Understanding how business is perceived 'on the street': Investigating the rules that govern economic life in Nigeria

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Abstract

The objective of this research is to explore the complexity of business development in Nigeria by analysing how business is defined, understood and enacted 'on the street', namely, by small entrepreneurs in an urban context. It aims to carve a path for a deeper understanding of how Nigeria functions in reality in order to let the social context determine what kind of economic interventions are possible, rather than relying on aid or microfinance to bring about development. It will also build upon the limited entrepreneurial studies carried out in Sub-Saharan Africa, taking into account how business relations actually occur and function in their societies. This objective will be achieved via the detailed analysis of a particular urban space, looking at how different actors relate to each other to survive; and, on a wider scale, how these actors promote the economic development of the place where they live through daily interactions.

This study will be undertaken through an ethnographical analysis, with the aid of other qualitative methodologies such as in-depth interviews. This approach is adopted because, although there is an increasing interest in research on the topic of entrepreneurship, very little analysis has been done regarding the rules that govern economic life in Nigeria. By exploring the social themes that have already been identified through a pilot study conducted by this author, this research seeks to extend our understanding of policy interventions that can be undertaken in a specific urban economic space. Subjective issues such as ethics, values, morality, legitimacy and age will be emphasised through their impact on economic development.

BACKGROUND

The initial aim of this research was to analyse the potential for sustainable economic development in Nigeria, particularly through a 'social entrepreneurship' perspective. Scholars, policy makers and social commentators have repeatedly proposed an enabling environment for social enterprise as a solution to economic development in Africa. However, what emerged from the initial stages of the research was a widespread heterogeneity of the concept of social entrepreneurship. This insight has spawned a new direction for this research, which seeks to understand how business proceeds 'on the street'. In this light, this study will explore the complexity of business development by analysing how incomes are generated in an urban context and by identifying the unwritten rules that govern economic life in Nigeria. This study will explore how businesses are constructed, what they do in practice, what effects they have beyond their stated aims and how are they perceived and experienced by ordinary Nigerians: Who trades with whom? How do businesses determine price? What non-economic issues come into play? What is actually happening 'on the street'? These are some of the key questions that will be explored in this study.

CONTEXT

It is constantly stated by scholars, within and outside the country, that Nigeria should not be poor considering the amount of petro-dollars that have accrued since it first discovered oil in 1956 and from its abundant natural resources (Pleskovic and Stern, 2000; Obadan, 2002; Omotola, 2008; Oshewolo, 2010, Okosun *et al*, 2012). In addition, Nigeria is the eighth highest exporter of oil per day in the world, and it has been one of the top exporters since the 1960s (Igwe *et al.*, 2003). However, the latest figures from the National Bureau of Statistics (2012) put the country's relative poverty rate at 69%, or 112 million people, as of 2010.

For many years, the reduction of poverty and the attainment of economic growth have been a key policy concern in Nigeria, and various governments devised interventions to achieve this objective. The literature mentions several programmes adopted by successive governments, which include: the National Accelerated Food Production Programme (NAFPP), the Family Economic Advancement Programme (FEAP), the Structural Adjustment Programme (SAP), the People's Bank of Nigeria (PBN), Community Banking (CB), the National Poverty Eradication Programme (NAPEP) and several others (Iganiga, 2007; Acha, 2012; Garba *et al.*, 2013). Even with the implementation of many of these programmes, the country still witnessed an increase in percentage of people living in poverty. The evidence presented in the literature suggests that their impact was not felt by the citizens and that the majority, if not all, of the interventions failed to achieve their purpose (Okosun *et al.*, 2012; Oshewolo, 2010; Ebimbowei *et al.*, 2012; Iganiga, 2007; Obadan, 2002).

