

SOCIAL CAPITAL AND ENTREPRENEURSHIP IN NIGER STATE, NIGERIA

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ABSTRACT

It is true that Government have invested heavily in building local and regional entrepreneurial networks in order to improve economic performance and regeneration. However, the importance attached to the Social capital as a solution to social interaction provides for an examination of its relevance to improve entrepreneurial activities in Niger State. This study explores the relations between Social Capital and Entrepreneurship. Using a set of household data generated from the administration of structured questionnaires to 519 households in Niger State, using Analysis of Variance (ANOVA) analysis, this paper examines the relationship between the Social Capital indicators, i.e. Trust (generalized and institutional); Associational activities (passive and active membership); Civic norms, and Entrepreneurship (proxy by self-employment), in Niger State, Nigeria. The results obtained indicate that there is positive relationship between Social Capital and Entrepreneurship in the study area, thus, fulfilling our a- priori expectation that the more Social Capital building with the people in the study area, the more the improvement of Entrepreneurial activities in the study area. The result notwithstanding, policy measures that would continue to make Social capital relevant to Entrepreneurship development were suggested.

Key Words: Social Capital, Entrepreneurship, Niger State, Nigeria

1. INTRODUCTION

In recent years, the term social capital has received much attention and interest from researchers and policy makers. Other studies found in its application to community life and its ability to reduce community problems, restore peace and economic development, enhance production and entrepreneurial characteristic, and contribute to making governments more effective. (Krishna, 2000, Monireh ,2011, Damirchi, Shafai & Paknazar 2011; Doh1 & Edmund, 2011; Putnam, 1993;Woolcock & Narayan 2000; Portes, 1998). Social capital is commonly conceptualized as a societal resource that links citizens to each other and enables them to pursue their common objectives more effectively (Stolle, 2003). (See Basu, 2012)

However, in the aftermath of the industrial revolution, the world economy has evolved into a knowledge-based economy, driven by rapidly changing technologies and markets. In this new economy: “knowledge is our most powerful engine of production” (Marshall, 1965, quoted in Cooke and Leydesdorff, 2006). The key elements of the knowledge economy include; actors’ knowledge; intellectual property (patents); and actors’ social networks (Lakshmanan, 1994; Castells, 1998; Miller, 2005; Westlund, 2006). Some, like Smilor and Wakelin (1990), call these elements “smart infrastructure” because they link talent, technology, capital, and know-how. Thus, the knowledge economy makes new demands on an individual’s qualifications which affect their relationship with their employers (Westlund, 2006). In addition, individuals in the knowledge economy are owners of the core production factor. Knowledge is

non-productive if individuals don't use it. It also has attributes of a public good, given that it is imperfect excludable and therefore subject to spillovers (Romer, 1990; Fisher and Varga, 2003; Westlund, 2006). Endogenous growth and knowledge spillover theory are fundamentally based on these characteristics of knowledge. These two approaches presume that knowledge is produced, used, and exchanged differently in different social systems. In the knowledge economy, innovation and economic growth are vital to creating and transferring knowledge (Collinson, 2000). Future economic growth depends, to a large extent, on promoting innovation (Baumol, 2004). Thus, one of the basic questions in the knowledge economy is: What drives innovation and economic growth? Theories on innovation and economic growth show that investment in physical capital (Solow, 1957); human capital (Schultz, 1967; Lucas, 1988); and knowledge capital (Romer, 1986; 1990), are very important in prompting innovation and economic growth.

