Township entrepreneurship, Unemployment and Economic Development: Myth or Reality in Sub-Saharan African Countries

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Abstract

This study aims to perform a comparative analysis of the influence of township entrepreneurship on unemployment and economic development among the Francophone and Anglophone countries in sub-Saharan Africa. The study employed a descriptive and quantitative research design where a longitudinal data was sourced from the World Development Indicators (WDI) and World Bank Entrepreneurship databases on 12 and 9 Francophone and Anglophone countries respectively. A Fixed Effect panel regression model was employed to attain the objectives of the study. The findings of the study revealed that there is a significant negative effect of township entrepreneurship on unemployment; and also, township entrepreneurship has a positive significant effect on economic development. Both relationships were found to have insignificant differences between Anglophone and Francophone countries suggesting that the ability of township entrepreneurship to minimize the rate of unemployment and boost economic development is generic and irrespective of cultural and social differences. This study was anchored on the behavioral theory of social entrepreneurship to provide empirical contribution to existing literature.

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1. Introduction

In recent years, the topic of township entrepreneurship, unemployment, and economic development in Africa has gained significant attention (Prasetyo, 2021; Ahmad&Bajwa, 2021). As countries across the region strive to achieve sustainable economic growth and reduce unemployment rates, understanding the interplay between township entrepreneurship and economic development has become crucial. Township entrepreneurship involves the establishment and operation of businesses and enterprises in areas which undertake various economic activities, ranging from small-scale informal businesses to larger formal enterprises (Mathibe et al., 2022). Entrepreneurial ventures within townships and/or rural areas represent a distinct category of economic activities, initiated and overseen by individuals residing in these often marginalized and economically disadvantaged areas. These enterprises are tailored to address the specific needs of their Local Township and rural communities (Mathibe & Chinyamurindi, 2022). Township areas in Sub-Saharan Africa are often characterized by population density, diverse markets, and economic opportunities that attract entrepreneurs seeking to establish or expand their businesses however, unemployment remains a persistent challenge (Beynon et al., 2019) in many African countries, including

those in Sub-Saharan Africa. In South Africa, the Department of Small Business Development has instituted a specialized initiative known as the Township and Rural Entrepreneurship Programme (TREP). The primary objective of this programme is to facilitate the transformation and integration of opportunities within townships and rural areas into viable business enterprises (Seda, 2024). The programme is designed to foster an environment conducive to entrepreneurial pursuits and offers comprehensive business support to enterprises operating in rural and township locals, inclusive of access to funding mechanisms. However, majority of enterprises in the township not formally registered, as a result, most of these enterprises do not benefit from the program. They fund for their own survival (Mathibe & Chinyamurindi, 2022)

Nonetheless, high rates of unemployment, particularly among the youth, pose significant social, economic, and political concerns where lack of job opportunities and limited access to decent work can lead to social unrest, poverty, and hinder overall economic development (Beynon et al., 2019; Uju& Racheal, 2018). That is high rate of unemployment can impede sustained improvements in various indicators of economic well-being, including increased GDP growth, infrastructure development, technological advancements, and poverty reduction. Achieving sustainable economic development is a priority for countries in Sub-Saharan Africa as they strive to improve living standards, reduce poverty, and create a conducive environment for business and investment (Mathibe & Oppong, 2024).

The interconnectedness of township entrepreneurship, unemployment, and economic development in Anglophone and Francophone countries in Sub-Saharan Africa is of interest for this study due to differences in culture, language, market size, network with international organization, among others which provides the environment to encourage entrepreneurial activities. While entrepreneurship may create jobs, the scale and sustainability of these jobs may be limited where factors such as inadequate access to finance, regulatory barriers, weak infrastructure, and limited market linkages can impede the growth and impact of entrepreneurial ventures (Mathibe, et al, 2021). Township entrepreneurship can serve as a catalyst for economic development and job creation, particularly in Anglophone countries where business opportunities are abundant due to a larger market and network with other international organizations as compared to Francophone countries where due to the language barrier, limited international investors are attracted hence limiting the market size.