Most of the interventions might have been capable of alleviating poverty and bringing economic growth, but many reasons have been put forward for the cause of the failures. Possible explanations include an insufficient focus on the poor as part of the intervention policy (Obadan, 2002), the political instability that was prevalent in the country (Oshewolo, 2010), the inappropriate implementation of the interventions (Ntunde and Oteh, 2011) and widespread corruption (Ugoh and Ukpere, 2009). In fairness to the policy makers, these are not the only reasons which contributed to the failure of the policies. In light of these limitations, one of the programmes, the NAPEP, launched in 2001, was expected to be different, as it was a policy pushed by the newly democratic government. The programme implied that the reliance on microfinance institutions, non-governmental organisations (NGOs) and an enabling environment for businesses to flourish would constitute a viable means to achieve growth (Iganiga, 2007; Ebimbowei *et al.*, 2012). It was also suggested that the programme would have the potential for poverty reduction, as it was thought that the poor would become more entrepreneurial via access to credit – a belief supported by the success of microfinance initiatives witnessed in other parts of the world (Okonjo-Iweala, 2005).

Wennekers and Thurik (1999) provide extensive literature on the relationship between entrepreneurship and economic performance. While much of this literature suggests that entrepreneurship contributes to economic growth, few empirical analyses actually prove this link. Wong *et al.* (2005) are also of the opinion that a rise in the number of entrepreneurs should lead to economic growth, due to a link between new business formation and job creation. However, it can also be argued that there exist people out of the employment market who are engaged in businesses that might not necessarily generate growth for the economy, which according to Wong *et al.* (2005) could be common in countries such as Nigeria. Whatever the case may be, the financing of new business and entrepreneurship is often seen as key to poverty reduction.

Recognising this need for provision of access to credit to poor and low-income households in order to spur entrepreneurship, the new 'microfinance policy' was introduced in 2005 by the government for commercial banks and formal financial institutions. Although community banks already existed in Nigeria to meet the needs of this segment of the population, they were then directed to convert to microfinance banks (Ebimbowei *et al.*, 2012; Iganiga, 2007). The policy's principal objectives included: promoting mainstreaming of the informal sub-sector into the national financial system; contributing to rural transformation and promoting linkage programmes between universal banks, specialised institutions and microfinance institutions.

Like most of the other interventions mentioned, critics have pointed to the failures of this microfinance policy, mostly because it does not fulfil one of its major objectives: the creation of access to credit for small business. In fact, the microfinance institutions hardly loaned to any individuals, after being forced by the Central Bank of Nigeria to recapitalise (Abraham and Balogun, 2012). Although the microfinance policy might be regarded as failed or failing, we must continue to carefully observe its more recent developments.

This paper also argues that the importation or adoption of Western economic development models vastly overestimates the efficacy of such interventions on the receiving economy. Different suggestions have been put forward as possible solutions to poverty alleviation and economic growth, including the promotion of non-profit organisations, especially those that are community-based or led by local business actors (Emmanuel, 2012; Sesan *et al.*, 2012); the promotion of entrepreneurship (Igwe *et al.*, 2012); redesigning the country's education curriculum (Onu *et al.*, 2013) and the promotion of government and private sector partnerships (Ogbu, 2012).

Despite such policy recommendations, not many academics have gone to the 'streets' to truly understand what is happening in Nigeria. While many have looked at the impact of NGOs (Smith, 2010) and community-based organisations in the economy (Abegunde, 2009) or at the role of microfinance institutions in promoting economic growth (Douglas, 2012), they never really investigated how business is conducted 'on the street', nor tried to understand bottom-up, income-generating activities. Researchers have usually started from offering a theoretical definition, before going out in the field to find out what exists in reality. Sometimes, they have attempted to replicate a successful approach achieved in another country into the Nigerian context (Okonjo-Iweala, 2005). What this study will propose, on the other hand, is not a broad overview of business creation, but a detailed analysis of how business and economics work in practice in the Nigerian context. This research presents a journey in the process of 'self-discovery' for Nigeria, which is not based on prior notions as to what will work best, but constitutes an attempt to discover practical solutions through empirical investigation (Kwon and Kang, 2011).