Entrepreneurship theory emphasizes investment in entrepreneurial capital (Acs and Audretsch, 2003; Audretsch and Keilbach, 2004), according to Schumpeter, 1942; Knight, 1971; Kirzner, 1973; Schultz, 1975, to promote innovation and economic growth. Entrepreneurship involves the creation of new things and progress for profit. Creating something new includes "the creation of new organizations" (Gartner, 1988) and "the creation of new economic activity" (Davidsson et al., 2006). In particular, new economic activity may involve conversion of a new idea or invention into a successful innovation in the economy (Schumpeter, 1942) or imitation that is new to a firm (Hessels, 2008). Thus, entrepreneurship includes not only new firm creation, but also new economic activity by established firms. Therefore, it is in essence, about opportunity recognition and exploitation (Kirzner, 1979) and is associated with innovation and other entrepreneurial activities such as risk-taking and proactiveness (Covin and Slevin, 1989; Lumpkin and Dess, 1996; Hessels, 2008). Other research (Acs and Audretsch, 2003; Florida, 2005; Stimson et al., 2006; Acs, 2008) regards entrepreneurship as a knowledge filter serving as a conduit for knowledge spillovers from the organization producing the knowledge to the new organization commercializing that knowledge. The knowledge filter (K_c / K) is the gap between new knowledge (K) and economic knowledge (K_c) and can be defined as "a subset of institutions that hinder the commercialization of knowledge" (Acs, 2008). Entrepreneurship is one mechanism to penetrate this filter and stimulate knowledge flows. Thus, knowledge spillover theorists stress that entrepreneurship plays a key role in innovation and economic growth. If entrepreneurship is a driver of innovation and economic growth, what conditions are necessary for entrepreneurship? According to Shane (2004), the necessary conditions include; entrepreneurial opportunities; differences in people's willingness and ability to respond to those opportunities; exploiting opportunities; taking on risk and uncertainty; and innovations that change the marketplace. For these conditions, entrepreneurial efforts to pursue radical or relatively incremental opportunities depend on "whether the discoverer was within or outside an existing firm and whether the exploiter is within or outside an existing firm" (Shane and Eckhardt, 2003). Entrepreneurship is also contingent upon "whether the individuals discovering an opportunity are employees or independent individuals, and whether new firms or incumbent firms are used for the exploitation of the opportunity" (Stam, 2008), given that the range of options and consequences of exploiting new opportunities are unknown because of risks and uncertainties in the marketplace. In this circumstance, social capital (networks) can be one of the key elements for individuals to identify new means-ends relationships (commercial opportunities) that result from environmental changes to discover and exploit entrepreneurial opportunities. Through social networks, individuals can access useful information and knowledge and make decisions in response to a given set of alternatives based on acquired information and (formal and/or tacit) knowledge. Thus, social capital is essential for entrepreneurship, particularly in today's knowledge economy. In turn, the concept of social capital has recently gained prominence in regional studies and economic geography to help understand entrepreneurship in the era of the knowledge economy.

The thrust of this study, therefore is to examine the influence of social capital on entrepreneurship in Niger State, Nigeria. Using analysis of variance. (ANOVA). The rest of the paper is structured as follows: section two provides review of literature on Social Capital and Entrepreneurship, section three provide methodology and data source, section four present result and discussion, while conclusion and recommendation are contains in last section.

2. REVIEW OF LITERATURE

1.1 Social Capital and Entrepreneurship

a. Social Capital: Meaning, Types, Forms and Measurements

i. Meaning

The concept of social capital has expanded considerably for some time now. The history of social capital can be linked to the work of Hanifan in the 20th century, who refers to social capital as “goodwill, fellowship, mutual sympathy and social intercourse” that make “real substances count for most in the daily lives” (Hanifan, 1916). He noted that a district school supervisor developed recreational, scholarly, ethical and economic condition of the community.

James Coleman was the first to conceptualize the notion of social capital systematically not more than two decades ago. According to (Coleman, 1988), human capital, is less tangible than physical capital, and this personified by one’s skills and capabilities. However, social capital is derived from relations among individual. He stated that, rational action and social contexts determine the actions of individuals, and also the development of social organizations. However, there is a tendency within literature to identify the concept more with Robert Putnam. Putnam and Leonardi’s book, *Making Democracy Work* heralded a new impetus in the development of research on social capital (Putnam & Leonardi, 1993). They analyzed civic participation and attributed that there is greater progress in the north Italy than the south where social capital is richer.

Although the concept of social capital can be understood differently, there has been a uniformity in the definition that focuses on networks, shared norms and values that facilitate cooperation within and among groups. (Healy & Hampshire, 2002). Thus, the definition of social capital is pondering on the idea of network, norms and trust. World Bank (2008), refers to Social Capital as institutions, relationships, and norms that shape the quality and quantity of a society’s social interactions. It is generally seen as a multidimensional concept incorporating different levels and units of analysis. Social capital is not just the sum of the institutions which underpin a society; it is the glue that holds them together. These are more likely to benefit better economic growth, better well- being, better health, lower crime figures, higher educational achievement, and more.

