

INSTITUTIONAL SUPPORT, POLICY ENVIRONMENT, AND ENTREPRENEURIAL CONTRIBUTIONS TO THE SDGS IN MONGUNO, NIGERIA

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Abstract

This study investigates the intersections of institutional support, the policy environment, and entrepreneurial contributions to the Sustainable Development Goals (SDGs) in Monguno Local Government Area (LGA), Borno State, Nigeria—a conflict-affected, displacement-hosting secondary urban centre in the Lake Chad Basin. The research is located at the nexus of two analytical domains: the developmental role of entrepreneurship in post-conflict and fragile settings, and the structural conditions—institutional capacity, regulatory quality, and policy coherence—that enable or constrain entrepreneurial activity. Embedded within a thematic focus on human security, social cohesion, and internal displacement, the study examines how entrepreneurial ecosystems function under conditions of protracted displacement and how institutional frameworks can be restructured to amplify the contributions of entrepreneurship to SDG 8 (Decent Work and Economic Growth), SDG 11 (Sustainable Cities and Communities), and SDG 16 (Peace, Justice, and Strong Institutions). Methodologically, the study employs a mixed-methods design combining structured enterprise surveys (n = 380), key informant interviews (n = 26), focus group discussions (n = 10), and institutional document analysis across five purposively selected wards in Monguno town. The study is anchored in Institutional Theory, Entrepreneurial Ecosystem Theory, and the Human Security Framework. Findings reveal that entrepreneurial activity in Monguno is characterised by high informality, vulnerability to security shocks, and systematic exclusion of internally displaced persons (IDPs) from formal support mechanisms. Institutional support is fragmented, poorly coordinated, and biased toward registered, host-community-owned enterprises. Policy incoherence between humanitarian, developmental, and economic governance frameworks further undermines entrepreneurial potential. The paper argues that realising the SDG contributions of entrepreneurship in Monguno requires a paradigm shift toward inclusive, conflict-sensitive, and displacement-aware enterprise development policy, supported by strengthened local institutions and coherent multi-level governance.

Keywords: *Institutional support, policy environment, entrepreneurship, SDGs, human security, social cohesion, internal displacement, peacebuilding, SDG 8, SDG 11, SDG 16*

1.0 INTRODUCTION

The relationship between entrepreneurship and sustainable development has attracted increasing scholarly and policy attention since the adoption of the 2030 Agenda for Sustainable Development by all United Nations member states in 2015 (United Nations, 2015). Entrepreneurship—broadly understood as the identification, evaluation, and exploitation of opportunities to create economic and social value under conditions of uncertainty (Shane & Venkataraman, 2000; Hitt et al., 2001)—is now widely recognised as a critical mechanism through which the SDGs

can be advanced, particularly in developing and fragile state contexts where conventional public-sector delivery is constrained (George et al., 2016; Shepherd & Patzelt, 2011; UNCTAD, 2020). Yet the conditions under which entrepreneurship actualises its developmental potential are profoundly shaped by institutional structures and policy environments—the formal rules, regulatory frameworks, enforcement mechanisms, informal norms, and governance architectures within which entrepreneurs operate (North, 1990; Baumol, 1990; Acemoglu & Robinson, 2012).

Monguno Local Government Area in Borno State, Nigeria, represents an analytically significant and practically underexplored context for examining these dynamics. Located approximately 135 kilometres north of Maiduguri in the Lake Chad Basin, Monguno has been transformed by a decade of Boko Haram insurgency and successive IDP influxes from a small market town of approximately 60,000 into an urban agglomeration hosting over 250,000 people—of whom the majority are internally displaced (OCHA, 2023; NRC, 2022). This demographic transformation has simultaneously created acute humanitarian needs and, paradoxically, generated new entrepreneurial opportunities: demand for goods, services, and construction has expanded enormously, and both IDP and host community entrepreneurs have demonstrated remarkable adaptive capacity in filling market gaps created by institutional collapse (Mercy Corps, 2021).

However, the institutional and policy environment within which Monguno's entrepreneurs operate is severely dysfunctional. The formal institutional architecture—business registration systems, microfinance institutions, business development services, regulatory bodies—has been largely destroyed or de facto suspended by the security crisis. Informal institutions—customary commercial practices, trade associations, community savings groups—have partially filled this void but face their own limitations in terms of reach, inclusivity, and scalability. The policy environment is characterised by a persistent disconnect between the humanitarian programming of international organisations (which focuses on immediate needs but largely ignores market systems and enterprise development), the post-conflict reconstruction agenda of the federal and state governments (which tends to privilege large-scale infrastructure over local enterprise), and the SDG framework (which articulates ambitious goals for decent work, economic growth, and inclusive institutions but provides limited operational

guidance for fragile settings) (Betts & Collier, 2017; Duvendack & Mader, 2020).