As Hubbard put it: 'Facts aren't just out there. Every fact has a factor…' (1988, p. 5). Therefore, researchers have to search for the factors that can explain economic behaviours in this setting. Why is Nigeria the way it is? What roles do the majority of Nigerians play in their economic situation? Why are non-profit community-based organisations and similar initiatives being preached as the most viable solutions for economic development? What do we actually know about how they interact in their economic space and how they got there? How do they trade with each other, and what non-economic issues arise? Investigating these issues can certainly prove helpful when coming up with an adequate policy intervention. The most important issue at hand is the existence of a wide range of actors engaged in economic activities that are not yet properly understood. A fuller understanding of their activities is necessary before a poverty-reduction policy or intervention can be established. Economic growth measures could be problematic, but when we look at people on the streets of Nigeria we find they are engaged in various activities that might be classified as entrepreneurial and have the potential to lead to economic growth. This research focuses on economic behavior for two reasons: because this behavior influences economic actions, and because economic actions in turn influence economic growth – which development economists too often try to achieve by proposing the adoption of successful models from other environments.

METHODOLOGY

An ethnographic approach was chosen as a suitable method in conducting the study. As Prasad (2005) noted, it is important to understand how individuals act and reflect in all situations. According to Atkinson *et al.* (2001), ethnography can offer a strong advantage by offering first-hand experience and understanding a particular social setting on the basis of participant observation. Although observation and participation are known to be major characteristics of ethnography, they are often accompanied by other methods and techniques to derive maximum results (Kawulich, 2005). In the case of this research, in-depth interviews have been conducted via a semi-structured interview approach with primarily open-ended questions. The interviews were mostly conducted in English and local dialects. Respondents were encouraged to speak in the language in which they felt most comfortable, following the recommendations of Temple and Young (2004). A snowballing technique was used to refer to other actors that could be important to the research.

The study was set on Allen Avenue, a main commercial street in Lagos, Nigeria. The choice of locality was driven by the richness of information and material previously obtained via several informal interviews by the author on themes regarding alternative constituents of human and social capital – including age, network, identity, 'freedom' (length of apprenticeship) and trust, among others. During these initial interviews, several aspects of human and social capital on the ground in Lagos were mentioned, leading to the decision to focus on an in-depth analysis in this relatively small area. This area is also interesting because it includes a number of key Nigerian tribes who work alongside each other. It also contains a varying mix of business categories ranging from retail banks to medium-scale enterprises to street and kiosk traders – and it probably has a large informal sector. There are churches and mosques in the area, as well as various government institution offices such as the tax office and a local government office. Furthermore, behind the main street there is a residential area inhabited by both lower and middle classes. Although no single locality is able to fully capture the complexity of an economy or the whole spectrum of Nigerian entrepreneurship, the selected area aims to capture as much variety as possible, offering an entry point into varieties of spaces and scales of economic activity in the country.

Fieldwork was conducted for a total of seven months. Interviews were conducted with business owners, shop workers and apprentices, street vendors, local government officials, bank staff and a few residents of the area. The research methodology allowed for an observation of the variation of business categories that operate in the same area and how they interrelate by observing respondents, in the market place, in their shops and also on the busy street of Allen Avenue, engaging with passers-by. Moreover, the study explored how businesses are constructed – namely, identifying the factors that informed entrepreneurs' choice of business – what they do in practice, what effects they have beyond their stated aims, and how they are they perceived and experienced by ordinary Nigerians. Who trades with whom? How do businesses determine prices? What non-economic issues come into play? What is actually happening 'on the street'?

Interviews took place during daytime working hours, and were mostly conducted in shops, business premises or in public places. Data gathered include, but are not limited to: income and expenditure of the participants; information regarding their daily activities; methods used for raising capital for their business; use of microfinance banks; participation in credit societies; respect and enforcement of government regulations; methods to attract customers and to display goods for sale; hiring of staff workers and employment terms and existing modes of payment amongst members of the community.

FINDINGS AND DISCUSSION

This section analyses the empirical data and begins to explore some of the key findings regarding how business is defined, understood and enacted 'on the street' of Lagos. It particularly focuses on how businesses manage the challenges of access to credit and the rule of law during their daily business operations through trust and personal relations. Most of the excerpts used for the analysis are from narratives elicited in response to open-ended questions about business-related actions, such as 'How did you raise the funds for your business?' The responses to such questions can help achieve a better understanding of the workings and the rules that govern economic life 'on the street'.