However, the concept of social capital has many definitions and interpretations: there is a general agreement among scholars that: “social capital stands for the ability of actors to secure benefits by virtue of membership in social networking or other social structures.” (Lee, 2010; Ahn, 2011; Petrosillo et al., 2013; Portes, 1998), said that: if we take a look at what makes these “other social structure” then social is a relevant concept at the micro, meso and macro levels”. At the macro level social capital includes institutions such as government, the rule of law, civil and economic liberty. There is overwhelming evidence that at the macro level social capital has a measurable impact on national economic performance, (Westfund and Adam, 2010; Crook et al. 2011). At the micro and meso level social capital refers to the network and norms that govern the interaction among individuals, households and communities. Such networks are often (but not necessary) given structure through the creation of a local association or local institutions.

ii. Types of Social Capital

Social capital is divided into two main types “government social capital and civil, social capital” According to (Collier, 1998; Putman, 2000; Frank, 2005; Elgar et al., 2011; Uphoff, et al., 2013; Svendsen, 2013; Babaei, 2013) government social capital is a governmental institution which determine peoples’ ability to co-operate for mutual benefit. These institutions can be economic liberty, rule of law, enforceability of contracts, and the civil liberty. While, civil, social capital comprises common values, norms, the informal network and associational memberships that influence the competences of individuals to work together to achieve common goals.

iii. Forms of Social Capital:

Social capital is widely recognized as a multi-dimensional concept with dimensions such as relationships, trust, reciprocity, and action for a common purpose. Some of these dimensions such as relationships can be further broken down. Three different dimensions or types of relationships are described by Woolcock (2000); bonding, bridging and linking, forms of social capital. He describes bonding as the relationships that we have with people who are like us, and typically refers to those relations among members of families and ethnic groups. Bridging refers to those relationships; we have with people who are not like us. These may be people who are from a different socio-economic status, from a different generation or a different ethnicity. He describes linking social capital as the relationships people have with those in power. Linking social capital enables individuals and community groups to leverage resources, ideas and information from formal institution beyond the immediate community radius.

iv. Measurements of Social Capital

There are considerable debates on how social capital measured. The World Bank attempt to suggest an agreed ways of measuring social capital while individual researchers have also been giving their way of measuring social capital. (World Bank, 2004; Narayan & Pritchett, 1999; Putnam, 1995; Roslan, Nor & Russayani, 2010). However, the research for common measure of social capital still in the process. Therefore, measuring social capital depend on the assumptions made and the availability of socio-economic variables.

However, (Putnam, 1995), a pioneer researcher on social capital, suggested a significant approach by differentiating five components of social capital, these include, the community volunteerism, the community organizational life, the informal cooperation, the commitments in public affairs, and trust. Indicators used in measuring the community volunteerism, (Putnam, 1995) took into account the number of non-profit organizations per one thousand inhabitants; the number of times worked on community projects and the number of volunteer placements during the year. As a measure of community organizational life these include; the number of civic and social organizations per one thousand inhabitants; serving in office for a club or organization; the mean number of group memberships serving on the committee of a local organization; and the mean number of club meetings attended during a year. Spending so much time visiting friends, and the mean number of times used in entertainment at home during the last year proposed as measures of informal interaction. Proxies considered for cooperation in public affairs are the turnout in a presidential election and the participation in public meeting on town or school affairs. (Putnam, 1995), said that with the respect of trust, he suggests strong feelings to trust people and the moral conviction that most people are trustworthy.

In another view, (Grootaert, Oh and Swamy, 2002), focused on seven aspects to capturing social capital. The variables considered as proxies of social capital are (1) the meeting attendance, (2) the degree of heterogeneity of the group, (3) the number of memberships in associations, (4) the cash contribution score and work contribution score, (5) the degree of informality of the association, (6) the community initiation and (7) the index of participation. Isham (2002), has taken into consideration participatory norms and leadership heterogeneity, and group homogeneity as measurements of social capital.

The World Bank, through the Integrated Questionnaire for the Measurement of Social Capital (SC-IQ), proposed six broad sections to measure social capital. These include; groups and networks, trust and solidarity, collective action and cooperation, information and communication, social cohesion and inclusion and empowerment and political action. (Grootaert, Narayan, Nyhan & Woolcock, 2004). The same indicators have been used by, among others, (Roslan, Nor and Russayani 2010).

Defining social capital is inherently problematic. It is partly due to the ambiguity of the concept's key terms, terms such as 'trust,' 'norms' and 'values,' which may mean different things to different people. These difficulties transfer across when attempting the measurement of social capital. As a result, there is no single measure which academics and policy makers have deemed adequate to provide a robust assessment of the many facets of social capital in an area. Rather, many variations can be found throughout the literature, which attempt to measure social capital in a variety of ways. These ideas and methods provide useful examples; however, each comes with its set of advantages and limitations.