Fostering entrepreneurship and supporting small and medium-sized enterprises (SMEs) can lead to innovation, productivity gains, and increased employment opportunities. However, existing literature fails to provide empirical evidence on the actual impact of township entrepreneurship on unemployment reduction and economic development in a comparative analysis between Anglophone and Francophone countries (see Prasetyo, 2021; Ahmad &Bajwa, 2021; Carree&Dejardin, 2020; O'Leary, 2022). That is, the comparison between Anglophone and Francophone countries in Sub-Saharan Africa adds another layer of complexity to the discussion where there may be similarities in terms of challenges and opportunities (i.e. each group of countries has unique historical, cultural, linguistic, and institutional contexts) that shape their approach to entrepreneurship, unemployment, and economic development.

By exploring the nexus between township entrepreneurship, unemployment, and economic development in Anglophone and Francophone countries in Sub-Saharan Africa, stakeholders can develop targeted strategies and policies to harness the potential of entrepreneurship as a means to address unemployment challenges and promote sustainable economic growth in township areas. It is important to note that the specific dynamics and findings related to this topic may vary across different countries, as they have unique socio-economic contexts and policy frameworks. Therefore, further research and analysis are necessary to gain a comprehensive understanding of the reality and potential of the township entrepreneurship, unemployment, and economic development nexus in Anglophone and Francophone countries in Sub-Saharan Africa.

The rest of the study is organized as follows; the next section presents the theoretical and empirical literature review whiles the third and fourth sections present the research methodology and empirical results respectively. The discussions and conclusions are presented in section five.

2. Literature review

2.1 Theoretical review

The interconnectedness of township entrepreneurship, unemployment and economic development could be complex when a theoretical approach is adopted to explain their nexus. Previous studies have adopted several theories to explain how township entrepreneurship influences unemployment which can lead to an improvement in the general economic development of a country (see Prasetyo, 2021; Ahmad & Bajwa, 2021; O'Leary, 2022; Figueiredo & Paiva, 2018; Otache, 2019; Uju& Racheal, 2018). The theory of planned behavior which is credited to Ajzen (1985), underpins the study by Otache (2019) where it was argued that positive attitude towards entrepreneurial behavior, encouraging subjective norms for entrepreneurial behavior and favorable perceived behavioral control for entrepreneurial behavior are determinants of people's entrepreneurial intentions. The economic theory (O'Leary, 2022; Delfmann et al., 2014; Santarelli et al., 2009; and Carree & Dejardin, 2020) also argues that unemployment can induce people to pursue entrepreneurship to create their own jobs and avoid unemployment which lead the market back to equilibrium. The theory of economic survival (Belda and Cabrer-Borras, 2018; Boden & Nucci, 2000), Schumpeter's theory (Uju & Racheal, 2018) and many other theories were used in existing literature however, this present study is anchored on the behavioral theory of social entrepreneurship (El Ebrashi, 2013; Ahmad & Bajwa, 2021). This provides a geographic context for social venture creation, the underlying organization dynamics and structures, and how these typologies measure social impact, mobilize resources, and bring about sustainable social change that eventually leads to socio-economic development in the Anglophone and Francophone countries considered in this study. Entrepreneurship serves as economic development engine in the contemporary political economy to combat unemployment and reveals the fundamental thematic area for the first hypothesis of this study. The first hypothesis is specified below:

H1 There is a significant difference in these relationships among the Anglophone and Francophone countries in Sub-Saharan Africa.

2.2 Empirical review

The foregoing discussions reveal the interconnectedness of township entrepreneurship, unemployment and economic development among Sub-Saharan African countries. This was also suggested by previous studies which sought to investigate this relationship (see Afolabi et al., 2022; O'Leary, 2022; Peprah & Adkoya, 2020; Zhakupov et al., 2023).