Using direct observation and numerous interviews, it was possible to analyse the ways in which entrepreneurs build and establish credibility amongst themselves and how they navigate these different trust dynamics. As the research shows, trust and trust-building plays a central role in business operations in Nigeria. A major aim of this section is therefore also to illustrate how trust relations are leveraged and how this has shaped the ways in which individuals raise capital for their business, where market elders are duty-bound to raise finances for apprentices in the same market. It will also outline the development of a culture in which business owners are duty-bound to employ family members, but also do so as a means of employing staff members they can trust. The section will begin with how economic actors in this context go about the business operation of employment, and, from there, lead into access to finance.

Employee-employer trust relations

Firstly, it was observed that it is a common occurrence for small businesses and traders to hire relatives as members of staff or shop assistants. As much as this serves as a flexible labour force for the business owners, it also ensures that they work with a trusted person. It also fits into the existing system of apprenticeship. This is not a novel observation, and has been covered extensively by the family business literature (Sharma *et al.*, 2007). However, in the case of Nigeria it has a different occurrence, underlined by tales of compulsion and of necessary responsibility. This section will proceed to outline how employees and employers build trust amongst each other.

Since Nigeria's small business owners face the problem of not being able to afford to conduct background checks on prospective employees, a system exists whereby employers request guarantors. This still offers insufficient assurance, as checks are hardly ever also performed on the guarantors. The following is a conversation with Godwin1, an electronic retailer, who has been in operation for 10 years. He explains why he has his nephews and relatives working with him and why the guarantor system does not ensure any form of safety.

> ***Q:*** *Which of your boys is up for freedom*[2] *soon?*
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> ***A:*** *Up for freedom how? I am not letting any of them leave now. I told Nonso and Chika*[3] *yesterday that they cannot leave just yet; I will speak to their Dad.*
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> *See, it is difficult to get trustworthy sales boy[s], see what is happening to Mr Opara, last week 12 ACs went missing, since then we have not seen Demola. They tried to call the number of the guarantor, it was a wrong number, even the address, and nobody knows where that is in this small Lagos.*

1 Names have been changed for the purposes of this research.
2 'Freedom' is a term used among informal business in Nigeria for when apprentices come to the end of their service. The length of service depends on the trade.
3 Nonso and Chika are Godwin's nephews.

> ***Q:*** *Has the case been reported to the police?*
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> ***A:*** *This is how I know you are not from here [laughs]. What will they do? If anybody reports matter to the police, trust me it is just for the sake of the record.*

> ***Q:*** *So are you saying you can only employ relatives? But not all your staff members are your relatives.*
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> ***A:*** *Most of them are related to me, and those that are not were introduced to me by a family relative. I have learnt my lesson in this business. Mr Eze taught me about getting a letter from a guarantor, but do not forget, this is a letter that can be easily forged; apart from that, with the way Lagos is not properly mapped, how will I be able to locate the person's address, or even if I do, what if this guarantor dies, or what if the guarantor moves from that address? My brother let me save myself the stress and employ a relative. Although that comes with its downside, because if Nonso's dad calls me for money I cannot lie that I do not have, his son will tell him the truth. So for me I do it 50/50: some close relatives, others referred to by a relative.* (Godwin NR18)

The question that elicits this response introduces an entirely different concept, known as 'freedom', which should be discussed in more depth. In the business field in Nigeria, the word 'freedom' means the graduation of an apprentice. In the case of Godwin, young men must apprentice for more than the customary three years. Nevertheless, the apprentices remained with their employer and did not express a desire to leave or indicate that they had thought of their future graduation. Therefore, the question: 'Which of your boys is up for freedom soon?' was carefully asked in a non-suggestive manner, as some of the apprentices could hear the conversation. Even so, Godwin was firm and loud with his response as if to make sure everybody heard, using the chance to make himself clear on the issue: he prefers employing relatives with a mix of non-family members, but who are nonetheless referred to him by family members. Having them as employees, he is assured of the security of his goods – even citing the example of theft experienced by a neighbouring business and attributing it to the employment of non-family members.

The choice of the follow up question ('Has the case been reported to the police?') was deliberate. As regards the working of the police and legal system in Nigeria, the less privileged generally believe that they only serve the rich, and it is well known that police officers sometimes need incentives to pursue a case. However, the question was nonetheless included, because in a properly functioning economy where the rule of law is obeyed, reporting to police is the evident next line of action after a theft. The response demonstrates the difficult situation of local business owners for whom employment of family relations is seen as one of the ways to circumvent the inefficiency of law enforcement.