In his pioneering research carried out in Italy, (Putnam, 1993), examined social capital in terms of the degree of civic engagement. Putnam proposed newspaper reading, expressions of trust in survey questionnaires and participation in non-political associations as plausible indicators. Northern Italy, where all these indicators are relatively high, shows significantly improved rates of governance, institutional performance and development. These measures have been enthusiastically adopted by other investigators.

b. Entrepreneurship: Meaning,

The concept of entrepreneurship has a wide range of meanings. On the one extreme an entrepreneur is a person of very high aptitude who pioneers change, possessing characteristics found in only a very small fraction of the population. On the other extreme of definitions, anyone who wants to work for himself or herself is considered to be an entrepreneur.

The word *entrepreneur* originates from the French word, *entreprendre*, which means "to undertake." In a business context, it means to start a business. The Merriam-Webster Dictionary presents the definition of an entrepreneur as one who organizes, manages, and assumes the risks of a business or enterprise.

Schumpeter's View of Entrepreneurship

Austrian economist Joseph Schumpeter's definition of entrepreneurship placed an emphasis on innovation, such as:

- new products
- new production methods
- new markets
- new forms of organization

Wealth is created when such innovation results in new demand. From this viewpoint, one can define the function of the entrepreneur as one of combining various input factors in an innovative manner to generate value to the customer with the hope that this value will exceed the cost of the input factors, thus generating superior returns that result in the creation of wealth.

According to Cole, (1942), entrepreneurship can be defined as the purposeful activity of an individual or a group of individual, undertaken to maintain, organize or initiate a profit-oriented business unit for the production or distribution of economic good and services.

However, an entrepreneur has become the focal point in economic activities. He is seen as an initiator of action, a driven of socio-economic change and development. He is the one who bear risk, unites various factors of production and carries out innovation. An entrepreneur can therefore, be defined as an individual or a group of individuals who tries to create something new, who organizes production and undertakes risk involved in the establishment and operation of a business enterprise. The term entrepreneur is confined to those who start a new business and extends to those who seek out new opportunities and then combine the factors of production to exploit the perceived opportunities.

An entrepreneur perform the following function:

- Risk bearing capacity
- Decision- making

- Managerial functions
- Capital formation
- Addition of per capita income
- Creation of employment
- Balances regional development
- Improvement in living standards

i. The role of social capital in entrepreneurship

Research by Aldrich and Martinez (2003) and Audretsch and Keilbach (2004) contend that, theoretically, social capital plays an important role in entrepreneurship. Although a link between social capital and economic performance is supported by some empirical research (Putnam, 1993a, b, 1995, 2000)², Audretsch et al. (2006) argue that most of the research on social capital and entrepreneurship does not adequately link these two concepts. Thus, it has not been enough to explain the positive contribution of social capital to entrepreneurship empirically. In addition, the term entrepreneurial capital often appears in the literature to represent another form of capital besides physical or human capital (Audretsch and Keilbach, 2004). Sometimes, the definition of entrepreneurship capital is interpreted in a broad sense and, therefore, it includes social capital in its definition, although social capital and entrepreneurship are distinctly different concepts. This unfortunate choice of terminology is problematic because it can be confused with social capital which is generally defined in terms of the trust, group memberships, networks, or norms that people assume for productive purposes. ³Entrepreneurship on the other hand, is defined as “an action, process, or activity that involves the startup and growth of a new enterprise” (Audretsch et al., 2006). Taken together, social capital and entrepreneurship are different concepts but theoretically, the former contributes to the latter. If social capital is an important determinant of entrepreneurship, then how does social capital affect entrepreneurship? Based on previous theoretical and empirical research, Thornton and Flynn (2003) argue that social capital impacts entrepreneurship at three different levels of analysis; network ties between individuals; those connecting teams and groups; and those connecting firms and industries. They conclude that social networks make an important contribution to entrepreneurship considering that: *networks with cohesion in which trust is fostered are contexts in which information flows easily, characteristics that are central to reducing the risk of investment in innovation. Whether networks connect individuals, groups, or firms to one another, or tie together actors from two or more of these categories, they are contexts that provide the social, financial, and human capital that fosters entrepreneurship*” (Thornton and Flynn, 2003: 424–425).