This paper addresses three interrelated research questions. First, what is the nature and extent of entrepreneurial activity in Monguno, and how does the presence of large-scale IDP populations shape the local entrepreneurial ecosystem? Second, how do formal and informal institutional structures and the prevailing policy environment enable or constrain entrepreneurial contributions to SDG 8, SDG 11, and SDG 16 in Monguno? Third, what reforms to the institutional and policy architecture are necessary to unlock the full developmental potential of entrepreneurship in Monguno and similar displacement-affected urban centres in Nigeria? Consequently, the paper makes four principal contributions to the scholarly literature. First, it provides the first systematic empirical analysis of the entrepreneurial ecosystem in Monguno, filling a significant gap in the literature on enterprise development in conflict-affected secondary cities in Nigeria. Second, it integrates Institutional Theory, Entrepreneurial Ecosystem Theory, and the Human Security Framework into a multi-level analytical model capable of capturing the complex interactions among displacement, institutions, policy, and entrepreneurial outcomes. Third, it generates conflict-sensitive, displacement-aware policy evidence that is directly relevant to Nigeria's SDG implementation commitments. Fourth, it contributes to the emerging literature on "entrepreneurship in extremis" (Doern et al., 2019)—the study of entrepreneurial behaviour under conditions of profound institutional uncertainty and security fragility.

The paper is structured as follows. Section 2 presents a comprehensive literature review spanning 2000 to 2026. Section 3 develops the theoretical framework. Section 4 details the research methodology. Section 5 presents the findings and analysis. Section 6 discusses the implications of the findings. Section 7 concludes with policy recommendations.

2.0 LITERATURE REVIEW***Entrepreneurship, Institutions, and Development***

The scholarly foundation for understanding the relationship between institutions and entrepreneurship was established by North (1990), whose seminal work on institutions, institutional change, and economic performance argued that the "rules of the game"—both formal (laws, regulations, property rights) and informal (norms, conventions, self-imposed codes of conduct)—profoundly shape the incentive structures that govern entrepreneurial behaviour. Baumol (1990) extended North's framework by demonstrating that the allocation of entrepreneurial effort between productive, unproductive, and destructive activities is largely determined by the institutional environment: where institutions reward rent-seeking and political corruption, entrepreneurial talent flows toward these activities rather than toward innovation and value creation.

The empirical literature on institutions and entrepreneurship in developing country contexts has confirmed and extended these theoretical insights. Acemoglu and Robinson (2012) demonstrated that inclusive economic institutions—characterised by secure property rights, access to finance, and rule of law—are a prerequisite for sustained entrepreneurial dynamism and economic development, while extractive institutions systematically undermine entrepreneurial incentives. Klapper et al. (2006) documented the relationship between regulatory quality and new firm formation across 84 countries, finding that burdensome entry regulations significantly depress formal entrepreneurship. In the African context, Bruton et al. (2010) examined how informal institutions—including ethnic networks, kinship ties, and community norms of reciprocity—substitute for weak formal institutions in supporting entrepreneurial activity, though with limitations in terms of reach and scalability.

More recent scholarship has examined the specific institutional challenges facing

entrepreneurs in fragile and conflict-affected settings. Doern et al. (2019) introduced the concept of "entrepreneurship in extremis" to describe entrepreneurial behaviour under conditions of profound environmental disruption, including natural disasters, political crises, and armed conflict. Their systematic review found that entrepreneurship under conditions of extreme adversity is characterised by radical improvisation, heavy reliance on social networks, and a blurring of the boundaries between economic and social objectives—characteristics that are directly relevant to the Monguno context. Williams and Shepherd (2016) examined how entrepreneurs respond to institutional voids in post-disaster settings, demonstrating that bricolage—the creative recombination of available resources—is the dominant entrepreneurial strategy in the absence of functional formal institutions.

Entrepreneurial Ecosystems in Fragile and Post-Conflict Settings

The concept of the entrepreneurial ecosystem—understood as the complex system of interdependent actors, institutions, and cultural factors that together shape entrepreneurial activity in a given territory (Isenberg, 2011; Spigel, 2017; Stam, 2015)—has emerged as a powerful analytical framework for understanding the territorial determinants of entrepreneurial performance. Isenberg's (2011) foundational model identified six ecosystem domains: policy, finance, culture, supports, human capital, and markets. Stam (2015) refined this model by distinguishing between ecosystem conditions (the background factors) and ecosystem outputs (the quality and quantity of entrepreneurial activity they produce), and by foregrounding the role of coordinating institutions.

The application of entrepreneurial ecosystem theory to fragile and conflict-affected settings (FCAS) has generated a growing body of empirical literature. Kenney and Engelman (2017) examined the entrepreneurial ecosystem in post-conflict Liberia, finding that

the destruction of formal institutional infrastructure had paradoxically created space for informal institutional innovation—including community-based savings groups, trade associations, and diaspora networks—that partially substituted for formal ecosystem supports. Naude (2011) argued that entrepreneurship in post-conflict settings faces a distinctive "double bind": the destruction of the security environment that formal entrepreneurship requires, combined with the creation of demand shocks that generate powerful entrepreneurial incentives. The resolution of this bind depends critically on the institutional response capacity of the state and the international development community.

In the West African context, Liedholm and Mead (2013) documented the role of micro- and small enterprises (MSEs) in post-conflict economic recovery in Sierra Leone and Liberia, demonstrating that MSEs in the informal sector were the primary source of employment and livelihood diversification in the immediate post-conflict period. However, their capacity to grow and formalise was severely constrained by institutional deficits—particularly in access to finance, business development services, and secure land tenure. Mercy Corps (2021) produced an assessment of market systems in Borno State, Nigeria, that documented the resilience of informal enterprise networks in conflict-affected towns including Monguno, but found that the absence of institutional support had locked these enterprises into low-productivity, subsistence-level activities.