The predominant reason offered by respondents as to why they hire family members is a sense of responsibility. The unspoken rule is that when one becomes 'successful', one is bound by responsibility to take up a family member as an employee to allow them to gain a greater income or financial stability. Most business owners included in the research, in fact, began their economic life as apprentices working under family members, or as staff members within businesses owned by relatives, until enough capital was raised to enable them to start their independent activities. Similarly, individuals are often bound by responsibility to raise capital for a family member, a phenomenon which is discussed later in this section.

In a conversation with a small businesses owner named Igwe, he explained that he had an obligation to employ his nephew as mandated by a system of which he had been a beneficiary twelve years before, even though all of his income went to restocking his store and caring for his daughter (Igwe NR8).

Every respondent with a family member as an employee included 'being bound to employ family members' as one of the reasons for employment. It would be interesting to know how this process is monitored - who does the reporting to the rest of the family? On what basis is the business considered to be successful? Who defines success: is it the elders, the owner of the business, or other relatives? What happens if the owner thinks the business is not successful, but his or her family members think otherwise? These are important questions that should be explored in subsequent research. The overriding observation is that business-owners preferred family members as employees, in the belief that they are 'trustworthy', 'it fits the existing system of apprenticeship', and the business-owners are 'bound by responsibility'. We can thus conclude that family relations are integral in meeting the employment needs of small businesses.

Disputes settled at family meetings as opposed to court

Another reason that can explain the preference for family members as employees is the belief that it is easier to discipline a family member regarding their work ethic rather than a non-family employee. This is because if anything goes wrong it can be settled at a family meeting rather than in court or at the police station, which are generally avoided in Nigeria. It is quite common for business owners to correct a misbehaving family member by making threats to report the behaviour to the immediate family.

A particular situation occurred where an employer and employee, two brothers, had a disagreement. According to the employer, the employee had been misbehaving, and, due to his carelessness, had broken some merchandise costing thousands of Naira. The employer decided to withhold his employee's monthly allowance until the latter was able to raise the money to cover the cost, and also hit him in the face. Because of this decision, the employee took the law into his own hands, came late to work and sometimes kept money made from a sale. When asked about what he was going to do, the business owner commented: 'he thinks I'm joking – when we get to the village I will call a family meeting, everybody will sit and judge the matter' (Mazi NR 39). When asked why he had not sought legal redress for his withheld payments and physical abuse, the employee said, 'We will soon go home for grandpa's burial; when we get there, the matter will be tabled' (Mazi NR 39).

This clearly shows a system where family meetings are used to resolve disputes. When asked separately why they had not reported the matter to the police – for the employee, a case of assault coupled with a withholding of his salary and for the employer, a case of possible theft – they seemed to not even consider it as an option, reflecting the beliefs of the previous respondent who refused to report a case of theft to the police.

ACCESS TO FINANCE

Stigmatisation of credit

Emerging from the discourse on how business is defined, was the observation of a stigmatisation of the credit system amongst some sections of the population – this was made evident from research about how businesses are defined and started (Monu NR 35).

In terms of this belief about credit, this is a similar excerpt from another respondent, although this interviewee was, at the time, looking to move into a bigger shop.

> ***Q:*** *Why do you not just get a business loan?*
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> ***A:*** *God forbid! As long as I keep praying someone will just walk up to me and give me part or all of the money. I do not believe in borrowing, I do not want the bank to start controlling what I do, I will not be able to sleep at night because all I will be thinking about is the loan. I have seen what these banks have done to people that have failed to pay up, which was not a fault of theirs. At least with my business like this, I can sleep with both my eyes closed and wake up without any fear in me. But I think they can do better: when a bank lends you money, first they should give you enough time to make it back; they should also have an officer attached to you as your*

> *advisor. That person shouldn't act like my boss, but like my helper and on a monthly basis we'll look at my spending and sales together.* (Igwe NR8)

The respondent starts his response with the expression, "God forbid", reflecting a deep wish that something should not happen. Even though he expressed a pressing necessity to actually move to a new shop, he continues by saying he also does not believe in borrowing, laying any need to raise credit on religious discourse, another important aspect, which is not discussed in this paper. He comments on the controlling effect of the bank after taking a loan and the continuous stress and worry attached to meeting up with the loan agreement as a deterrent for him in accessing formal credit. The respondent also introduces a suggestion regarding how banks should go about the lending process, stating that offering a longer time for loan repayment, as well as assigning advisors to the borrowers for guidance, could lead to lower loan default rates.