The social capital perspective presumes that network ties provide individuals or organizations with access to knowledge and other useful resources (Nahapiet and Ghoshal, 1998; Davidsson and Honig, 2003; Elfring and Hulsink, 2003; Lechner and Dowling, 2003; Batjargal, 2007). Thus, social capital captures the networking between individuals or between individuals and organizations as well as the useful resources which can be drawn from these networks (Hessels, 2008). In addition, networks not only affect the entrepreneurial process, they also create new opportunities by internalizing the other actors’ skills (Kogut, 1988; Hamel, 1991). For example, if venture capital firms are members of a network, their participation is a signal of reduced risk for investors (Podolny, 2001). Also, these networks can provide market valuations for private firms such as biotechnology firms (Stuart et al., 1999). The literature reviewed thus, shows that entrepreneurs recognize that social network principles can be practical and accessible solutions to start new firms or expand existing businesses (Kim and Aldrich, 2005). Because of the importance of these social networks, many individuals and organizations seeking to take advantage of entrepreneurial opportunities develop social networks with other actors in the knowledge economy. In short, social capital can contribute to entrepreneurship because a high level of social capital can reduce transaction costs between actors, search and information costs, bargaining costs, and decision costs (Maskell, 2001; Landry et al., 2002). In this study, trust (generalized and institutional), associational activities and civic norms are

used as proxied for social capital. The study seeks to test the relation between social capital and entrepreneurship. In other words, this study tests the hypothesis that social capital is positively related to entrepreneurship (self-employment).

2. METHODOLOGY AND DATA SOURCES

A stratified sampling method was used in selecting the respondents. To have an unbiased selection of samples (i.e. the respondents), a multistage sample design was used to collect cross sectional data from respondents, mainly adults in the study area. The first stage was to identify the sample areas which comprise twenty five (25) local government areas, which was divided into three (3) senatorial district that is Niger East, Niger North and Niger South. Niger East is divided into eight (8) local government areas, Niger North is divided into nine (9) local government areas, while Niger South is also divided into (8) local government area. In the state, two local government area was randomly selected from each of the senatorial district based on the proximity, ecological, socio-cultural, and economic variations. This was necessary for equal representation of the study area. The second stage identified the number of household and population in each study area, while the third stage of the sampling involve random selection of eighty five point five (86.5) approximately eighty seven (87) adults between the age of 25 and 60 in each of the selected study areas. In all a total sample of about five hundred and nineteen (519) or five hundred and twenty two (522) adults were randomly selected to respond to the questions in the questionnaires, out of which 479 were, however, completed, returned and found suitable for analysis.

For the instruments that was used, apart from the use of secondary materials such as textbooks, journals and internet, a structured questionnaire was used, in determining the poverty situation in Niger State and also in determining the role of the social capital in reducing poverty in Niger State

Data are presented in the form of table showing frequencies and percentages. The description and analysis of the findings followed each table. Data gathered from the questionnaire were analyzed using frequency distribution and analysis of variance. (ANOVA).

The statements of hypothesis for the study are as follows:

Ho: Social Capital does not have an impact on Entrepreneurship

He: Social Capital has a positive impact on Entrepreneurship

Table 1. Description of Dependent and Independent Variables

Dependent Variable	Self-employed
Entrepreneurship	1 = self-employed 0 = otherwise
Age	1 = Age 21-30, 0 = otherwise 1 = Age 31-40, 0 = otherwise 1 = Age 41-50, 0 = otherwise 1 = Age 51-60, 0 = otherwise
Gender	1 = Male, 0 = female
Income	1 = 20,000- 50,000 2 = 50,001- 100,000

	3 = 100,001- 150,000 4 = 150,001-200,000
Savings	1 = save money last year, 0 = otherwise
Education	School certificate OND HND/BSc PhD
Social Capital	Trust Associational activities Civic norms

3. RESULTS AND DISCUSSION

The result of this study is presented in this section. It presents the frequencies as were applicable to the various sections of the data obtained through the questionnaire.

3.1 Socio-demography of the Respondents

Table I to V shows the socio-demography of the respondents.

Table 2. **Age of the Respondents**

Age	Frequency	Percentage		
21 – 30	159	33.2		
31 – 40	196	40.9		
41 – 50	83	17.3		
51 - 60	41	8.6		
Total	479	100		

Source: Field Survey 2015.