For instance, consistent findings of O'Leary (2022) and Afolabi et al. (2022) argue that opportunity-driven and early-stage entrepreneurships significantly reduce unemployment in Africa. Similarly, the study by Uju & Racheal (2018) which sought to examine the influence of entrepreneurship skill in reducing the level of unemployment in Nigeria found that entrepreneurial skills and businesses have a significant relationship with the level of youth who are employed, through entrepreneurial development, in Nigeria. This implies that emerging countries need to put suitable measures in place to combat unemployment through entrepreneurship as suggested by Beynon et al. (2019). A comparative analysis between the Francophone and Anglophone countries to reveal differences in suitable measures requires further studies.

Prepah & Adekoya (2020) strongly argue that the study of the relationship between entrepreneurship and economic development has been skewed to advanced economies leaving much to be understood in developing countries in Africa. Also, Zhakupov et al., (2023) identifies the development of entrepreneurship theory and establishing methodological approaches that seeks to assess the influence of entrepreneurship

on the socio-economic development of regions. The findings of the study revealed the significant influence of socio-economic development of regions by entrepreneurship. This was consistent with the study by Ahmad and Bajwa (2021) which sought to present the first meta-analysis of the research on social entrepreneurship and socio-economic development. The study used a meta-analysis that combines bibliometric and content analysis of 83 key papers out of 910 initially retrieved articles from the Web of Science, published in 75 different journals and 45 countries during 2005 and 2020. The findings were consistent with Stoica et al. (2020) who revealed a significant effect of early-stage entrepreneurship, opportunity-driven entrepreneurship, and necessity-driven entrepreneurship on economic growth at diverge stages of national level.

The interconnectedness of township entrepreneurship, unemployment and economic development is much linked in such a way that entrepreneurship not only individually influences unemployment and economic growth; unemployment also affects the economic development of countries (see Prasetyo, 2021; Tjahjanto et al., 2023; Padder & Mathavan, 2021). Tjahjanto et al. (2023) found six main actors reducing unemployment; significant among them is economic growth where Padder & Mathavan (2021) also found that rapid economic growth generally ameliorates unemployment concerns. Therefore, from the studies reviewed above, it can be seen that entrepreneurship significantly and individually influences unemployment and economic development however, in the context of a comparison between Anglophone and Francophone countries remains a vacuum. This provides the foundation for developing the subsequent hypothesis of this study. The second and third hypothesis of the study is specified as follows:

H2 There is a significant relationship between township entrepreneurship and unemployment among the Anglophone and Francophone countries in Sub-Saharan Africa.

H3 There is a significant relationship between township entrepreneurship and economic development among the Anglophone and Francophone countries in Sub-Saharan Africa.

3. Research methodology

3.1 Research design

The overall objective of this study is to perform a comparative analysis of the relationship between urban entrepreneurship, unemployment and economic development among the Francophone and Anglophone countries in Sub-Sahara Africa hence, it was more appropriate to adopt a descriptive and quantitative research design (Kpegba et al., 2023). This was to ensure reliability of findings where the researcher's influence on the study was limited.

3.2 Data

Based on data availability, the study used a longitudinal data from 2009 to 2020 which were sourced from the World Development Indicators (WDI) and the World Bank Entrepreneurship databases. The study used 21 Sub-Saharan African countries (out of which 9 are Anglophone countries and 12 are Francophone countries). The Anglophone countries include Botswana, Ghana, Liberia, Namibia, Sierra Leone, Tanzania, Uganda, Zambia, and Zimbabwe, whereas the Francophone countries include Benin, Chad, Congo, Cote D'Ivoire, Gabon, Guinea, Madagascar, Mali, Rwanda, Senegal, Seychelles, and Togo.

3.3 Variables and Measurement

The dependent variables of the study include Unemployment (UNEM), and Economic Development (GDPG); the independent variable was Township Entrepreneurship (TENT); whereas the control variables include Working Age Population Growth (WAPOP), Foreign Direct Investment (FDI), Trade Openness (TRADE), and Inflation (INFLATION). A dummy variable (DUM) was introduced to proxy for the

distinction between the Anglophone and Francophone countries (where 1 = Anglophone countries and 0 = Francophone countries).