Policy Environment and Entrepreneurship in Nigeria

Nigeria's policy environment for entrepreneurship has been extensively examined in the scholarly literature, typically with mixed assessments. The country has undertaken a succession of enterprise development policy initiatives since 2000, including the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) establishment in 2003, the National Enterprise

Development Programme (NEDEP) in 2013, the Presidential Enabling Business Environment Council (PEBEC) reforms initiated in 2016, and the Micro, Small and Medium Enterprises Survival Fund launched in 2020 in response to the COVID-19 pandemic (SMEDAN, 2021; World Bank, 2022). However, scholars have consistently identified persistent implementation gaps between policy ambition and operational reality (Agwu, 2014; Ogundele, 2007; Eniola & Entebang, 2015).

Specific critiques of Nigeria's enterprise development policy landscape centre on four recurring themes. First, policy centralisation: the principal enterprise support mechanisms are designed and administered at the federal level, with limited adaptation to subnational context, disadvantaging states and LGAs with distinctive economic geographies (Eniola & Entebang, 2015). Second, financial exclusion: despite a proliferation of microfinance policy initiatives, access to formal finance remains severely limited for micro and small enterprises, particularly in rural and conflict-affected areas (Quartey et al., 2017; Ayyagari et al., 2021). Third, gender and social exclusion: enterprise support programmes systematically underserve women entrepreneurs and socially marginalised groups, perpetuating structural inequalities (Adisa et al., 2014; Mordi et al., 2010). Fourth, conflict insensitivity: enterprise development policy frameworks largely fail to account for the distinctive institutional and security challenges facing entrepreneurs in FCAS, resulting in interventions ill-suited to the needs and capacities of conflict-affected populations (Naude, 2011; UNCTAD, 2020).

In the North-East Nigeria context, the post-Boko Haram reconstruction agenda—articulated through the Buhari Plan for the Reconstruction and Development of the North-East (PRDNE) and implemented through the Presidential Committee on the North-East Initiative (PCNI)—has allocated substantial resources to infrastructure reconstruction but has given comparatively limited attention to enterprise development

and local economic recovery (PCNI, 2018; Mohammed & Shehu, 2020). Scholars have criticised this reconstruction model for its supply-side orientation—focusing on physical infrastructure—at the expense of the demand-side institutional reforms and market system investments needed to create enabling conditions for sustainable enterprise development (Bappah, 2016; Williams & Shepherd, 2016).

Entrepreneurship and the SDGs

The articulation of entrepreneurship's potential contributions to the SDGs has generated a substantial and rapidly growing scholarly literature. George et al. (2016) argued that the private sector—including entrepreneurs at all scales—must be a central actor in the delivery of the SDGs, given the scale of financing and innovation required. Shepherd and Patzelt (2011) developed the concept of "sustainable entrepreneurship"—entrepreneurship that pursues economic opportunity while simultaneously addressing environmental and social challenges—as a framework for understanding how entrepreneurial activity can be oriented toward sustainability objectives. Van Zanten and van Tulder (2018) conducted a systematic mapping of the SDG targets that can be addressed through private sector and entrepreneurial action, identifying 169 sub-targets across all 17 goals as partially or wholly addressable through business activity. The SDGs most directly relevant to the Monguno context are SDG 8 (Decent Work and Economic Growth), SDG 11 (Sustainable Cities and Communities), and SDG 16 (Peace, Justice, and Strong Institutions). With respect to SDG 8, the entrepreneurship-development nexus literature has established that formal and informal enterprise creation is the primary mechanism of job and income generation in developing country contexts (ILO, 2019; Ayyagari et al., 2021). In conflict-affected settings, IDP-led enterprise creation has been identified as a critical pathway to livelihood recovery and economic self-sufficiency, reducing dependence on humanitarian

assistance (Betts et al., 2017; Zetter & Ruaudel, 2016). With respect to SDG 11, entrepreneurs in urban settings play critical roles in providing affordable housing, food, transport, and services to low-income populations—functions that are particularly important in displacement-affected cities where municipal services are overwhelmed (Satterthwaite et al., 2020).

The linkage between entrepreneurship and SDG 16—peace, justice, and strong institutions—is theoretically complex and empirically contested. The peace-through-commerce hypothesis, drawing on Kantian liberal internationalism, suggests that commercial interdependence between social groups reduces the probability of violent conflict by raising the opportunity costs of violence (Hegre et al., 2010; Gartzke, 2007). In the IDP-host community context, economic exchange and joint entrepreneurial activity have been identified as mechanisms of inter-group confidence-building and social cohesion restoration (Anderson, 1999; Colletta & Cullen, 2000). However, other scholars have cautioned that entrepreneurship in highly unequal, resource-scarce settings can equally exacerbate social tensions by concentrating economic gains among pre-existing elites and excluding marginalised groups (Rangan et al., 2011).

Human Security, Displacement, and Entrepreneurship

The intersection of human security, internal displacement, and entrepreneurship has received growing scholarly attention in the twenty-first century, driven by the scale of global displacement and the limitations of purely humanitarian response frameworks. The Human Security Framework (UNDP, 1994; Commission on Human Security, 2003) identifies economic security—access to productive work and sustainable livelihoods—as a foundational dimension of human security, establishing a direct theoretical link between entrepreneurial activity and human security outcomes. Jacobsen (2001) demonstrated that access to economic

opportunities is among the most powerful predictors of IDP wellbeing and protection outcomes, more significant than proximity to formal camp services in many contexts.

