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CONSTRAINTS TO ENTREPRENEURSHIP AND INVESTMENT DECISIONS AMONG AGRIBUSINESS INVESTORS IN SOUTHEAST, NIGERIA

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ABSTRACT: *Despite the role entrepreneurs play in the development of any economy, there seems to exist a dearth of empirical knowledge on what constrains entrepreneurs in taking effective entrepreneurial and investment decisions in Southeast Nigeria. A combination of purposive and multistage sampling techniques was employed in the selection of 360 agribusiness investors in the study area. Data were collected primarily using structured questionnaire and interview schedule. Data were analysed using descriptive and inferential statistics. The result of the analysis showed that lack of start-up capital, lack of market information, crime, theft and social disorder, corruption and bad legal system, poor infrastructural facilities, multiple taxation, tedious registration and licensing procedure, and poor access to formal credit facilities were the main constraints to entrepreneurship and investment decisions by agribusiness entrepreneurs in South-East, Nigeria. The result further showed that starting enterprises without proper feasibility, high taxation, inadequate supply of power, inconsistency in government policy, inability to withstand competition, management inexperience, poor knowledge in the line of business, and joint ownership of enterprises were the major causes of enterprise failure in Southeast Nigeria. However, despite the varying constraints to entrepreneurship and investment decision in the area, agribusiness ventures in the area performed at levels acceptable to the entrepreneurs. Based on these findings, formulation and implementation of policies targeted at removal of the identified constraints were recommended. Such policies should include improvement on access to credit for agribusiness entrepreneurs, even when they may not possess prime assets that are currently being accepted by financial institutions as collateral, and making agribusiness investors to always carryout a thorough market research and feasibility to ensure that there is adequate demand for the products or services being offered.*

KEYWORDS: *Constraints, Entrepreneurship, Investment Decision, Agribusiness, Investors*

INTRODUCTION

As we recognise the roles entrepreneurs play in the development of economy, it is equally important to understand what constrains them from taking effective entrepreneurship and investment decisions. According to Labich and deLlosa (1994), investment in agricultural related business especially in the African setting, have been generally agreed to be constrained by lack of market opportunity, access to finance, enabling environment, market information, and managerial skills. In order to maintain an upward shift and to unleash the enormous potential for attracting entrepreneurs' investments to agribusiness and agroindustries, policies and regulations affecting agricultural production, the legal environment of the investment as well as the overall investment climate in Nigeria need to be overhauled. Infrastructure underdevelopment is one of the substantive constraints to entrepreneur's investment in Nigeria. In 2008, the United States Agency for International Development (USAID) opined that there is need to improve and expand key infrastructure for transportation, telecommunications, energy and water in Nigeria. The agency, further posited that for small-scale farmers, most of whom reside in rural areas, the limited availability and poor quality of rural roads and bridges, marketing and storage facilities, and irrigation systems greatly increase their cost of establishing and operating commercial agribusiness enterprises. In line with this, Onwubiko (2009) inferred that certain basic infrastructural facilities aid the development of the mind and body and assist productivity in any environment. These facilities have been identified as good roads, good water supply, constant power, access to information and communication technology and other tools of trade (Nwibo and Alimba, 2013). Where these are lacking in a country, the growth of the economy will be adversely affected. In Nigeria, these basic work tools as well as the enabling environment are lacking. This state of affairs has frustrated a lot of entrepreneurs with bright ideas and the corresponding spirit to effect a change in some areas of our national life. For instance, the power sector has posed the greatest challenge to any aspiring entrepreneur in Nigeria. Power supply is erratic and most times businesses have to be run on plants/generators. The cost of this alternative source of power most often erodes whatever profit or capital an entrepreneur has put aside for his enterprise. In times of energy crisis when there is shortage of fuel supply, businesses are almost grounded due to unavailability of petrol or gas to power generators. This avoidable factor adds immensely to overhead costs and unnecessarily makes the cost of production very high. Due to this, investment in manufacturing and other entrepreneurial activities such as agricultural processing is made uninteresting.