It should be noted that the stigmatised credit is the kind offered by commercial institutions, such as retail and micro-finance banks, while a loan from ROSCA (Rotating Savings and Credit Association) is seen as more acceptable. Therefore, although the cultural influence seems to be a stigmatisation of credit at first glance, what is clear is that not all credit is stigmatised. When interrogated about the reasons that loans from ROSCA are more acceptable than those from commercial banks, respondents were quick to explain the humaneness of ROSCA's activities.

One of the interviewees believes the banks should have different terms: he thinks that the banks, after granting the loan, should follow up on the progress of one's business at agreed intervals and should be ready to restructure the terms of the loan relative to prevailing economic conditions. If these conditions were followed, it would constitute a win-win situation for both the bank and the borrower. These suggestions were communicated to the two bank officials included in the interview process, and one remarked that they had embarked on a similar initiative whereby they offer assistance beyond the loan terms. This includes entrepreneurial development classes, which involve training the borrowers to save, to be aware of market trends, to have a grasp of financial literacy and to be able to gauge risk, among others. To increase local confidence in the system, some of the teachers were local business owners who had started at the same level as their clients and scaled up. When asked if this was done as a form of social responsibility on the part of the bank, the official clearly replied that it was a commercial decision that came up as a result of their past experiences. Other initiatives also embarked on by the banks include: constructing business hubs, organising bazaars or marketplaces where buyers and sellers could meet – with the sellers mostly being the bank customers themselves.

Capital of Success

If access to formal credit is limited, how then do businesses raise capital in this economic space? Three common ways were observed: the first was capital coming from a successful or older family member. Just as in the apprentice system in which business owners are bound by responsibility to employ relatives, successful or older entrepreneurs are bound by necessity to help family members start their businesses. They usually begin by taking in the relative as an employee and, after a few years, they provide him or her with some money to start an independent business. For example:

> *I came to Lagos 24 years ago from the village to live with my uncle. My uncle at the time was a manager at a multinational company and also owned a paint shop. I was nineteen, I was becoming a nuisance in the village and I was of age to start making money. After a few discussions between papa and uncle, I was sent to Lagos to make a living, but I had to first work in uncle's shop. After a year in Lagos, I convinced uncle that Alade market was a good place to sell provisions and he gave me money to start.* (Medi NR9)

It is quite a common occurrence that a successful individual invites or is sent a family member, in the expectation that he may help the person achieve financial independence. If this individual owns his or her business, the family member would be employed therein; otherwise, he or she would simply find an apprenticeship for the family member, setting aside a sum of money that would be used by the individual to start up his or her business once 'freedom' was attained.

Another widespread form of raising capital in this setting is assistance from successful individuals. However, in this case, there is no blood relation between the successful individual and the new business owner – the only link that exists is living in the same community or location. A long-standing successful business owner is thus bound by responsibility to help any member of the market or particular community he belongs to, chosen at his discretion, to finance his/her business. This is illustrated by the following conversation:

> ***Q:*** *Why do they keep coming to you, did you advertise or something?*
>
> ***A:*** *No, now, all of us that have been here for a while, maybe from 20 years and above – although it could be lesser, there is no fixed time frame – we are bound to help the next generation coming up. As it stands, it is only 3 of us that have been here for over 18 years, so these boys naturally come to us, but as you can see I am the most friendly that is why you have seen more at my shop. Like Chike, Silvanus and Loretta – I was the one that helped them start up. I think Chike came to meet me, but for Silvanus and Loretta, I observed them for a while, then I told their boss about my intentions, which they supported, and had good things to say about them. So when it was time for 'freedom', I told them I was going to give them money to start their own business.*
>
> ***Q:*** *How did this start?*
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> ***A:*** *I know why I do this, or should I say why we do this, but how did it start or who started it? I do not know. It just looks like what one is meant to do. Is there a written rule? No. Is there an unwritten rule? I think so. What will happen if I do not do it? Nothing whatsoever. You see these things are peculiar, will I recommend it? Yes. Will I force it? Definitely not.*
>
> (Ageni NR29)

