DIRECTIONS FOR A NEW AFRICAN ENTREPRENEURSHIP RESEARCH AGENDA: PORTFOLIO ENTREPRENEURSHIP AS A SOLUTION TO AFRICA’S IMPENDING EMPLOYMENT DILEMMA (INTERACTIVE PAPER)

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Principal Topic

A recent report by McKinsey and Company’s Global Institute (2012) has commented that while the African continents growth has been impressive, many problems remain. Foremost is the labour challenge that African economies are set to experience in the forthcoming decades. In the next decade, Africa’s workforce will expand by one hundred and twenty million people; currently, however, only 28% of Africans are employed in stable wage paying jobs. The obvious question is, where will these future workforce entrants be employed? A possible solution to the employment dilemma that Africa will face in the forthcoming decades is entrepreneurship. This paper looks at the potential of large scale or portfolio entrepreneurship to be a key component in ensuring the creation of wage paying jobs.

Portfolio entrepreneurs are multiple business owners, having an ownership stake in a minimum two firms (Westhead et al 2003). Portfolio entrepreneurs have been shown to be an important driver of wealth creation and growth (Rosa 1998, Westhead and Wright 1998). Of more importance, their relevance to African economic growth, and the development of African economies has been shown to be crucial (Balunywa 2009, forthcoming studies that are not yet published).

Methods and Key Propositions

The majority of studies published in entrepreneurship journals on Africa are studies that focus on small-scale entrepreneurs that employ less than fifty employees (Khavul et al, 2009; Robson et al 2009; Robson and Obeng, 2008; Robson and Freel, 2008; Masakure O. et al, 2009). The study uses three cases of portfolio entrepreneurship in three separate African countries (Egypt, Uganda and Malawi) to highlight how portfolio entrepreneurship has the potential to drive Africa’s employment in the forthcoming decades.

Results and Implications

The paper identifies some of the reasons why current research on African entrepreneurship is missing the mark both in its applicability and relevance to governments, labourers and entrepreneurs in African contexts. Additionally the paper reveals why this agenda has failed in the building of systemic knowledge of the phenomena that is needed to provide stable wage paying employment for one, and to solve many of Africa’s current and future economic problems.

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