In line with literature, Economic Development was proxied with annual GDP growth rate (Onifade et al., 2020; Abdullahi et al., 2019; Daud, 2020); Unemployment was proxied with relative unemployed active labor force (O'Leary, 2022); Township Entrepreneurship was proxied as shown in *Eqn(1)* below (Kpegba et al., 2023; Youssef, Boubaker & Omri, 2018; Dhahri & Omri, 2018). Working Age Population Growth was proxied with active labor force between the ages of 15-64years relative to total population (Kpegba et al., 2023); Foreign Direct Investment was measured as total net inflows of investment relative to GDP (Tarek & Ahmed, 2017); Trade Openness was measured as total import and export relative to GDP (Oppong et al., 2023; Kim, 2017; Kpegba et al., 2024), and Inflation was also proxied with consumer price index (Oppong et al., 2023; Tarek & Ahmed, 2017).

$$TENT = \frac{Total\ number\ of\ new\ registered\ businesses}{Working\ age\ population} \ldots\ldots\ldots\ldots\ldots\ldots (1)$$

3.4 Model specification

Using Unemployment (UNEM) and Economic Development (GDPG) as the dependent variables, a panel regression, with the use of STATA, was employed. These dependent variables were modeled as a function of Township Entrepreneurship (TENT), Dummy variables (DUM), Working Age Population growth (WAPOP), Foreign Direct Investment (FDI), Trade Openness (TRADE) and Inflation (INFLATION). The general model for the study is as follows:

$$\boldsymbol{Y_{i,t}} = \boldsymbol{\alpha} + \boldsymbol{\beta\chi_{i,t}} + \boldsymbol{\beta_1}\mu_{i,t} + \boldsymbol{\beta_2\lambda_{i,t}} + \boldsymbol{\beta_3\delta_{i,t}} + \ldots\ldots + \varepsilon_{i,t} \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (\mathbf{2})$$

Where $\boldsymbol{Y}$ is the dependent variable, $\boldsymbol{X}$ is the independent variable and μ, $\boldsymbol{\lambda}$and $\boldsymbol{\delta}$ are the control variables. The ε is the error term whereβ, β_1, β_2, and β_3 are the degree of impact.

The following models are specified in line with the objectives of the study:

$$\boldsymbol{UEMP_{i,t}} = \boldsymbol{\alpha} + \boldsymbol{\beta TENT_{i,t}} + \boldsymbol{\beta_1 DUM_{i,t}} + \boldsymbol{\beta_2 WAPOP_{i,t}} + \boldsymbol{\beta_3 FDI_{i,t}} + \boldsymbol{\beta_4 TRADE_{i,t}} + \boldsymbol{\beta_5 INFLATION_{i,t}} + \varepsilon_{i,t} \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (\mathbf{3})$$

$$\boldsymbol{GDPG_{i,t}} = \boldsymbol{\alpha} + \boldsymbol{\beta TENT_{i,t}} + \boldsymbol{\beta_1 DUM_{i,t}} + \boldsymbol{\beta_2 WAPOP_{i,t}} + \boldsymbol{\beta_3 FDI_{i,t}} + \boldsymbol{\beta_4 TRADE_{i,t}} + \boldsymbol{\beta_5 INFLATION_{i,t}} + \varepsilon_{i,t} \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (\mathbf{4})$$

3.5 Diagnostic tests

3.5.1 Normality test

The Jarque-Bera (1980) test for normality was used in the study to establish a normal distribution of the dataset used for the study. The null hypothesis of the Jarque-Bera test is that the data follows a normal distribution. A low p-value (typically below a chosen significance level, like 0.05) indicates that the data significantly departs from normality, and the null hypothesis can be rejected, suggesting that the data is not normally distributed.