Zetter and Ruaudel (2016) conducted a systematic review of the evidence on the right to work and economic integration of displaced persons, concluding that legal and institutional frameworks that deny or constrain displaced persons' access to labour markets and economic opportunities impose severe costs on both individual wellbeing and host country development. Betts et al. (2017) examined IDP and refugee entrepreneurship in Uganda, demonstrating that refugees with access to land, markets, and business development support generated positive economic externalities for host communities—a finding that directly challenges the conventional framing of displacement as exclusively a burden on host communities. These findings have direct relevance to the Monguno context, where IDP entrepreneurs represent a potentially significant untapped development resource.

Social cohesion theory (Jenson, 1998; Chan et al., 2006; Larsen, 2014) provides a complementary lens for understanding the social dimensions of entrepreneurship in displacement-affected settings. Economic exchange between displaced and host community members can function as a mechanism of inter-group bridge-building and trust restoration—what Putnam (2000) termed "bridging social capital." Conversely, where entrepreneurial activity concentrates economic benefits within one group at the expense of another, or where market competition is structured by ethnic or identity-based discrimination, commerce can intensify rather than attenuate inter-group tensions. The governance of market systems—including the institutional frameworks that regulate fair competition, enforce contracts, and resolve commercial disputes—thus becomes a critical variable in determining the social cohesion outcomes of entrepreneurial activity.

The foregoing review reveals several significant gaps that this study addresses.

First, the literature on entrepreneurship in FCAS has disproportionately focused on national capitals and major urban centres, neglecting the secondary urban centres—like Monguno—that host the majority of displaced populations and serve as critical economic nodes in post-conflict recovery. Second, the literatures on entrepreneurial ecosystems and on displacement-affected communities have developed largely in parallel, with limited integration; few studies examine how the mass presence of IDPs restructures the entrepreneurial ecosystem of a host community. Third, the SDG-entrepreneurship literature has largely been developed in stable country contexts, with insufficient attention to the distinctive institutional conditions, market structures, and policy environments of FCAS. Fourth, the Nigerian policy literature on enterprise development has not adequately examined the North-East region and has systematically overlooked the needs and capacities of IDP entrepreneurs. This study addresses all four gaps through its empirical focus, integrated theoretical framework, and policy orientation.

3.0 THEORY AND METHODS

Institutional Theory, drawing principally on the foundational contributions of North (1990) and Scott (2008), provides the primary analytical lens for understanding how the formal and informal institutional environment shapes entrepreneurial behaviour in Monguno. North's (1990) distinction between formal institutions (constitutions, laws, property rights, regulatory frameworks) and informal institutions (norms, conventions, codes of conduct, cultural values) is operationalised in this study through an assessment of: (a) the formal regulatory environment governing enterprise registration, taxation, and access to finance; (b) the enforcement quality and rule of law as experienced by local entrepreneurs; (c) the informal commercial norms—including trade credit practices, market association governance, and ethnic commercial networks—that structure entrepreneurial

activity in the local market. Scott's (2008) three pillars of institutionalism—regulative, normative, and cultural-cognitive—extend this analysis by drawing attention to how taken-for-granted assumptions about appropriate entrepreneurial behaviour shape what opportunities entrepreneurs perceive and what strategies they deploy.

The application of Institutional Theory to the Monguno context requires particular attention to the concept of institutional voids—the absence or severe weakening of the formal institutional infrastructure that ordinarily supports market transactions (Khanna & Palepu, 1997). In FCAS like the North-East Nigeria context, institutional voids are not merely gaps in service provision but structural features of the governance landscape that generate distinctive patterns of entrepreneurial response, including greater reliance on informal institutions, higher transaction costs, and confinement to low-productivity market niches.

Entrepreneurial Ecosystem Theory

Entrepreneurial Ecosystem Theory (Isenberg, 2011; Stam, 2015; Spigel, 2017) provides the meso-level analytical framework for examining how the configuration of interdependent actors, resources, and institutions in Monguno shapes entrepreneurial outcomes. Isenberg's (2011) six-domain ecosystem model—policy, finance, culture, supports, human capital, and markets—is adopted as the organising framework for the study's empirical assessment of ecosystem conditions in Monguno. Each domain is assessed in terms of both its intrinsic quality and its accessibility to IDP entrepreneurs relative to host community entrepreneurs, enabling an analysis of ecosystem inclusivity as well as ecosystem quality.

Stam's (2015) distinction between ecosystem conditions and ecosystem outputs is particularly valuable for policy analysis, as it enables identification of the binding constraints on entrepreneurial performance—those ecosystem deficits that, if addressed,

would generate the greatest improvements in entrepreneurial output and SDG contribution. In the Monguno context, preliminary field intelligence suggests that the binding constraints are likely to lie in the policy and finance domains, with institutional support fragmentation and financial exclusion constituting the primary barriers to entrepreneurial formalisation and growth.

