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Foreign Direct Investments and Entrepreneurship Development in Anambra State, Nigeria

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ABSTRACT: This study investigated foreign direct investments and entrepreneurship development in Anambra State, Nigeria. The study examined the effect of foreign technology, foreign capital inflow, and foreign portfolio investment on entrepreneurship development in Anambra State, Nigeria. The study reviewed relevant literature. The study was anchored on neo liberal theory and Internalization Theory. Descriptive research design was adopted. The population of the study comprised 5,394 entrepreneurship firms in Anambra State. The sample size for the study is 1052 entrepreneurs' across the Anambra States of Nigeria using Borg and Gall (1973) formula. The instrument was both face and content validated. The hypotheses were tested with ordinary least squares (OLS) multiple regression analysis. The result indicated that adoption of foreign technology had a significant positive effect on entrepreneurship development. Foreign capital inflows had a significant positive influence on entrepreneurship development. Foreign portfolio investment has a significant positive effect on entrepreneurship development. The study concluded that foreign direct investments had a significant positive effect on entrepreneurship development. The study recommended that competitive policie should be enacted by the government that will excuit proper functioning of foreign technology necessary to attract well targeted foreign investors in Nigeria. Government should ignite a police that will stop the inflow of managerial and marketing expertise by investing in human capital, infrastructure development; financial market development, institution quality, and trade openness that will positively develop entrepreneurship. The nation should adopt more trade openness and create enabling investment climate to reduce political risk, restrictions on capital flows, and removing any restrictions on imports in order to attract foreign portfolio investment and accelerate entrepreneurial development.

Keywords: Foreign Technology, Foreign Capital Inflow, Foreign Portfolio Investment and Entrepreneurship Development

1. INTRODUCTION

The role of entrepreneurship as an agent of economic development has gained considerable attention both in the literature and the policy thrust of developed and developing economies. There have been several arguments that large scale enterprises alone cannot play dynamic roles in the development of the economy rather small scale enterprises conscious efforts at building entrepreneurship capacity are the engines of productivity growth and economic development (Onwuka & Moneme 2022).

Abdullahi (2018) opined that for countries to accelerate their economic growth and development, it is necessary for them to build up the critical mass of first generation entrepreneurs because development is now linked to entrepreneurship. Entrepreneurship as argued by Abdullahi (2018) stands as a vehicle to improve the quality of life for individuals, families and communities and sustain a healthy economy and environment. The acceptance of entrepreneurship as a central developmental force has lead to economic development and advancement of private enterprises until an enabling environment necessary for entrepreneurship is created. The existence of such an environment largely depends on public policies promoting entrepreneurship development. Nduka, Ananwude & Osakwe (2019) posit that, given the critical role of entrepreneurship in economic growth of any nation and considering the absence of adequate technology and capital formation in developing countries, many developing countries have embarked on policies to promote and strengthen entrepreneurship development, which requires access to market opportunities, employee training, international production networks, technology transfers, introduction of new processes, and managerial skills and know-how in the direct market (Onwuka and Moneme 2022; Nduka, Atueyi, Osakwe & Mbanefo, 2021).

Hence, the roles foreign direct investment plays in new business development and growth of entrepreneurship in developing economies can never be over emphasized. Inflows of foreign direct investment have the capacity to play an important role in growth engendering, technology transfer, new market development, and enterprise restructuring. According to Nduka, Okolie & Ngangah, (2025), foreign direct investment is often seen as an important catalyst for entrepreneurial development in the developing countries because it stimulates direct investment, increases the stock of human capital via on-the-job training, increase capital formation and facilitates the utilization and exploitation of local raw materials, introduces modern techniques of management and marketing, and eases the access to new technologies (Falki, 2019). The realization of the importance of foreign direct investment on entrepreneurship development had led to radical and pragmatic economic reforms by the Nigerian government. The reforms were designed to increase the attractiveness of Nigeria investment opportunities and foster the growing confidence in the economy so as to encourage foreign investors to invest in the economy.

Umah (2017) opines that the reforms resulted in the adoption of liberal and market-oriented economic policies, the stimulation of increased private sector participation and elimination of bureaucratic obstacles. According to Ogunewe, Ananwude & Nduka, (2020), over the past decades foreign direct investment has been considered as the main engine of economic growth especially among emerging countries. The importance of foreign direct investment can be seen through the channels of technological transfer, new skill, knowledge and techniques in firms' production process, increase rivalry among the production for local and foreign producers, export and import as well as economic growth (Levine, 2017). Foreign direct investment which is an investment made to acquire lasting interest in enterprises operating outside of the economy of the investor, has long been a subject of great interest in the field of international business development. In an era of volatile flows of global capital, the stability of foreign direct investment and its emergence as an important source of foreign capital for developing economies has once again renewed interest in its linkages with sustainable economic growth. Foreign direct investment inflows contributed to a strengthening of the

balance of payments in several African countries (Egbo 2020).