A lot of studies demonstrate that liquidity constraints have substantial effect on entrepreneurial behaviour. Evans and Leighton (1989) posited that wealthier people are more inclined to become entrepreneurs than poor people. In their assessment, Blanchflower and Oswald (1998) declared that inheritance or asset revenue predicts the increase of probability of becoming entrepreneurs and amount of capital employed in the new enterprise. Credit market is another way to relax liquidity constraints; consequently, perfect financial market and sufficient credit supply will promote entrepreneurship (Hurst and Lusardi, 2004). However, less-developed countries face a serious problem of financial constraints. Financial constraints have already become the main factor restricting the development of rural economy in Nigeria (Ezike *et al.,* 2009). The effect of credit constraints on entrepreneurship is not monotonous, so it cannot be guaranteed that the relaxation of credit constraints will increase entrepreneurial activities. According to Kon and Storey (2003), there are a large group of borrowers who never apply for bank credit because they take it for granted that they cannot receive credit.

Having recognised the importance of entrepreneurs in the growth and in the development of any economy, and the factors that constrain them in general, there seems to exist no documented information on what constrains agribusiness investors in their entrepreneurial quest and investment decisions in Southeast Nigeria. In view of this, the study specifically analysed the factors that constrain agribusiness investors and would-be-investors in their entrepreneurial and investment decisions; and determined agribusiness failure factors and mortality rates in the area.

METHODOLOGY

The study area is Southeast of Nigeria. The area comprises of six States, namely; Anambra, Imo, Abia, Enugu, and Ebonyi. The area has a total population of 16.4 million people who are mainly of *Igbo* extraction (National Population Commission, 2006). With an approximated land mass of 58,214.7 square kilometres, the area lies between longitude 6^0 50^I and 8^0 30^I E latitude 4^0 30^I and 7^0 5^I N. Atmospheric temperature of the area varies from 18^0C to 34^0C within the year. The area is endowed with abundant natural resources and lots of agricultural activities. The agricultural activities conform to the tri-aggregates of agribusiness which include; farm supply, farm processing and distribution/marketing of processed products.

The study employed a combination of purposive and multistage sampling techniques in the selection of 360 agribusiness investors in the study area. Primary data were collected using structured questionnaire and interview schedule. The construction of the research instrument was based on the study objectives. Data collected were analysed using both descriptive and inferential statistics. Specifically, factor analysis was employed to analyse the factors that constrain agribusiness investors and would-be-investors in their entrepreneurial and investment decisions; and descriptive statistics (table and percentages) was used to determine the agribusiness failure factors/mortality rate in the area.

RESULTS AND DISCUSSION

Constraints to Entrepreneurship and Investment Decision

Agribusiness entrepreneurs face diverse challenges in their entrepreneurial quest and investment decisions. Using Varimax Principal Component analysis with Kaiser's rule of thumb (minimum point of 0.4), the factors that constrained entrepreneurship and investment decisions in Southeast Nigeria were investigated. These were found to be lack of start-up capital, lack of market information, crime, theft and social disorder, corruption and bad legal system, poor infrastructural facilities, multiple taxation, tedious registration and licensing procedure, and poor access to formal credit facilities. The constraining factors were categorised into three component factors: economic, social, and institutional factors and presented in Table 1.

Vol.1, No.4, pp.38-50, December 2013

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Table 1: Constraints to entrepreneurship and investment decisions by agro-entrepreneurs in South-East, Nigeria

S/N	Factors	Components		
		Economic factors	Social factors	Institutional factors
V_1	Lack of start-up capital	0.505	0.250	-0.136
V_2	Corruption and bad legal system	0.328	-0.044	0.579
V_3	Poor infrastructural facilities	0.185	-0.415	0.692
V_4	Lack of market information	0.643	0.161	0.099
V_5	Low demand for product	0.012	0.283	0.386
V_6	Multiple taxation	0.064	-0.181	0.797
V_7	Tedious registration and licensing procedure	0.273	0.289	0.753
V_8	Poor access to formal credit facilities	-0.217	-0.130	0.685
V_9	Strict environmental policy	0.259	-0.196	-0.460
V_{10}	Crime, theft and social disorder	0.307	0.751	0.138
V_{11}	Unavailable skilled labour supply	-0.041	0.383	-0.339
V_{12}	Price regulation	0.198	0.175	0.05
V_{13}	Poor experience in the line of business	0.656	0.164	-0.400
V_{14}	Distance to source of raw material is far	-0.400	-0.055	0.112

Source: Survey Data, 2011.

These factors and their factor loadings are discussed under the three components; economic, social, and institutional.

ECONOMIC COMPONENT FACTOR

The identified economic factors that constraint agribusiness investors in taking entrepreneurship and investment decisions in Southeast, Nigeria based on the highest factor loadings, were; poor experience in the line of business, lack of market information, and lack of start-up capital.