Human Security Framework

The Human Security Framework (UNDP, 1994; Commission on Human Security, 2003) provides the normative and analytical foundation for the study's focus on the human welfare outcomes of entrepreneurship. In this study, the framework is operationalised to examine entrepreneurial activity as both a determinant of human security outcomes (through its role in generating livelihoods, goods, and services) and as an outcome variable that is itself shaped by human security conditions (in particular, the extent to which freedom from fear—physical security—enables economic risk-taking and enterprise investment). This bidirectional relationship between entrepreneurship and human security is a distinctive analytical contribution of this paper.

Research Philosophy and Design

This study is grounded in the philosophy of critical realism (Bhaskar, 1978; Archer et al., 1998), which posits that social phenomena—including entrepreneurial behaviour and institutional structures—are produced by underlying causal mechanisms that operate across multiple levels of reality. Critical realism supports the mixed-methods design employed in this study by enabling the integration of quantitative measurement of observable patterns (the empirical level) with qualitative investigation of the generative mechanisms that produce those patterns (the real level). This philosophical position is consistent with the growing application of critical realism in entrepreneurship research (Kitching, 2008) and in development studies (Pawson & Tilley, 1997).

The study employs a convergent parallel mixed-methods design (Creswell & Plano Clark, 2018), in which quantitative data from enterprise surveys and qualitative data from interviews and focus group discussions are collected simultaneously, analysed separately, and integrated at the interpretation stage. This design enables the breadth and representativeness of quantitative analysis to be complemented by the depth and explanatory richness of qualitative inquiry. A fourth data stream—institutional document analysis—provides evidence on the formal policy and regulatory environment that is not adequately captured through either survey or interview methods.

Study Area and Sampling

The study is conducted in five purposively selected wards of Monguno town, representing: (1) the established central market area (Monguno Central Ward); (2) a predominantly host-community residential area (Bukar Abba Ibrahim Ward); (3) a formal IDP camp periphery (Gwange Ward); (4) an informal IDP settlement area (Modu-Sherrif Ward); and (5) a mixed IDP-host community commercial corridor (Baga Road Ward). This ward selection strategy ensures that the sample captures the diversity of entrepreneurial contexts within the study area.

The enterprise survey sample (n = 380) was drawn using stratified random sampling, with strata defined by ward, enterprise ownership (IDP vs. host community), and sector (trade, services, manufacturing/processing). Within each stratum, enterprises were randomly selected from enumeration lists compiled through a rapid enterprise census conducted prior to the main survey. The sample comprised 190 IDP-owned enterprises and 190 host-community-owned enterprises, with a minimum 30% female representation within each ownership category. The key informant sample (n = 26) was drawn purposively to represent: local government officials (n = 5), traditional leaders and market association heads (n = 5), representatives of international

humanitarian organisations (n = 6), state and federal government enterprise support agency officials (n = 4), financial institution representatives (n = 3), and civil society organisation representatives (n = 3). Ten focus group discussions were conducted—five with enterprise owners (stratified by gender and ownership status) and five with community members and consumers—to capture broader community perspectives on the role of entrepreneurship in local recovery.

Data Collection Instruments

The enterprise survey instrument comprised 94 items covering: enterprise characteristics (age, sector, size, registration status, ownership structure); institutional support access (utilisation of and satisfaction with business development services, finance, and government programmes); policy environment perceptions (regulatory quality, tax compliance burden, contract enforcement reliability); market conditions (customer base, supply chain stability, competition dynamics); SDG-relevant outcomes (employment generated, goods/services provided to underserved populations, environmental practices); and entrepreneurial aspirations and constraints. Instruments were translated into Hausa and Kanuri, back-translated, and pilot-tested with 30 enterprises not in the main sample.

The key informant interview guide comprised 32 semi-structured questions exploring the institutional landscape for enterprise support, policy coherence and coordination challenges, IDP inclusion in enterprise support programmes, the SDG relevance of local entrepreneurial activity, and perceptions of durable solutions and economic recovery pathways. The focus group discussion guide comprised 18 thematic questions addressing the social dimensions of entrepreneurship, inter-group commercial relations, community perceptions of the fairness of the business environment, and aspirations for economic recovery. Institutional document analysis covered 47 policy documents, programme

reports, and strategic plans from federal, state, and international organisation sources.

Data Analysis

Quantitative data were analysed using SPSS 27 and Stata 17. Descriptive statistics characterised enterprise profiles and ecosystem condition assessments. Inferential analyses included: independent samples t-tests and Mann-Whitney U tests to compare IDP-owned and host-community-owned enterprise outcomes; multiple linear regression to identify institutional support predictors of enterprise performance; and logistic regression to identify factors associated with enterprise formalisation and SDG-aligned business practices. Qualitative data were analysed thematically using NVivo 12, applying a hybrid inductive-deductive coding approach. Document analysis was conducted using a structured analytical framework derived from Isenberg's (2011) six ecosystem domains. Data integration was achieved through joint displays—tabular and narrative presentations combining quantitative findings with illustrative qualitative evidence.

Validity, Reliability, and Ethical Considerations

Quantitative instrument validity was established through expert panel review (n = 7 academics and practitioners) and confirmatory factor analysis of composite scales. Internal consistency was verified through Cronbach's alpha coefficients (all scales $\alpha > 0.72$). Qualitative rigour was ensured through prolonged field engagement, member checking of key informant interview summaries, peer debriefing, and reflexivity documentation. Ethical approval was obtained from the Federal Polytechnic Monguno Ethics Committee (Ref: FPM/EC/2024/053) and the Borno State Ministry of Commerce and Industry Research Ethics Board. All participants provided informed consent. Anonymity and confidentiality were maintained through coded identifiers.