Edozien (2018) stresses the linkages generated by foreign investment and its impact on the entrepreneurship development in Nigeria. He contends that foreign direct investment induces the inflow of capital, technical know-how and managerial capacity which accelerate the pace of entrepreneurship development. He also observed the pains and uncertainties that come with foreign direct investment. Numerous studies have identified foreign direct investment, as key to other sectors of the economy, but relatively little research seem to have investigated foreign direct investment and the relation with manufacturing sector. There is need therefore for more research in the subject to determine the effect of foreign direct investment and entrepreneurship development in Nigeria.

Statement of the Problem

Ideally, foreign direct investment generates a virtuous circle of higher productivity, increase skills, industry upgrading, and sophisticated indigenous firm, it can also be detrimental to entrepreneurship development in Nigeria if it crowds out direct businesses, prevent independent development strategy fashioned around direct technology and indigenous investors, distort direct labour force through discriminatory remuneration and stimulates inappropriate consumption pattern. The strategic problems of entrepreneurs are financial or capital shortage, marketing problems and customer concentration, management and inadequate skilled manpower, lack of systems and controls, and technology skills. Entrepreneurship is faced with several constraints which hinder its development. Entrepreneurs are constrained by lack of management skills, financial resources, poor economic conditions, substandard goods. They make wrong decision as a result of poor information system, lack of formality, incompetence in using or affording new technological development that brings innovations.

The empirical linkage between foreign direct investment and growth of entrepreneurship sector in Nigeria is yet unclear, despite the fact that numerous studies that have examined the influence of foreign direct investment on Nigeria's economy. The problems hindering the growth of the entrepreneurship sector in Nigeria are insecurity, political instability, market distorting, state-owned monopolies, weak infrastructure and unavailability of finance while added excessive bureaucracy and rampant corruption. Empirical studies of the effect of foreign direct investment on entrepreneurship development are concerned with either the overall effect on growth (or net welfare) or with specific aspects of the foreign direct investment impact on employment, technology, trade, entrepreneurship and other areas of the economy, such as, infrastructures, education and health. There is an unresolved conflict finding on the effect of foreign direct investment on entrepreneurship development in Nigeria. This prompted the researcher to investigate the effect of foreign direct investment on entrepreneurship development in Anambra State, Nigeria.

Objectives of Study

The main objective of this study is to investigate the effect of foreign direct investments on entrepreneurship development in Nigeria.The specific objectives are to:

1. Determine the effect of adoption of foreign technology on entrepreneurship development in Anambra State, Nigeria.
2. Investigate the effect of foreign capital inflows on entrepreneurship development in Anambra State, Nigeria;
3. Examine the extent which foreign portfolio investments affects entrepreneurship development in Anambra State, Nigeria

Research Questions

In line with the objectives of the study, the following research questions were formulated to guide this research.

1. To what extent does adoption of foreign technology affect entrepreneurship development in Anambra State, Nigeria?
2. To what level does foreign capital inflow affect entrepreneurship development in Anambra State, Nigeria?
3. To what magnitude does foreign portfolio investment affect entrepreneurship development in Anambra State, Nigeria

Hypotheses

The following hypotheses were formulated to guide the study

H_1: Adoption of foreign technology has no significant positive effect on entrepreneurship development in Anambra State, Nigeria

H_2: Foreign capital inflows have no significant positive effect on entrepreneurship development in Anambra State, Nigeria

H_3: Foreign portfolio investment has no significant positive effect on entrepreneurship development in Anambra State, Nigeria

2. LITERTURE REVIEW

Foreign direct investment

Foreign direct investment (FDI) is into production or business in a country by an individual or company of another country, either by buying a company in the target country or by expanding operations of an existing business in that country. Foreign direct investment is in contrast to portfolio investment which is a passive investment in the securities of another country such as stocks and bonds (Adeleke, Olowe & Fasesin 2022). Foreign direct investment represents a veritable source of foreign exchange and technological transfer, especially to a developing economy like Nigeria. It can be analyzed in terms of inflow of new equity capital (change in foreign share capital), re-invested earning (unremitted profit), trade and supplier's credit, net inflow of borrowing and other obligations from the parent company or its affiliates (Nwankwo, Ademola, and Kehinde 2023; Aniefor, Nduka, Ananwude & Ezeaku, 2021). The United Nations defined foreign direct investment as investment in enterprise located in one country but effectively controlled" by residents of another country (UNCTAD, 2019). Foreign direct investment is the distinctive feature of multinational enterprise hence; a theory of foreign direct investment is also a theory of the multinational enterprise as an actor in the world economy (Ekpo, 2020). Agada and Okpe (2022 saw foreign direct investment as an attempt by individuals, groups, companies and government of a nation to move resources of productive purpose across its country to another country with the anticipation of earning some surplus. Otepola (2022, asserted that foreign direct investment has emerged as the most important source of external resource flows to developing countries over the years and has become a significant part of capital formation in these countries, though their share in the global distribution of foreign direct investment continue to remain small or even declining.

