for about 61% of the variation in indigenous entrepreneurship while the remaining 49% of the variation in indigenous entrepreneurship was due to other variables not in the study. The value of adjusted R-square=.591 implies that the model was fairly fitted. There was evidence of no auto-correlation in the data set as the value of Durbin-Watson test is approximately 2

**Table 4.7 Model Summary<sup>b</sup>**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1     | .783 <sup>a</sup> | .613     | .591              | .52240                     | 2.092         |

Table 4.8 revealed that the value of F-statistic=27.756 with its corresponding value of probability (sig.=0.00). Since the observed value of probability in the analysis of variance of the regression model for this study is lower than 0.05. The conclusion was that the overall model is statistically significant 5%. This implied that the explanatory variables jointly contributed in predicting the dependent variable.

**Table 4.8 ANOVA<sup>a</sup>**

| Model |            | Sum of Squares | df  | Mean Square | F      | Sig.              |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1     | Regression | 136.346        | 18  | 7.575       | 27.756 | .000 <sup>b</sup> |
|       | Residual   | 85.965         | 315 | .273        |        |                   |
|       | Total      | 222.311        | 333 |             |        |                   |

## SUMMARY AND CONCLUSION

This study investigated the impact of indigenous entrepreneurial activities on sustainable livelihood in South Western Nigeria. Specifically the aimed at examining people's perception towards contribution of indigenous entrepreneurial activities, employment generation and household average income on livelihood sustainability. The data collected via self-structures questionnaire were analyzed using descriptive statistics and simple linear regression. The results from demographic information showed that majority of the respondents were married and widowed, aged, people with low level of education and mostly females. In addition, larger percentage of the respondents were self employed who were compelled to venture into entrepreneurial activities because of their inability to secure employment, while some ventured into the activities because of the ease and low level of skills needed.

We found that larger percentage sourced for fund through personal savings and for others, the entrepreneurial activities were inherited. In terms of income generated, larger percentage of the respondents earned between fifty and one hundred thousand naira which is far above what is obtainable for early entrants to civil service employment in Nigeria.

Moreover, the outcome of the study revealed that indigenous entrepreneurship resulting from household average income and employment generation contributed significantly to sustainable livelihood (survival, sources of income, necessity of life etc.). The results also revealed that indigenous entrepreneurial activities significantly improved human well-being (stress free and health). However, we found no evidence of positive relationship between indigenous entrepreneurship and poverty reduction within the period.

Since indigenous entrepreneurial activities brings about sustainability through employment generation, then government at all levels by initiate and implement pragmatic policies that can create enabling environment for entrepreneurs. Policies on incentives that would encourage indigenous entrepreneurship should be created. Other institutions and corporate bodies like donors, lending institutions, educational institutions and business development agencies in the country should focus attention and support long term plans for capacity development programmes for indigenous entrepreneurs.

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