3.5.2 Multicollinearity test

To ensure the findings of this study are not biased or inaccurate and have greater standard errors due to Multicollinearity, two criteria were used. The 0.8 correlation coefficient threshold by Kennedy (2008) and

the Variance Inflation Factors (VIF) were used. A VIF less than 5 shows no problem of Multicollinearity (Gujarati, 2003).

3.5.3 Heteroscedasticity test

To assess whether there is a problem of varying variance across the cross-sections of the dataset, the Breusch-Pagan (Breusch & Pagan, 1979) test was employed to examine the presence of heteroscedasticity. The null hypothesis of homoscedasticity is not rejected if the p-value is greater than 0.05 which shows that there is no problem of heteroscedasticity.

3.6 Specification test

The Durbin-Wu-Hausman test (Hausman, 1978) was used to choose between the fixed effect and random effect models in the panel regression analysis. We reject the null hypothesis (random effect is more appropriate) if the p-value is less than 0.05 and we fail to reject the null hypothesis if the p-value is greater than 0.05.

4. Findings/results

4.1 Descriptive statistics

Table 1 illustrates the descriptive statistics of the study. The minimum and maximum values of unemployment rate recorded were 0.6% and 23.35% respectively with a mean of, about 7%. GDP growth rate has maximum and minimum values of 21.452% and -20.491% respectively with a standard deviation of 4.864 across the mean of 4.063. The maximum ratio of newly registered businesses to the active labor force recorded was 20.091 and a minimum of 0.007. The dummy variable used can be seen as 0 and 1. Working age population growth recorded a maximum and minimum of about 70% and 48% respectively with a mean of 55.446% and standard deviation of 4.531. The average FDI, Trade and Inflation rate recorded over the period (i.e., 2009 to 2020) were 6.03%, 75.567% and 8.481% respectively.

Table 1: Descriptive Statistics

Variable	Mean	Std. Dev.	Minimum	Maximum
TIME	2014.5	3.459	2009	2020
UNEM	7.446	6.932	.6	23.35
GDPG	4.063	4.864	-20.491	21.452
TENT	1.492	3.282	.007	20.091
DUM	.429	.496	0	1
WAPOP	55.446	4.531	48.289	69.849
FDI	6.03	12.057	-18.918	103.337
TRADE	75.567	36.569	27.963	222.082
INFLATION	8.481	38.675	-2.431	557.202

Source: Authors' results (2023)

4.2 Pairwise correlation

Table 2 shows the pairwise correlation analysis of the variables of the study. These coefficients were compared with the threshold of Kennedy (2008) to establish that there is no sign of multicollinearity since all coefficients are less than 0.8. Unemployment (UNEM) is found to have a negative correlation with GDP growth (GDPG) and Township entrepreneurship (TENT) whereas GDP growth (GDPG) is found to have a positive correlation with Township entrepreneurship (TENT). This implies that an increase in GDP growth

(GDPG) and Township entrepreneurship (TENT) will be associated with a decline in Unemployment (UNEM). Also, an increase in Township entrepreneurship is likely to be associated with an increase in GDP growth (GDPG). This is similar to Kpegba et al., (2023). Working age population growth (WAPOP) is found to have a positive correlation with Unemployment (UNEM) and Township entrepreneurship (TENT) but a negative correlation with GDP growth (GDPG). Trade is found to have a positive correlation with all other variables except GDP growth, the dummy and time. FDI has a negative association with unemployment and township entrepreneurship but a positive association with GDP growth, dummy and the working age population growth (WAPOP).