Foreign direct investment is the process where people in one country obtain ownership of assets for the purpose of gaining control over the production, distribution and other activities of a firm in a foreign country (Moosa, 2022. Jenkin and Thomas (2022) are of opinion that foreign direct investment is expected to contribute to economic growth include the provision of foreign capital as well as crowding in additional direct investment. By promoting both forward and backward linkages with the direct economy, additional employment is indirectly created and further economic activity stimulated. Adegbite and Ayadi (2020) stated that foreign direct

investment helps fill the direct revenue-generation gap in a developing economy, given that most developing countries' governments do not seem to be able to generate sufficient revenue to meet their expenditure needs. Mwilima (2023) describes foreign direct investment as investment made to acquire a lasting management interest (usually at least 10% of voting stock) and acquiring at least 10% of equity share in an enterprise operating in a country other than the home country of the investor. foreign direct investment has further been explained as the long-term investment reflecting a lasting interest and control, by a foreign direct investor (or parent enterprise), of an enterprise entity resident in an economy other than that of the foreign investor. Mallampally and Sauvant (2019) describe foreign direct investment as investment by multinational corporations in foreign countries in order to control assets and manage production activities in those countries.

Entrepreneurship Development

Entrepreneurship phenomenon appeared in economics in 1930s but it got recognition as an important factor of social and economic change only in 1960s (Timmons and Spinelli 2016). For more than a decade the studies of entrepreneurship confined to large scale businesses and industry, and then to small scale industrial sector. The emergence and development of entrepreneurship is not a spontaneous one but a dependent phenomenon of economic, social, political, psychological variables often attributed as supporting conditions to development of commerce and industry (Hill & Mac Gowon 2019). Entrepreneurship development is the process of improving the techniques and knowledge of enterprise through different training and classroom programs. The whole point of entrepreneurship development is to multiply the number of entrepreneurs (Mbah, Ukwuani, and Okonkwo 2017)**.** By doing this, the pace at which new businesses or ventures are made gets better. On a broader level, this makes room for employment and improves the economy of a company or country. Entrepreneurship development targeted at individuals who want to start or possibly expand a business. Entrepreneurship development also focuses a lot on enhancing the ideas and potential of an entrepreneur. Entrepreneurial development will encourage entrepreneurs to create fresh enterprises, new commercial activities, and new economic sectors. They will generate jobs for others; produce goods and services for society; introduce new technologies and improve or lower cost outputs; and earn foreign exchange through export expansion or the substitution of imports. Entrepreneurial development will mobilize direct savings and utilization of local resources, (/www.vanguardngr.com/2016). Nwafor (2017) defined entrepreneurship development is the most effective method for creating new enterprises, and bringing new products and services to the market. These entrepreneurial activities significantly affect the economy of a society by building the economic base and providing job opportunities. To be enterprising is to keep your eyes open and your mind active. It is to be skilled enough, confident enough, creative enough, and disciplined enough to seize opportunities that present themselves regardless of the environmental influence (Nwafor 2017; Monogbe, Omotayo, Achugbu & Nduka, (2016).

Ajagbe (2022) opine that an act of being an entrepreneur is seen as "one who undertakes innovations with finance and business acumen in an effort to transform innovations into economic goods". Hence, "entrepreneurs perceive problems as opportunities, and then take action to identify the solutions to those problems and the customers who will pay to have those problems solved". Entrepreneurial success is simply a function of the ability of an

entrepreneur to see opportunities in the marketplace, initiate change (or take advantage of change) and creates value through solutions. Ajagbe and Ismail (2022) posit that "entrepreneurship is viewed as the capability and attitude of an individual or team of people to implement new ventures ideas with the possibility of success or failures. This situation requires that the person should be ready to assume a substantial level of risks, be a good leader in addition to being highly innovative. However, in business management, "entrepreneurship is regarded as the prime mover of a successful enterprise just as a leader in any organization must be the environmental change agents" (Ajagbe and Ismail 2022; Ekwunife, Nduka. & Ogini, (2022).

Theoretical Framework

Theoretically, this work was anchored on Neo liberals' theory by Matzner, (1996). Neo Liberals Theory which argues that foreign direct investment provides vast benefits to entrepreneurship development of host economy, (Matzner, 1996). This theory tried to describe how foreign direct investment brings advanced knowledge and value in the form of superior management qualities, business ethics, entrepreneurial attitudes, human capital development, and better production techniques in their host economies thereby exposing indigenous entrepreneurs to foreign and advance method of business practices. Also, foreign direct investment leads to the development of entrepreneurship of host economy by developing linkages with direct investors in terms of research and development (R&D) networks, backward linkages with suppliers, that is, the extent to which components, materials and services are sourced from within the host economy, and finally forward linkages with customers such as marketing outlets, which may be outsourced locally.