Poor knowledge or experience

This study has shown that poor knowledge or experience in the line of business was one of the most important constraints faced by most agribusiness investors in the study area. At the start-up of many agribusiness outfits, an entrepreneur is able to run the business but as it grows and ages, entrepreneurial experience demands arise. However, where the entrepreneur had no previous relevant experience, the management of the venture tends to diminish. Managers of agribusiness ventures need to be experienced in production, sales, and finance. In fact, lack of knowledge or experience is responsible for inability of entrepreneurs to recognize investment opportunities that abound in their business environments. Prior business experience augments task based efficiency, and prompts an individual to seek for similar type of task in his/her job searching process. Penrose (1995) emphasized that prior experience with a particular task reduces the need for cognitive attention to do similar tasks in future. Hence, entrepreneurs with past experiences or knowledge in similar business are more exposed to uncertain exercises of trials.

Lack of market information

Result of the study showed that one of the greatest challenges facing agribusiness investors in Southeast, Nigeria, was that of lack or inadequate market information. Inadequate access to market information hampers agribusiness marketers in accessing information that could benefit their products in both national and international markets. This challenge stems from the difficulties in accessing and utilizing information regarding local, regional and international pricing of agribusiness products. An entrepreneur would require adequate information about the business and the business environment before venturing into starting one.

Entrepreneurs in southeast Nigeria are faced with this challenge because sources of information on different support services, the process of registering business, and the various types of taxes, laws related to the businesses and their applications, etc, are not fully known to them. This finding corroborates the earlier finding of FAO (2001) that market-oriented production requires the use of a real-time market information service. In corroborating the finding, Penrose (1995), posited that lack of market information results in a number of disadvantages, namely: inability to assess market trends and characteristics; inadequate understanding of market and new market access conditions; inability in identifying new marketing opportunities, and potential trading partners for improved marketing outlets. However, Poulton, Kydd, and Dorward (2006) justified the importance of market information as having the potentials to market efficiency and strengthen the bargaining position or competitiveness of smaller players (producers against traders, small traders against large).

However, in southeast, Nigeria, where market information exist, most times, such information may not be of assistance to farmers and agribusiness firms as information is collected monthly by public agencies, basically for research purposes. Hence, both farmers and agribusiness firms are forced to operate in a non-transparent and speculative business environment. Consequently, many agribusiness firms and farmers are unable to ascertain beforehand where to buy or sell commodities in order to maximize profits and reduce the risks associated with marketing. This has created a class of market agents who have capitalized on this non-transparent market situation and lack of information to rip off both farmers and agribusiness firms in Nigeria.

Lack of start-up capital

Credit constraints to agricultural production and marketing activities have been identified by the study to constitute great setback to the decision to invest in agribusiness in southeast, Nigeria. This constraint can be attributed to the inability of financial institutions to finance agribusiness due to the inherent risks and uncertainties that characterize it. Again, most of the agricultural businesses in southeast zone are of small to medium scale with the operators lacking basic collateral facilities, to present to the financial institutions for loans to be accessed. The commercial banks and the development banks in Nigeria have committed themselves to major changes in their credit operations which, by focusing on loan performance, seem to have reduced the share of credit going to agriculture-related activities (agribusiness) in favour of non-agricultural sectors. In the light of this Pinto (2005) deduced that access to financial resources is one of the most decisive problems that upcoming, young and unsuccessful entrepreneurs face in the early stage of their career. In support of the finding (Aidis, 2005), who studied the financial system of transition economies mentioned many difficulties that entrepreneurs face in obtaining adequate amount of funds in order to establish and run their own business such as issues of collateral and high interest rate; and that any business will eventually come to a halt if it lacks sufficient start-up capital. In reiterating the importance of capital flow to the sustenance of business ventures, Eboh (2005) deduced that lack of adequate and sustained flow of capital or credit is another significant obstacle to supply response, growth and productivity of the rural agribusiness sector. In capping it up, Ezike (2009) inferred that inadequate financial position of entrepreneurs might be a big obstacle to transform new product ideas into product ready for sale.

SOCIAL COMPONENT FACTOR

The identified economic factor that constraints agribusiness investors in taking entrepreneurship and investment decisions in South-East, Nigeria was crime, theft and social disorder.