Trauma-informed interviewing protocols were applied, given the conflict-affected context.

4.0 RESULTS AND DISCUSSION

Profile of the Monguno Entrepreneurial Ecosystem

The enterprise census conducted prior to the main survey identified 1,847 active enterprises in the five study wards, of which 61.3% were owned by host community members and 38.7% by IDPs. This distribution reflects both the larger host community population and the structural barriers facing IDP entrepreneurs, including insecure tenure, lack of capital, and exclusion from formal support mechanisms. The enterprise population was overwhelmingly informal: only 7.4% of enterprises held any form of formal registration, with the rate among IDP-owned enterprises (3.8%) substantially lower than among host-community-owned enterprises (9.7%). The dominant sectors were petty trade (47.3%), food processing and vending (21.6%), construction and building materials (11.4%), transport (8.2%), and services (11.5%).

Enterprise scale was uniformly micro: 89.2% of enterprises employed fewer than five persons (including the owner), and 94.7% had annual revenues below NGN 5 million (approximately USD 3,200 at 2024 exchange rates). However, aggregate employment generation was significant: the surveyed enterprises collectively employed 3,241 persons—an average of 8.5 employees per enterprise—suggesting that the Monguno entrepreneurial ecosystem, despite its micro-scale character, constitutes an important source of livelihoods in the local economy. IDP-owned enterprises employed slightly fewer workers on average (mean: 7.8) than host-community-owned enterprises (mean: 9.1), but this difference was not statistically significant ($t(378) = 1.43, p = .154$).

Institutional Support: Availability, Access, and Quality

Assessment of the six Isenberg (2011) ecosystem domains revealed systematically

weak institutional support across all dimensions, with the most acute deficits in the policy, finance, and supports domains. Only 14.7% of surveyed enterprise owners had ever accessed any form of formal institutional support—including business development services, government enterprise programmes, or formal financial products. Among IDP enterprise owners, the rate was 6.3%, compared to 22.9% among host community enterprise owners—a statistically significant difference ($\chi^2(1) = 19.74, p < .001$) that reflects the systematic exclusion of IDPs from formal support architectures.

Access to formal finance was identified as the binding constraint on enterprise growth by 71.4% of respondents. Only 8.9% of enterprises had ever accessed a formal bank loan or microfinance product; 79.3% relied exclusively on personal savings and informal rotating savings and credit associations (ROSCAs, locally known as *esusu* or *adashi*) for enterprise capitalisation. The principal barriers to formal finance access were identified as: lack of collateral (cited by 78.3% of those who had attempted formal loan applications); absence of business registration (67.4%); distance to financial institutions (63.1%); and language barriers (21.8%). Among IDP enterprise owners, the collateral constraint was compounded by insecure housing tenure and the loss of productive assets during displacement, creating what informants termed a "double dispossession"—of both original assets and the institutional mechanisms for acquiring replacement assets. The human capital domain was assessed as relatively stronger: 58.3% of enterprise owners reported adequate enterprise management skills, and 71.6% had completed primary education. However, digital literacy was severely limited (8.7% reported any use of digital business tools), and awareness of formal business development services was low—only 23.1% of respondents could name a government enterprise support agency. The market domain was assessed as moderately functional: the central market remained operational and integrated into regional

supply chains, though disruption from security incidents had significantly increased supply chain volatility and transaction costs. The cultural domain—attitudes toward entrepreneurship and risk-taking—was assessed positively: 84.3% of respondents expressed strong agreement with the statement that "entrepreneurship is an honourable and respected activity in our community."

Policy Environment: Coherence, Awareness, and Impact

Document analysis and key informant interviews revealed profound incoherence in the policy environment governing enterprise development in Monguno. Three policy frameworks—the humanitarian governance framework (led by OCHA and international NGOs), the post-conflict reconstruction framework (led by PCNI and the Borno State Reconstruction, Rehabilitation and Resettlement Commission), and the national enterprise development framework (led by SMEDAN and the Bank of Industry)—operated with minimal coordination and frequently generated conflicting incentives and programme designs.

The humanitarian governance framework prioritised immediate relief and protection, with limited attention to market systems and enterprise development. Of 34 active programmes identified in the study wards, only 6 (17.6%) included any market or enterprise development component, and only 2 of these explicitly targeted IDP entrepreneurs. The post-conflict reconstruction framework allocated the majority of resources to physical infrastructure—roads, schools, health facilities—with minimal investment in local economic recovery. SMEDAN, the principal federal enterprise development agency, had no operational presence in Monguno at the time of fieldwork, and awareness of SMEDAN programmes among enterprise owners was 4.2%—among the lowest recorded in any SMEDAN outreach survey.

Key informants were uniformly critical of the policy incoherence, with a local government official noting that programmes arrived in Monguno "designed in Abuja for conditions that don't exist here." The absence of a coherent local economic recovery plan—integrating humanitarian, reconstruction, and enterprise development objectives—was identified by 21 of 26 key informants (80.8%) as the most significant policy gap affecting enterprise development in the study area. Informants from humanitarian organisations acknowledged that market systems were often treated as "someone else's problem" within the existing division of labour among humanitarian actors.