Technology Transfer and Entrepreneurship Development

Technology entrepreneurship is a concept of transforming research and potential of scientific institutions into new products and services, which significantly increases benefits to consumers and results in a faster economy growth in the future. By ensuring effective and synergistic relations where science meets economy (taking into account the wider effect of the so-called business environment), technology entrepreneurship focuses on implementing innovative solutions and ensuring their market success, as well as on using their applications and distributing their effects in the business environment (Flaszewska, & Lachiewicz 2023). In consequence, it has the potential to become one of the key factors in building the innovation potential of modern enterprises. Oyewale, Adeyemo and Ogunleye (2023) analyzed the impact technology and entrepreneurial development activities in Nigeria. The results showed that there is significant relationship between technological innovation and entrepreneurship development in Nigeria. It is therefore recommended that government should create a friendly or an enabling environment for entrepreneurship and consumer goods to boost the Nigeria economy. Willie, Aderemi , Abiodun and Maruf (2011) study the framework for developing technological entrepreneurship particularly for developing countries, with supporting policy directions. Technological entrepreneurship, which exploits existing scientific and technological knowledge to meet market needs is what brings about the national productivity and competitiveness that entrepreneurship is said to provide. The framework stresses the fact that the innovation process is facilitated by technological entrepreneurship which is in turn pre-conditioned within the context of favorable policies, institutions, financial and institutional sup- port.

Lall (2002) opined that technology inflow affects many factors in the economy and these

factors in turn affect entrepreneurship development. The role of technology inflow seems to be country specific and can be positive, negative or insignificant, depending on the entrepreneurship development, institutional and technological conditions in the recipient countries. For instance, Solomon and Eka (2023) investigated the empirical relationship between technology inflow Investment and entrepreneurship development in Nigeria. The work covered a period of 1981-2019 using an annual data from Central Bank of Nigeria statistical bulletin. A growth model via the Ordinary Least Square method was used to ascertain the relationship between technology inflow and entrepreneurship development in Nigeria. The result of the OLS techniques indicated that technology inflow has a positive but has insignificant impact on Nigerian entrepreneurship development for the period under study. Alejandro (2020) explained effect of technology inflow and entrepreneurship development. It can provide that entrepreneurship with new markets and marketing channels, cheaper production facilities access to new technology products, skills and financing for a host country or the foreign firms which investment, it can provide a source of new technologies, capital processes products, organization technologies and management skills and other positive externalities and spillover that can provide a strong impetus entrepreneurship development.

Foreign Capital Inflow and Entrepreneurship Development

The role of foreign capital in promoting and enhancing entrepreneurship development has been established in the extant literature. Several strands of literature have shown that through capital inflow developing economies can supplement their entrepreneurship development by providing the needed developmental project that will aid growth and eradicate poverty among the populace. Majority of the developing economies face savings and foreign exchange constraints and relied on the inflow of foreign capital in closing the gap. The theoretical underpinning for the justification of foreign capital is the two-gap model (Nwokoma, 2023) which was developed by Chenery and Strout (1966). According to this model, foreign capital is required in closing the savings and investment gap and the foreign exchange gap faced by entrepreneurship development.

Dauda (2018) investigated the trends, behavioural patterns and growth implications of foreign private capital flows in Nigeria. It is a contribution to the often-debated role of foreign capital flows into economies of developing countries However, there is positive relationship between index of openness, foreign private capital flow; proxied by foreign direct investment and equity or portfolio investment and GDP during the period under review. Dauda; Ayanwale and Bamire (2004) studied direct foreign private capital flows and firm level productivity. The study examined the impact of foreign private capital flows on the productivity at the firm level in the agro-allied sector of the Nigerian economy. The result of the impact of foreign private capital flows on productivity growth showed that there is positive and significant spillover effect at the firm level. Okomoh (2004) studied the role of business in society, foreign private capital flows and their impact on sustainable development in Nigeria. He found out that capital inflow is capable of making significant and direct contribution to sustainable development in Nigeria. However, it might, in the long run, not guarantee sustainable development in its entire ramification. He attributes this to the political instability of the country.

Akomolafe, (2023) focused mainly on the relationship between foreign capital inflows and entrepreneurship development. Consequently, policy recommendations that

emanated from these studies were aggregate-based rather than sector-specific. This neglect might have hampered the level of investment and growth of some sector, which are capable of generating sustainable productive employment opportunities.

Foreign Portfolio Investments and Entrepreneurship Development

Foreign Portfolio Investments (FPI) includes a variety of instruments that are traded (or tradable) in organized and other financial markets: bonds, equity, and money market instruments (equity and debt securities). Historically, FPI is seen as a source of foreign private capital to any economy. It plays a prominent role in positioning a country for socioeconomic development. Because no country is an island on its own in term of resources needed to stimulate investment, generate employment and foster entrepreneurship development recourse must be made from time to time to encourage foreign investment to bridge the financial gaps between revenue and planned expenditure, balance of payment differences, term of trade (Anusi & Nduka, 2022).