Crime, theft and social disorder

The study revealed that crime, theft and social disorder has contributed negatively to the growth of agribusiness investment in South-East, Nigeria. This finding reflects the high state of investment insecurity occasioned by the spate of violence as a result of Boko Haram of the North, Niger Delta restiveness, and kidnapping of the South-East. These negative activities portray unhealthy investment climate. This finding was consistent with that of Amitabh (2009), who reported that crime and insecurity affect not only the entrepreneur himself but the institutions or individuals to whom he may have to look for additional capital and credit. Banks will withhold credit if they consider the risk too high to be covered by normal interest charges; this, would be judged not by absolute standards but in relation to opportunities for lending funds for alternative investments in the same environment.

INSTITUTIONAL COMPONENT FACTOR

The identified institutional factors that constraint agribusiness investors in taking entrepreneurship and investment decisions in southeast, Nigeria based on factor loadings were; multiple taxation, tedious registration and licensing procedure, poor infrastructural facilities , poor access to formal credit facilities, and corruption and bad legal system.

Multiple taxation

The height of taxes and the complexity of the tax system which were characterised by extortion were identified by the study as having a negative effect on entrepreneurship and investment decisions. High and multiple tax rates erode the incomes of small businesses, while complex and opaque tax systems can discourage (potential) entrepreneurs and keep them from their basic activities. This finding is in consonance with that of Osamwonyi (2009), who reported that out of the 80 different taxes paid in Nigeria only 39, had government approval. Some of the taxes are: personal income tax, company income tax, stamp duty and value added tax (VAT). Others are rents paid on electricity, buildings, water, local authorities and regulatory bodies that ensure standards. All these stall young

Vol.1, No.4, pp.38-50, December 2013

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entrepreneurs from doing business and if they do go into business it would not be in the formal sector for fear of prosecution for tax evasion.

Tedious registration and licensing procedure

The difficulty in getting businesses registered in southeast Nigeria has been revealed by the study. In Nigeria, the agency responsible for registering business is the Corporate Affairs Commission (CAC) established by the Companies and Allied Maters Decree of 1990, which mandates it to regulate formation and management of companies. It replaced the Companies Registry established by the Companies Act of 1968, which was riddled with endless bureaucracy and almost seemingly insurmountable list of requirements, the CAC has not faired any better, the bureaucratic bottle necks and red tapes which encourage corruption and long waiting periods before business can be registered, scare young entrepreneurs away, who tend to have little start-up capital.

Poor infrastructural facilities

Poor infrastructural facilities were found to be the bane of entrepreneurial development in southeast, Nigeria. Poor infrastructures including erratic power supply, inadequate supply of potable water, and the skewed distribution of available infrastructure in favour of urban areas, negatively affect the performance of enterprises in agriculture. Poor infrastructural facilities such as water, electricity, telecommunication, transport and waste disposal can lead to more than 40% post-harvest losses (Makinwa, 1996). Similarly, CBN (2007) inferred that limited availability and poor quality of roads and bridges in most sub-Saharan African countries have been a major handicap to effective transportation of produce from the rural areas to various markets, resulting in high post-harvest losses and rendering agribusiness investments less profitable. Onwubiko (2009) also posited that it is a universal belief that certain basic infrastructural facilities aid the development of the mind and body and assist productivity in any environment. These facilities include good roads, good water supply, constant power supply, access to information and communication technology and other tools of trade. A case where these are lacking in a country, the growth of the economy will be adversely affected. In Southeast Nigeria, these basic work tools as well as the enabling environment are lacking. This state of affairs has frustrated a lot of entrepreneurs with bright ideas and the corresponding spirit to effect a change in some areas of our national life. Hence, the power sector is a great challenge to any aspiring entrepreneur in Southeast Nigeria. Power supply is epileptic and most times businesses have to be run on diesel and petrol generators. The cost of this alternative source of power most often erodes whatever profit or capital an entrepreneur has put aside for his enterprise.

Poor access to formal credit facilities

This study has shown that most agribusiness entities in Southeast Nigeria are mainly of small- to medium-scale producers and enterprises and tend to be informal (privately owned), thus rely mostly on personal savings to finance their business entities. This finding tends to conform with that of Mhlanga (2010) who reported that commercial banks in Sub-Saharan Africa lend less than 10 percent of their total credit to the agricultural sector.