Entrepreneurial Contributions to SDGs: Evidence and Assessment

Notwithstanding the severe institutional and policy constraints documented above, the Monguno entrepreneurial ecosystem was found to generate significant—if unrealised—contributions to SDG 8, SDG 11, and SDG 16. With respect to SDG 8, the 380 surveyed enterprises collectively generated 3,241 jobs and provided livelihoods to an estimated 12,800 household members (based on mean household size data). Enterprise-generated income reduced dependence on humanitarian food assistance: enterprise-owning households consumed an average of 2.3 meals per day compared to 1.8 meals for non-enterprise-owning IDP households ($t(418) = 4.12, p < .001$), a difference equivalent to a 28% improvement in food security.

With respect to SDG 11, entrepreneurs in the study area provided a range of goods and services critical to urban sustainability: 97 enterprises were engaged in building materials supply and construction services supporting the informal housing market; 89 enterprises provided food vending and processing services that constituted the primary food access point for an estimated 40% of the population; and 31 enterprises provided transport services connecting Monguno to the regional market network. However, the quality and environmental

sustainability of these services were constrained by limited access to improved technologies and absence of environmental regulatory oversight—28.4% of enterprises engaged in waste disposal practices identified as environmentally hazardous.

The relationship between entrepreneurship and SDG 16 outcomes was the most complex and contextually specific. Inter-group commercial relations—between IDP and host community entrepreneurs—were found to be an important source of social cohesion in the study area: 67.4% of enterprise owners reported regular commercial interactions with members of the other group, and 71.2% of those with cross-group commercial relations rated these as positive for inter-group relations. However, market-based discrimination was also documented: 38.7% of IDP enterprise owners reported experiencing discriminatory pricing or service refusal from suppliers, compared to 12.3% of host community enterprise owners. The absence of effective contract enforcement mechanisms was identified as a significant governance deficit, with 43.2% of enterprise owners reporting unresolved commercial disputes in the preceding 12 months and only 8.3% having pursued formal dispute resolution mechanisms.

Gendered Dimensions of Entrepreneurship and Institutional Support

Disaggregation of findings by gender revealed significant disparities in both entrepreneurial outcomes and institutional support access. Female enterprise owners (41.3% of the sample) operated enterprises with lower average revenues (mean: NGN 1.82 million vs. NGN 2.67 million for male-owned enterprises; $t(378) = 3.87, p < .001$), fewer employees (mean: 6.2 vs. 10.4; $t(378) = 4.21, p < .001$), and lower rates of institutional support access (9.8% vs. 18.4%; $\chi^2(1) = 7.34, p = .007$). Female IDP enterprise owners experienced the most acute disadvantage, with only 3.1% reporting any institutional support access. The primary gendered barriers to enterprise

development were identified through FGDs as: mobility restrictions resulting from security conditions and social norms; lack of spousal consent for enterprise borrowing; childcare responsibilities constraining time available for enterprise management; and exclusion from male-dominated trade association networks that serve as primary conduits for informal market information and credit.

The findings of this study reveal a paradox that is both analytically significant and normatively troubling: a dynamic, resilient, and development-relevant entrepreneurial ecosystem operating under conditions of severe institutional neglect and policy incoherence. The Monguno entrepreneurial ecosystem is demonstrably contributing to SDG 8 livelihood generation, SDG 11 urban service provision, and SDG 16 inter-group confidence-building—yet it is doing so without, and frequently despite, the institutional support infrastructure that entrepreneurship theory identifies as necessary for sustained and inclusive enterprise growth.

This finding aligns with the "entrepreneurship in extremis" literature (Doern et al., 2019) and with Naude's (2011) analysis of the double bind facing entrepreneurs in post-conflict settings, but extends both bodies of work by demonstrating empirically the specific mechanisms through which institutional voids constrain enterprise development in a Nigerian secondary urban context. The dominance of ROSCAs as the primary financial intermediary—despite their limitations in loan size and tenure—replicates findings from post-conflict Liberia (Kenney & Engelman, 2017) and refugee settings in Uganda (Betts et al., 2017), suggesting a generalised pattern of informal institutional substitution in FCAS that warrants more systematic policy attention.

The systematic exclusion of IDP entrepreneurs from formal support mechanisms is particularly troubling from both a human security and a social cohesion perspective. From a human security perspective, this exclusion denies IDPs the economic security that entrepreneurship can provide,

perpetuating their dependence on humanitarian assistance and their vulnerability to economic shocks. From a social cohesion perspective, the visible differential between support available to IDP and host community entrepreneurs—when such support does exist—generates resentment and inter-group tension that can undermine the positive inter-community commercial relations documented in this study. This finding supports the broader argument in the social cohesion literature (Jenson, 1998; Chan et al., 2006) that institutional legitimacy—the perception that governance arrangements are fair and inclusive—is a foundational dimension of social cohesion.

The policy incoherence documented in this study replicates and extends critiques of the humanitarian-development divide that have been central to debates about the "New Way of Working" in international humanitarian governance (UN OCHA, 2017). The finding that only 17.6% of active programmes in the study wards include any market or enterprise development component reflects a systematic bias in the humanitarian programming mix toward immediate relief at the expense of economic recovery—a bias that is increasingly recognised as counterproductive to durable solutions (Betts & Collier, 2017). The absence of SMEDAN operational presence in Monguno—four years after the partial restoration of security in the town—is emblematic of the failure to integrate the development and humanitarian policy frameworks that would be necessary to realise the SDG contributions of local entrepreneurship.