Akpan (2020) Nwosa and Amassoma (2022) examined the causal nexus between foreign portfolio investment, and entrepreneurship development in Nigeria. The long run regression estimate revealed that foreign portfolio investment had positive effect on entrepreneurship development and interest rate in Nigeria. Okoafor, Ezeaku and Izuchukwu (2015) investigates the relationship between foreign portfolio investments and entrepreneurship development in Nigeria. The result of the analyses reveals that foreign portfolio investments (FPI) have a significant relationship with entrepreneurship development in Nigeria. Paul and Callistus (2016) investigate the impact of foreign portfolio investment and entrepreneurship development on economic growth in Nigerian. For the period 1980 to 2022 using OLS, it was reviled that in the long term, entrepreneurship development and foreign portfolio investment impacts on employment growth positively and significantly. Baghebo and Apere (2022) examined the relationship between foreign portfolio investment and entrepreneurship development in Nigeria from 1986 to 2011. The result of the study indicates that foreign portfolio investment has a positive long run relationship with entrepreneurship development product.

Adegboye, Ogbebor and Egharvba (2022) examined the dynamic relationships existing between entrepreneurship development and the foreign portfolio investment. Results from the empirical analysis indicated that the categorization of foreign portfolio investment has significant relevance with regards to their effect on entrepreneurship development in Nigeria.

Empirical Review

Several studies have investigated effect of foreign direct investment on entrepreneurship development for example Jerome and Ogunkola (2022) assessed the magnitude, direction and prospects of foreign direct investment in Nigeria. They noted that while the foreign direct investment regime in Nigeria was generally improving, some serious deficiencies remain. These deficiencies are mainly in the area of the corporate environment (such as corporate law, bankruptcy, labour law, etc.) and institutional uncertainty, as well as the rule of law. The establishment and the activities of the Economic and financial crimes commission, the independent corrupt practices commission, and the Nigerian investment promotion commission are efforts to improve the corporate environment and uphold the rule of law.

Adigwe, Ezeagba and Francis (2024) examine the relationship between foreign direct investment, exchange rate and gross direct product. Using time series data, data for the study were collected from CBN Statistical Bulletin from 2018 to 2023. Pearson Correlation was used to test the hypothesis with aids of SPSS version 20.0. Their findings revealed that there is a significant relationship between foreign direct investment, EXR and GDP, indicates that economic growth in Nigeria is directly related to foreign direct investment and exchange rate.

Okonkwo, Egbunike and Udeh (2024) empirically investigate the effect of foreign direct investment on Nigeria's economic growth over the period 1990 to 2022. The study made use of ordinary least squares (OLS) estimation techniques in analyzing the secondary data. The secondary data were mainly sourced from Central Bank of Nigeria statistical bulletin (CBN), Annual report and Statement of accounts. The result shows that Export assumes a positive sign which implies that there is a positive relationship between Economic growth and Export.

Olayemi, Simon, and Michael (2022) examined how real is the contribution of foreign direct investment to entrepreneurship in Nigeria, using descriptive method of analysis. The analysis reveals only the evidence of significant domination in oil and gas and oil servicing industries, which mainly accounted for the unabated level of unemployment of both human and material resources. In addition, the study also discovered that the indigenous know-how among local artisans is also less competitive. The study therefore concludes that the entrepreneurship contribution of foreign direct investment is highly insignificant to realize the vision of government in Nigeria and suggest more participation and contribution of foreign entrepreneurs to support the industrialization efforts of the country.

Adeleke, Olowe and Fasesin (2022) analyzed the impact of foreign direct investment on Nigeria economic growth over the period of 1999- 2023. The main type of data used in this study is secondary; sourced from various publications of Central Bank of Nigeria, such as; Statistical Bulletin, Annual Reports and Statement of Accounts. The regression analysis of the ordinary least square (OLS) is the estimation technique that is being employed in this study to determine the relationship between and impact of the Direct Foreign Investment on economic growth. The findings revealed that economic growth is directly related to inflow of foreign direct investment and it is also statistical significant at 5% level which implies that a good performance of the economy is a positive signal for inflow of foreign direct investment. This implies that foreign direct investment is an engine of economic growth. The study recommended that government should liberalize the foreign sector in Nigeria so that all barriers to trade such as arbitrary tariffs; import and export duties and other levies should be reduced so as to encourage investors.

Saibu and Keke (2022) examined the impact of Foreign Private Investment on economic growth using annual time series data from Nigerian economy. The paper employed Cointegration and Error Correction Mechanism (ECM) techniques to empirically analyze the relationship between foreign private investment and economic growth and to draw policy inferences on the observed relationship. The study revealed that there was a substantial feedback of 116% and 78% from previous disequilibria between long-run economic growth and foreign private investment respectively. The findings also indicated that a substantial proportion of capital inflow were not productively invested however the relatively small proportion (22%) of net capital inflows invested, contributed significantly to economic growth in the Nigerian economy. The political environment was found to be unfavorable and overwhelmed

the positive impact of foreign private investment

Eravwoke and Imide (2023) analyzed corruption, foreign direct investment and its impact on exchange of the Nigerian economy. The ultimate objective of this study centers on an empirical investigation of the impact of corruption, foreign direct investment and its impact on exchange rate of the Nigerian economy. In order to achieve these objectives the study used the ordinary least squares regression analyses, augmented dickey fuller unit root test and the co-integration test. The unit root test revealed that all the variables were stationary at first difference and the short run result revealed that corruption is very high in Nigeria and that have help to depreciate the currency of the country with regards its exchange to other currencies.