In answering the first questions, he explains how business owners are bound by necessity to help others set up their own business, although this is not stated by a written rule. This is thus another one of the unwritten rules governing economic life in this urban space. Helping others start a business is also considered to be something to take pride in. The respondent was quick to name people he had helped in recent times, who had in a short period grown very big. When he was scolding his employees at his shop, he often cited the fact that he had helped other successful entrepreneurs and that they should behave better so that they might have a similar path in life. In answering the second question, the respondent points to the cultural importance of an idea he strongly subscribes to.

Successful individuals with capital to invest in a new business are usually the ones who engage in this kind of practice. However, new entrepreneurs often approach individuals they deem financially able to offer them this kind of support. There are no definite criteria for selecting whom to support and this choice is in the hands of the more experienced business owner.

For these two sources of raising capital, an interesting question that arises is what defines a successful person. According to some entrepreneurs, such as Igwe and Richardson, there is an agreement that while they are still struggling and trying to fully establish their economic pursuits, in the eyes of their family members they are already considered successful – leading them to send a relative to them to help with their financial independence. While Igwe did not resist the suggestion, Richardson initially attempted to do so, but was unable to oppose his family in the end. As pointed out by Igwe:

> *How do you want me to explain to them that I have been in Lagos for 12 years and I'm not able to support my younger one start a business? I'm a failure then. Don't forget: to whom much is given, much is expected. They sent me 12 years ago, they are expecting a lot from me. So let*

> *her come first, at least she can start working with me, and when I raise enough money, I will help her start her own business.* (NR8)

On the other hand, Richardson says he resisted the idea:

> *I told them I'm not ready, that I'm currently embarking on a project, but they wouldn't listen. It almost turned to insult. So I accepted like that. I definitely cannot open beauty salons for her now, but the plan is I'll give her money to be selling cosmetics, from that she can now graduate to owning a salon when we have raised enough money.* (Richardson NR24)

The plan Richardson describes for his cousin, of initially trading before going into the desired field, is the third largest source of capital for most businesses. Much more should be discussed regarding this aspect in future work: what emerges from this study is rather an unwritten governing rule of economic life, whereby "successful" business owners are obliged to either provide start-up capital or direct employment to their family members.

Conclusion

This study set out to understand how business proceeds 'on the street' in Nigeria. It tried to investigate the rules that govern economic life while exploring the complexity of business development in a specifically urban context. In particular, this research looked at the ways in which capital is raised in this context. Through interviews and participatory observations, this study emphasised the level of social and cultural embeddedness that governs economic life, both in terms of access to capital and daily business operations.

Although businesses are meant to be sources of financial stability and function as an economic unit, the realities of staff employment and access to capital 'on the street' indicate that businesses are not just sources of income. They are also a part of social life –constituting achievements, obligations, stability, ties to morality, personal relationships, disagreements, reciprocity and so on. It can therefore be concluded that personal relationships and networks are very important mechanisms in the rules that govern economic life.

This study has aimed to extend our knowledge of how entrepreneurship is constructed, perceived and practised in society, by mapping the reality experienced. By looking at the context of Nigeria, the study's goal is to add to current academic and practitioner debates regarding entrepreneurship and development more generally.

Over the past decades, diverse economic models have led to achievements in the economic growth and development of other countries. Microfinance is but one of the policies that has been advocated as key to poverty reduction and growth, and is considered a key mechanism for harnessing the economic potential of small entrepreneurs. However, if such models are translated into policies by the Nigerian government without fully taking into consideration the specific rules that govern economic life in this context, their intended results are unlikely to be reached. By looking at the detailed workings of small businesses in a specific urban context, it has pointed out how economic relationships really work in practice in Nigeria – workings which must be taken into account in future policies if objectives of poverty reduction and economic growth are to be effectively reached.

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