The gendered dimensions of entrepreneurial exclusion documented in this study demand particular policy attention. The intersection of gender, displacement status, and institutional exclusion creates a multiply marginalised category of female IDP entrepreneurs who face the most acute barriers to enterprise development while simultaneously having the greatest need for economic empowerment. This finding is consistent with the broader

gender and entrepreneurship literature in Nigeria (Adisa et al., 2014; Mordi et al., 2010) and with evidence from IDP settings globally (UNFPA, 2022), but the compounding effect of displacement on gender-based entrepreneurial disadvantage is a distinctive contribution of this study.

5.0 CONCLUSION AND RECOMMENDATION

This study has demonstrated that entrepreneurship in Monguno LGA constitutes a significant—and significantly underutilised—mechanism for advancing SDG 8, SDG 11, and SDG 16 objectives in one of Nigeria's most challenging displacement-affected urban contexts. The integrated analytical framework, combining Institutional Theory, Entrepreneurial Ecosystem Theory, and the Human Security Framework, has enabled a multi-level analysis that captures the interacting institutional, policy, and human security conditions that determine the scope and character of entrepreneurial contributions to sustainable development in the study area. The study's central findings are threefold. First, the Monguno entrepreneurial ecosystem is characterised by high informality, remarkable resilience, and significant potential for SDG contribution, but is severely constrained by institutional voids, financial exclusion, and the systematic marginalisation of IDP entrepreneurs. Second, the prevailing policy environment is characterised by incoherence among humanitarian, reconstruction, and enterprise development frameworks—incoherence that results in severe underinvestment in the market systems and institutional supports needed to realise entrepreneurial potential. Third, the gendered and displacement-status dimensions of entrepreneurial exclusion compound each other in ways that require targeted, intersectional policy responses.

The paper contributes to the scholarly literature by providing the first integrated empirical analysis of the entrepreneurial ecosystem in Monguno, by extending the application of Entrepreneurial Ecosystem

Theory and Institutional Theory to a protracted displacement context, and by generating policy-relevant evidence on the SDG contributions of entrepreneurship in one of sub-Saharan Africa's most challenging FCAS environments. The study's limitations include its cross-sectional design—which precludes causal inference—and its focus on Monguno town, which may limit the generalisability of findings to other displacement-affected urban centres in Nigeria.

Policy Recommendations

Federal Government and National Enterprise Development Institutions

1. Mandate the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) to establish a dedicated North-East Nigeria Enterprise Development Programme with operational presence in all major displacement-hosting LGAs, including Monguno, within 12 months.
2. Amend the national enterprise development policy framework to include explicit conflict-sensitivity and displacement-awareness standards, ensuring that all federal enterprise support programmes include specific targeting criteria and delivery modalities for IDP entrepreneurs.
3. Establish a National IDP Economic Inclusion Coordination Mechanism, co-chaired by NEMA, SMEDAN, and the Bank of Industry, to ensure coherence between humanitarian, reconstruction, and enterprise development programming for displacement-affected populations.

Borno State Government

1. Develop a Monguno Local Economic Recovery Plan integrating enterprise development, market systems strengthening, financial inclusion, and urban infrastructure within a coherent SDG-aligned strategy, with explicit inclusion targets for IDP entrepreneurs and female enterprise owners.

2. Establish a Conflict-Sensitive Enterprise Registration and Formalisation Programme that reduces the regulatory burden on micro-enterprises in displacement-affected LGAs, and provides IDP entrepreneurs with a simplified pathway to formal registration that does not require proof of permanent address.
3. Invest in community-based financial infrastructure—including regulated ROSCA formalisation, mobile money expansion, and the establishment of a Borno State Displacement Enterprise Fund—to address the acute financial exclusion of IDP and low-income host community entrepreneurs.

Humanitarian and Development Organisations

1. Integrate market systems development and enterprise support as core components of humanitarian programming in Monguno, consistent with the "New Way of Working" commitments and the Grand Bargain principles on durable solutions.
2. Adopt inclusive market system approaches that explicitly target IDP entrepreneurs and female enterprise owners, including gender-responsive business development services, women's enterprise groups, and mentorship programmes connecting IDP with host community entrepreneurs.
3. Invest in inter-group commercial confidence-building initiatives—including joint IDP-host community trade fairs, cooperative enterprise models, and commercial dispute mediation services—to leverage entrepreneurship as a mechanism of social cohesion restoration.

Agenda for Future Research

1. Longitudinal panel studies tracking the enterprise performance and SDG contribution of Monguno enterprises

over a five- to ten-year recovery trajectory would enable more robust causal inference and the identification of critical transition points in the entrepreneurial recovery process.

2. Comparative research examining the entrepreneurial ecosystem conditions and SDG contributions of enterprises in multiple displacement-affected secondary urban centres—including Dikwa, Bama, Gwoza, and Damasak in Borno State—would generate more generalisable evidence and enable the identification of context-specific versus structural drivers of entrepreneurial exclusion.
3. Future studies should examine the intersection of digital financial inclusion, mobile money adoption, and IDP entrepreneurial development, given the rapidly evolving fintech landscape in Nigeria and its potential to address financial exclusion constraints documented in this study.

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