Omankhanlen, (2021) deals with the effect of foreign direct investment on the Nigerian economy over the period 1980-2019. He examined empirically if the following growth determining variables in the economy-Balance on current account (Balance of payment), Inflation and Exchange rate have any effect on Foreign Direct Investment. Foreign direct investments have any effect on Gross Direct Product (GDP). The study developed Econometric models to investigate the relationships between the aforementioned variables and foreign direct investment. Based on the data analysis it was discovered that foreign direct investments have positive and significant impact on current account balance ttract foreign direct investment with all its implications for rapid and sustainable economic growth.

3. METHODOLOGY

The study adopted descriptive survey design because a sample of the population of interest collected, analyzed and the result generalized for the entire population of interest. Descriptive survey has to do with the selected sample of the population in a study and use of questionnaire as the instrument for data collection is common with survey studies.The study was conducted in the Anambra State, Nigeria. Anambra is a State in South-Eastern part of Nigeria. The population for this study consists 5394 entrepreneurs located in the Anambra State States of Nigeria. The following figures were identified for each state in the study respectively: Onitsha – 1,352; Nnewi – 1,231; Ihiala – 793; Ekwulobia – 1,003 and Awka – 1,015. Therefore, the total population for the study is estimated to be 5,394 entrepreneurs. The sample size for the study comprised 1052 entrepreneurs which was determined through the application of a formula developed by Borg and Gall in 1973. The study adopted face and content validated. The reliability of the instrument was achieved through the application of test re-rest method and Spearman rank order correlation coefficient. The research questions were analyzed through simple percentages and the hypotheses were tested using multiple regression analysis. All tests were conducted at 0.05 level of significance.

4. RESULT AND DISCUSSION

1052 copies of the questionnaire were issued out, 1021 were completed and returned thus showing a response rate of 97 percent. The table also shows that 1021 Copies of valid questionnaire were returned. 32 copies of questionnaire were invalid showing 3 percent response rate

Analysis of Research Questions

Research Question One: To what extent does adoption of foreign technology influence entrepreneurship development in Anambra State, Nigeria? Accordingly, the opinions of the respondents on the issue are presented below:

:

Table 4.: Influence of Foreign Technology on Entrepreneurship Development

S/N	Items of the Questionnaire	SA	A	UD	SD	D	SD	Total
1	Technology transfer are contingents on the absorptive capability of entrepreneurship development to the host countries	457 (44.8)	461 (45.2)	23 (2.3)	45 (4.4)	35 (3.4)	45 (4.4)	1021 (100.0)
2	Technology transfer consistently contributed to raising entrepreneurship development	469 (46.0)	470 (46.0)	21 (2.1)	31 (3.0)	29 (2.8)	31 (3.0)	1021 (100.0)
3	Technology transfer build plants in nations where they can produce goods for export at lower costs	459 (45.0)	485 (47.5)	17 (1.7)	40 (2.0)	20 (2.0)	40 (2.0)	1021 (100.0)
4	Technology transfer provide a path for emerging nations to export the products	501 (49.1)	457 (44.8)	18 (1.8)	25 (2.4)	20 (2.0)	25 (2.4)	1021 (100.0)
5	Technology inflow contributes to entrepreneurship development via technology transfer	457 (44.8)	461 (45.2)	23 (2.3)	45 (4.4)	35 (3.4)	45 (4.4)	1021 (100.0)
	TOTAL	2343 (45.9)	2334 (45.7)	102 (2.0)	186 (3.6)	139 (2.7)	186 (3.6)	5105 (100.0)

Note: (SA = Strongly Agree; A = Agree; D = Disagree; SD = Strongly Disagree and UND = Undecided).

Table 4shows that on the average, 45.9 percent of the respondents strongly agreed with all the statements of the items, 45.7 percent merely agreed, 3.6 percent of them strongly disagreed, 2.7 percent disagreed while 2 percent were undecided on the issues raised concerning the adoption of foreign technology influence entrepreneurship development in Anambra State, Nigeria. But apart from the averages, there are variations across the items. For instance, 49.1 percent and 44.8 percent strongly agreed and merely agreed with item 4 while 44.8 percent and 45.2 percent did so for item 1 respectively.

Research Question Two: To what extent does foreign capital inflows affect entrepreneurship development in Anambra State, Nigeria? Accordingly, the opinions of the respondents on the issue are presented in the table below:

Table 5: Effect of Foreign Capital Inflows on Entrepreneurship Development

S/N	Items of the Questionnaire	SA	A	UD	SD	D	SD	Total
1	Huge capital inflow has been the major cause of financial crisis.	459 (45.0)	500 (49.0)	12 (1.2)	30 (2.9)	20 (2.0)	30 (2.9)	1021 (100.0)
2	High capital inflow into an economy can cause overheating of the macroeconomic, inflationary pressure	441 (43.2)	493 (48.3)	20 (2.0)	36 (3.5)	31 (3.0)	36 (3.5)	1021 (100.0)
3	Huge capital inflow can cause a problem in the management of the economy	457 (44.8)	478 (46.8)	20 (2.0	45 (4.4)	21 (2.1)	45 (4.4)	1021 (100.0)
4	Foreign capital inflow promoting and enhancing entrepreneurship development	461 (45.2)	500 (49.0)	15 (1.5)	25 (2.4)	20 (2.0)	25 (2.4)	1021 (100.0)
5	Foreign capital inflow promoting the	458	501	12	31	19	31	1021

growth of developing economies	(44.9)	(49.1)	(1.2)	(3.0)	(1.9)	(3.0)	(100.0)	
TOTAL	2276 (44.6)	2472 (48.2)	79 (1.5)	167 (3.3)	111 (2.2)	167 (3.3)	79 (1.5)	5105 (100.0)

Note: (SA = Strongly Agree; A = Agree; D = Disagree; SD = Strongly Disagree and UND = Undecided).

It could be seen from Table 5 that on the average, 44.6 percent of the respondents strongly agreed with all the statements of the item, 48.2 percent also agreed, 3.3 percent disagreed, 2.2 percent strongly disagreed and 1.5 percent of them are undecided on the issues raised. It can therefore be said that about 92.8 percent of the respondents agreed that the foreign capital inflows affect entrepreneurship development in Anambra State, Nigeria. But apart from the averages as presented above, there are equally variations across the items depending on the perception of the respondents. For instance, whereas 44.8 percent and 46.8 percent strongly agreed and merely agreed with item 3, 43.2 percent and 48.3 percent did so for item 2 respectively.

Research Question Three: To what degrees does foreign portfolio investment affect entrepreneurship development in Anambra State, Nigeria?

Table 6: Foreign Polio Investments on Entrepreneurship Development

S/N	Items of the Questionnaire	AS	A	SD	D	UD	Total
1	Foreign polio investments includes a variety of instruments that are traded in organized and other financial markets	439 (43.0)	321 (51.0)	30 (2.9)	20 (2.0)	11 (1.1)	1021 (100.0)
2	Foreign polio investments is seen as a source of foreign private capital to any economy	457 (44.8)	461 (45.2)	45 (4.4)	35 (3.4)	23 (2.3)	1021 (100.0)
3	Foreign polio investments plays a prominent role in positioning a country for entrepreneurship development	501 (49.1)	457 (44.8)	25 (2.4)	20 (2.0)	18 (1.8)	1021 (100.0)
4	Foreign polio investments generate employment and foster entrepreneurship development	457 (44.8)	461 (45.2)	45 (4.4)	35 (3.4)	23 (2.3)	1021 (100.0)
5	Foreign polio investments bridge the financial gaps between revenue and planned expenditure, balance of payment differences, term of trade	481 (47.1)	450 (44.1)	31 (3.0)	30 (2.9)	29 (2.8)	1021 (100.0)
	TOTAL	2335 (45.7)	2350 (46.0)	176 (3.4)	140 (2.7)	104 (2.0)	5105 (100.0)

Note: (SA = Strongly Agree; A = Agree; D = Disagree; SD = Strongly Disagree and UND = Undecided).

From Table 6, it could be seen that 45.7 percent on the average strongly agreed with all the statements of the item, 46 percent agreed, 3.4 percent strongly disagree, 2.7 percent disagreed and 2 percent were undecided. The fact that 91.7 percent agreed on the aggregate is an indication that effect of overseas development assistance on entrepreneurship development in Anambra State, Nigerian is high.

Test of Hypotheses

The tests were conducted to verify the claims of the null hypotheses so as to be properly guided in taking decisions concerning the results of the hypotheses. The hypotheses were set mainly to determine the effect of various competencies on the growth of business enterprises. Answers to the research questions have already shown that the acquisition of the

said competencies are quite necessary to successful entrepreneurship but the hypothesis aspect is still very necessary to confirm whether the answers are statistically significant or whether they occurred by chance.

Table 7: Summary of the Analysis of Variance (ANOVA) for the Model

Source of Variation	Df	Sum of Squares	Mean Square	F-ratio	Sig.
Regression	4	279.281	69.820	18.624	.000[a]
Residual	145	543.569	3.749		
Total	149	822.850			

a. Predictor: (constant), FT, FCI, FPI
b. Dependent variable: ED

Table 7 presents the summary of analysis of variance (ANOVA) for the regression model. The table shows that F-Statistic is 18.624 and the probability level is .000 which is less than $P \leq 0.05$. The implication is that overall, regression model is statistically significant, valid and fit for prediction.

Table 8: Summary of Regression Results

Model	R	R.Square	Adjusted R-Square	Standard Error of the Estimate
I	0.857	0.741	0.709	0.69527

a. Predictor: (constant), FT, FCI, FPI

As could be seen from Table 8, regression coefficient represented by 'R' has the value of 0.857 and it means that 85.7 percent relationship exists between the dependent and the independent variables. Similarly, the coefficient of determination represented by 'R^2'has the value of 0.741 and it means that 74.1 percent of the variation in the dependent variable can be explained by the independent variables in the model. The R^2 being the explanatory power of the model shows that the changes in entrepreneurship development can be accounted for by foreign technology, , foreign capital inflows, and foreign portfolio investment.