Table 2: Correlation analysis

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(1) TIME	1.000								
(2) UNEM	-0.019	1.000							
(3) GDPG	-0.311*	-0.187*	1.000						
(4) TENT	0.040	-0.444*	0.113	1.000					
(5) DUM	0.000	0.047	0.040	0.273*	1.000				
(6) WAPOP	0.113	0.693*	-0.142*	0.447*	-0.003	1.000			
(7) FDI	-0.167*	-0.033	0.065	-0.092	0.102	0.103	1.000		
(8) TRADE	-0.069	0.613*	-0.075	0.211*	-0.158*	0.754*	0.447*	1.000	
(9)INFLATION	0.109	-0.010	-0.202*	0.032	0.150*	0.003	-0.019	-0.045	1.000

**** p<0.01, ** p<0.05, * p<0.1*

Source: Authors' results (2023)

4.3 Diagnostic tests

4.3.1 Normality test

As discussed earlier, the Jarque-Bera (1980) test for normality was used to establish the normal distribution of the dataset. From Table 3, it can be seen that the p-value is more than 0.05 (p=3.488), hence insignificant. We therefore failed to reject the null hypothesis that the dataset is normally distributed.

4.3.2 Multicollinearity test

Aside the criteria of Kennedy (2008) used earlier; the variance inflation factor was also used to further affirm the absence of multicollinearity. From Table 3, the Mean VIF is 1.43 which is less than the threshold of 5, suggesting that there is no problem of multicollinearity in the study.

4.3.3 Heteroscedasticity test

Also, from previous discussions, the Breusch-Pagan test for heteroscedasticity was used to establish the presence of constant variance across the cross-sections of the dataset. From Table 3, it can be seen that the p-value is insignificant (p>0.05, p=0.5886), therefore, we fail to reject the null hypothesis that the dataset is homoscedastic. Therefore, there is constant variance across the cross-sections of the dataset and hence fit for analysis.

4.4 Specification test

The Hausman specification test was conducted to determine the most suitable model for testing the relationship between the variables considered in this study. This test aimed to differentiate between the fixed effect model and the random effect model. The null hypothesis suggests that the preferred model is

the random effect, while the alternative hypothesis proposes that the appropriate model is the fixed effect. As discussed earlier, the null hypothesis is rejected if the p-value is less than 0.05 (5%) and unable to be rejected if the p-value is greater than 0.05. From Table 3, the p-value of 0.0000 is less than 0.05, indicating that the null hypothesis (random effect) is rejected. Therefore, the appropriate model chosen for the regression analysis is the fixed effect model.

Table 3: Diagnostics and Specification tests

Test	Criteria	P-value	Mean
Normality	Jarque-Bera (1980)	3.488	
Multicollinearity	Variance Inflation Factors (VIF)		1.43
Heteroscedasticity	Breusch-Pagan	0.5886	
Specification test	Hausman (1978)	0.0000	

Source: Authors' results (2023)

4.5 Regression analysis

The regression results for study are presented in Table 4. The results are presented in four separate models. Model (1) and (3) represent the results from the Fixed Effects regression model whereas Model (2) and (4) represent the results from the Random Effects regression model as a function of Unemployment (UNEM) and GDP growth (GDPG).

From Table 3, we rejected the appropriateness of the random effects models for the study; hence we interpret the results from model (1) and (3). Model (1) is in line with the first objective of the study where the influence of Township entrepreneurship (TENT) on Unemployment (UNEM) is assessed. It can be seen that unit increase in TENT will result in a 0.295 significant decrease in UNEM (β=-0.290, p=0.01). The dummy was found to be insignificant in this relationship suggesting that the Francophone or Anglophone countries do not make a difference on the influence of Township entrepreneurship in reducing Unemployment. Whereas FDI and Trade were found to have an insignificant effect, Working Age population growth and Inflation have a significant impact on UNEM at 1% and 5% significance levels respectively.

From Model (3), except for DUM and FDI, the impacts of all the other variables on GDP growth (GDPG) were found to be very significant. A unit increase in TENT will result in a 0.0591 significant increase in GDP growth. Also, the Dummy for Francophone/Anglophone countries was found to be insignificant in this relationship. A unit increase in WAPOP and Inflation will result in 1.569 and 0.0226 decrease in GDP growth respectively. A unit increase in Trade will also result in a 0.152 significant increase in GDP growth.