Table 4.1 shows that out of 479 respondents, 159 representing 33.2 per cent of the respondents are within the range of 21 – 30 years of age, also, 196 respondents representing 40.9 per cent of the respondents are within the age of 31 – 40 years, 41 respondents which represents 8.6 per cent of the respondents are within the range of 51 – 60 years.

Table 3. Gender of the Respondents

Gender	Frequency	Percentage	Valid percentage	Cumulative %
Male	285	60		
Female	180	40		
Total	479	100		

Source: Survey 2015

Table 3 above shows that out of 479 respondents 285 respondents which represents 60 per cent of the respondents are male, while 180 respondents representing 40 per cent of the respondents are female, which means that we have more of the male respondent than the female.

Table 4. Income of the Respondents

Income	Frequency	Percentage	Valid percentage	Cumulative %
20,000- 50,000	161	33.6		
50,001- 100,000	151	31.5		
100,001- 150,000	91	18.9		
150,001-200,000	76	16.0		
Total	479	100		

Source: Survey 2015

Table 4 above shows the income level of the respondents, 161 respondents which represents 33.6 per cent are within the income of #20,000 - #50,000, also, 151 respondents representing 31.5 per cent of the respondents are within the range of #50,000 - #100,000

Table 5. Educational Qualification of the Respondents

Qualification	Frequency	percentage	Valid Percentage	Cumulative %
School Certificate	69	13.1		
OND	122	27.2		
HND/BSc	177	41.9		
MSc	77	15.2		
PhD	34	2.7		
Total	479	100		

Source: Survey 2015

Table 5 above shows the educational qualifications of the respondents, it shows that out of 479 respondents 177 representing 41.9 per cent of the respondents possess HND/BSc, it is also shows that 122 respondents out of the total respondents representing 27.2 per cent possess OND certificate.

Hypothesis Testing

Hypothesis 1: Ho says Social Capital does not have any impact on Entrepreneurship

The evidence on this is shown in the table 6 below, with documentary evidence from the selected respondent that social capital indicators such as trust, association activities and civic norms have positive impact entrepreneurship.

Table 6. Does social capital indicators such as trust, associational activities and civic norms have any impact in entrepreneurship in your community.

	Trust (Generalized and Institutional) Freq (%)	Association activities Freq (%)	Civic norms Freq (%)
Yes	375 (78.3)	401 (83.7)	357 (74.5)
No	104 (21.7)	78 (16.3)	122 (25.5)
Total	479 (100)	479 (100)	470 (100)

Source: Survey 2015

The F-value calculated 6.121 is greater than the table value of 2.12 at (0.05 level of freedom).

Hypothesis 2: H_1 says that Social Capital has a positive impact on Entrepreneurship. The descriptive statistics in table 6 above, established that social capital have positive impact on the entrepreneurship in Niger state, Nigeria.

Table 7. Analysis of Variance

3	Sum of Square	DF	Mean Square	F	Significance
Between groups	9.54619825	4	2.38654956	14.44	0.0000
Within groups	78.3619437	475	.165320556		
Total	87.908142	479	.183908247		

$\text{Chi}^2(3) = 237.6626$

$\text{Prob} > \text{chi}^2 = 0.000$

Significance at 0.05

The F-value is calculated by dividing the between groups mean square (2.38654956) by the within groups mean square (.165320556) i.e. $2.38654956 / .165320556 = 14.44$.

When inspecting a table of F-distribution, we look up degrees in the numerator (here is 70 and denominator (203) then find the value as 2.01 table value.

5.0 CONCLUSION AND RECOMMENDATION

This article has examined in detail the impact social capital on entrepreneurship in Niger State, Nigeria. Using trust (generalize and institutional), associational activities and civic norms as an indicator of social capital, the result shows that social capital has a positive impact on entrepreneurship in Niger State. This study also shows that social capital building will go a long way in solving the problem faced by individual who have interest in establishing on their (self-employ) and improve economic performance of the study area.

However, social capital could be seen as an activities aimed at improving the economic performance of a nation for the attainment of continuous improvement in productivity. Despite the results from this study, the following are recommended:

Government policies should designed to create and accumulate social capital in such a way that it would improve the economic performance of the country, Additionally, by investing money in governmental institutions to raise trust in these institutions or by fighting corruption to raise civic norms, governments could also promote social capital. By promoting bridging and bonding via social networks, governments would also be promoting entrepreneurship.

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