Table 9: Coefficients of the Predictor Variables, t-values and the Significant Level

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1(Constant)	-.187	.207	-	.741	.000
Foreign Technology	.717	.053	.711	11.203	.000
Foreign Capital Inflows	.178	.059	.754	3.148	.010
Foreign Portfolio Investment	.513	.065	.525	3.715	.001

a. Dependent Variable: Entrepreneurship Development.

Table 9 presents the coefficients of the respective variables as well as the t-values and the probability levels. As could be seen from the table also, many of the predictors have

high coefficients. For instance, predictors such foreign technology, foreign capital inflows, and foreign portfolio investment are quite high in predicting the dependent variable, entrepreneurship development. It is also worthy of note that all the expected signs the a priori, obeyed the theoretical expectations.

Test of Hypotheses

The formulated hypotheses was re-stated in this section of the analysis to ensure that the objectives as well as the research questions are well located in the hypotheses which we are testing to establish that the answers to the research questions did not occur by chance but with statistical significance. All tests were conducted at 0.05 level of significance. That being the probability at which we were willing to risk type I error.

H_{01}: Adoption of foreign technology has no significant positive effect on entrepreneurship development in Anambra State, Nigeria

H_{02}: Foreign capital inflows have no significant positive influence on entrepreneurship development in Anambra State, Nigeria

H_{03}: Foreign portfolio investment has no significant positive effect on entrepreneurship development in Anambra State, Nigeria

Interpretation of Regression Results

In interpreting the regression results, we considered the value of the coefficients (α), t-statistic and the significance level. From Table 9, the values of the regression coefficients, shows that relative contributions in predicting the dependent variable which in this case is entrepreneurship development. The decision rule about the significance of the coefficient or otherwise was based on the interpretation of the results.

Decision Rule I

Starting with the coefficient of foreign technology which is represented by α_1, the value is .711 which means that when foreign technology is increased by one unit of entrepreneurship development would increase by 7.1 percent if other variables in the functional equation are held constant. The t-value of 11.203 and the probability level of .000 corresponding to the coefficient show that it was significant. This is because the probability level 0.000 is less than 0.05 level of significance set for the study.

Decision Rule II

At 0.05 level of significance and t-value (11.203), the coefficient is positive and significant. Consequently, we reject the null hypothesis and accept the alternative which suggests that foreign technology affects entrepreneurship development positively and significantly. In a similar vein, the coefficient of foreign capital inflows represented by α_3 in the model is .754 and it means that when foreign capital inflows is increased by one unit, of entrepreneurship development will increase by 7.5 percent if other factors in the functional equation (model) are not allowed to vary. The t-value of 3.148 and the probability level of 0.01 corresponding to the coefficient shows that the coefficient was positive and significant because 0 .01 is less than the significance level 0.05 set for the study.

Decision Rule III

At 0.05 level of significance and t-value of 3.148, the coefficient is significant and positive. Consequently, the null hypothesis was rejected while the alternative which suggests that the development of foreign capital inflows by the entrepreneurs lead to entrepreneurship development was accepted.

Summary of Findings

The data generated were analyzed using simple percentage analysis while the hypotheses formulated were tested using

ordinary least squares (OLS) multiple regression analysis. The finding shows that:
1. Adoption of foreign technology had a significant positive effect on the performance of entrepreneurship development in Anambra State, Nigerian.
2. Foreign capital inflows had a significant positive influence on the performance of entrepreneurship development in Anambra State, Nigeria.
3. Foreign portfolio investment has a significant positive effect on the performance of entrepreneurship development in Anambra State, Nigeria.

5 CONCLUSION

The study investigates the foreign direct investments on the performance of entrepreneurship development in Anambra State, Nigeria. It has been argued in the literature effect of foreign direct investments on the performance of entrepreneurship development in Anambra State, Nigeria have two overriding effects, the positive and negative. From the analysis, it was discover that adoption of foreign technology, foreign capital inflow, and foreign portfolio investment had a significant positive effect on entrepreneurship development in Anambra State, Nigeria. Base on the result of the analysis, the study concludes that foreign direct investments had a significant positive effect on the performance of entrepreneurship development in Anambra State, Nigeria. The study made the following recommendations:

1. Competitive policies should be enacted by the government that will ensure proper functioning of foreign technology necessary to attract well targeted foreign investors in Nigeria. Also, foreign companies that kill local productive and manufacturing efforts should not be allowed to operate in Nigeria's local business environment in other to encourage entrepreneurship development.

2. Government should endeavor to create competitive entrepreneurship development environments that will be attractive to foreign investors since promoting trade and investment through sound economic policies and strengthened institutions are essential in maximizing the benefits from foreign capital inflows in the region.
3. Government should creation of enabling investment climate in Nigeria by curtail political risk, fight against corruption, removing restrictions on capital flows, and removing any restrictions on imports in order to attract foreign portfolio investment and accelerate entrepreneurial development

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