Table 4: Regression results

	(1)	(2)	(3)	(4)
Variables	UNEM	UNEM	GDPG	GDPG
TENT	-0.290***	-0.295***	0.0591**	0.0509**
	(0.0993)	(0.103)	(0.334)	(0.210)
DUM	1.086	1.086	1.589	1.589
	(2.668)	(2.668)	(1.379)	(1.379)
WAPOP	-0.488***	-0.223	-1.569***	-0.532***
	(0.157)	(0.154)	(0.523)	(0.199)
FDI	-0.0178	-0.0152	-0.00132	0.0140
	(0.0171)	(0.0181)	(0.0493)	(0.0515)
TRADE	-0.0148	-0.00818	0.152***	0.0544**
	(0.00961)	(0.0100)	(0.0312)	(0.0227)
INFLATION	0.00497**	0.00426*	-0.0226***	-0.0260***
	(0.00219)	(0.00231)	(0.00738)	(0.00760)
Constant	35.64***	19.64**	80.24***	29.12***
	(8.613)	(8.592)	(29.24)	(9.941)
Observations	181	181	193	193
R-squared	0.126		0.239	
Standard errors in parentheses				
*** p<0.01, ** p<0.05, * p<0.1				

Source: Authors' results (2023)

4.6 Summary of findings

The objective of this study, consistent with the hypothesis developed, is to conduct a comparative analysis of the impact of Township entrepreneurship on Unemployment and Economic development among the Francophone and Anglophone countries.

From the empirical findings, it can be observed that Township entrepreneurship improves the level of unemployment (reduces the rate of unemployment); both in the Anglophone and Francophone countries without any significant comparative differences. Township entrepreneurship was also found to improve economic growth without any significant comparative differences between the Anglophone and Francophone countries. These findings confirm the second and third hypotheses of the study but reject the first hypothesis. Even though, these findings are novel in nature, related conclusions were revealed by O'Leary (2022); Delfmann et al. (2014); Santarelliet al., (2009) and Carree & Dejardin (2020) where it was argued that entrepreneurship significantly improves unemployment and economic development. This implies that countries need to put mechanisms in place to encourage township entrepreneurial activities which will serve as unemployment rate absorber and economic development booster.

5. Discussions and Conclusions

This study aims to assess the comparative analysis of the influence of township entrepreneurship on unemployment and economic development among the Francophone and Anglophone countries in sub-Saharan Africa. The findings of the study reveal that despite the differences in culture, market size, international networks among the Anglophone and francophone countries, township entrepreneurship remains a booster of economic development and a catalyst to reducing the level of unemployment in Africa.

Understanding the interconnectedness of township entrepreneurship, unemployment and economic development among the Anglophone and Francophone countries is very essential in both the empirical front and the practical perspective. Considering the gap in existing literature, this study has provided an empirical framework that fills the vacuum in the existing literature and serves as the basis for future studies within this scope. Consistent with the objectives of this study, the cultural background, language and market size, international networks, and many other differences between Francophone and Anglophone countries have been appreciated, in line with township entrepreneurship, unemployment, and economic development. This study also provides a theoretical foundation for policymakers to curb unemployment and improve economic development within these countries by instituting appropriate measures to incentivize entrepreneurial activities. The comparative analysis also bridges the gap within the entrepreneurial ecosystem, where countries will adopt cross-cultural practices and initiatives, such as startup capital funds, which will identify appropriate entrepreneurs with innovative business ideas that will subsequently improve the economic position of the countries in Sub-Saharan Africa.

6. Limitations and direction for future research

Despite the novel findings of this study and its contribution to the existing literature, this study still acknowledges its limitations. The major limitation of this study is the number of countries examined. Since data collection for the study was primarily influenced by data availability, 21 out of 48 countries in sub-Saharan Africa were considered, which leaves a sample gap in this study. Therefore, this study acknowledges its limitations, and recommends that future studies adopt a research design that incorporates a more representative number of countries in sub-Saharan Africa.

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