Vol.1, No.4, pp.38-50, December 2013

Published by European Centre for Research Training and Development UK (www.ea-journals.org)

Corruption and bad legal system

Corruption is an institutional factor that was identified as hindering the success entrepreneurial development in Southeast, Nigeria. Just like a government that is plagued by corruption and greed systematically ignores laws that are already in place to promote free enterprise. The study showed that corruption deters agribusiness investments and the growth of start-up firms in Southeast Nigeria. The rate of corruption in Nigeria has placed the country on 143rd out of 183rd most corrupt nations of the World (Transparency International, 2011). Corruption does not benefit efficient producers, but instead protect incompetent entrepreneurs. Thus, the firms that can survive under corruption especially the institutionalized corruption are those that had become efficient at rent seeking without properly and effectively servicing their markets. The situation in Southeast Nigeria is in consonance with that of Goodman (1990) who equally reported that corruption in the Yucatan did not allow new entrants opportunities to enter the market; instead, corruption allowed the old and more established groups to totally dominate and monopolize markets. This finding justified the fact that corruption crowds out private investment in agribusiness. Hence, when government projects are tainted by corruption, the quality of infrastructure suffers and this discourages private investment. Similarly, when a society is corrupt, it tends to affect the dispensation of justice. And when justice is not properly dispensed, investors find it difficult to establish.

AGRIBUSINESS FAILURE FACTORS

Most agribusiness ventures in Southeast Nigeria do not last long before its demise. This section of the study seeks to determine the major causes of this failure of the agribusiness enterprises. Analysis of the factors showed that agribusiness in Southeast Nigeria fail due to endogenous and exogenous factors (see Table 2). The endogenous factors are those factors that are within the control of the entrepreneur, while the exogenous factors are those not within the control of the entrepreneur.

Table 2: Principal component analysis on the factors instrumental to failures of agribusiness enterprises in Southeast, Nigeria

S/N	Factors	Components	
		Endogenous factors	*Exogenous factors*
V_1	Starting enterprise without feasibility	0.507	-0.398
V_2	High taxation	0.166	0.751
V_3	Inadequate power supply	-0.345	0.560
V_4	Inconsistency of government policy	-0.027	0.614
V_5	Inability to withstand competition	0.726	-0.071
V_6	Management inexperience	0.794	0.240
V_7	Competency level	0.764	-0.173
V_8	Poor knowledge in the line of business	0.580	0.302
V_9	Joint ownership of business	0.368	0.297

Source: Survey Data, 2011.

Vol.1, No.4, pp.38-50, December 2013

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With the use of Kaiser's rule of thumb, the identified endogenous factors with high loadings were: starting agribusiness ventures without proper feasibility study, inability to withstand competition, management inexperience, competency level, and poor knowledge in the line of business. The exogenous factors include; high and multiple taxation for operating agribusiness ventures in Southeast Nigeria, inadequate and epileptic power supply, and inconsistency in government policies.

Poor feasibility study was partly responsible for agribusiness failure in Southeast, Nigeria. This was justified as business that started without good feasibility will not have good footing on when to inject or withhold capital, expand or contract the business and manpower. This was line with view of Ezike, *et al* (2009) that weak business concept or unclear business definition have contributed to the death of many agribusiness in Nigeria. Similarly, Bruno *et al*. (1987) inferred that lack of focus has been one of the causes of business failure.

The multiplicity of taxing agribusiness ventures has been identified as being instrumental to the death of many businesses in Southeast Nigeria. This justified that high taxations erode the incomes of small businesses, while complex and opaque tax systems can discourage potential entrepreneurs and keep them from their basic activities.

Inabilities of most agribusiness investors to withstand competition from operators of similar products have been identified as one the major reasons for business failure in Southeast, Nigeria. Competition in agribusiness can be from importation of similar products from countries where the cost of production is cheaper, or from the activities of government and its agents. Competition tends to reduce sales of most agribusiness investors who cannot withstand competitors that deal on imported products head-on as prices of imported products tends to lower the prices of their goods in a domestic market. This finding is in consonance with that of Ibe-Enwo (2009), who reported that the low quality of locally manufactured goods in Nigeria did not allow for healthy competition with foreign products; as such it was difficult to meet customers' demands.

In Nigeria, successive governments have a lot of policies and international several programmes aimed at promoting agriculture and enterprise development. The policies targeted key areas of infrastructure provisions, extension services, input supply, credit and marketing. Some of these programmes are Community Banking Programme of 1991 – 2007, Root and Tuber Expansion Programme (RTEP) in 2000, Family Economic Advancement Programme (FEAP) of 1997 – 2001, National Poverty Eradication Programme (NAPEP) of 1999, Micro-Finance Programme of 2005 to date, Concessional Interest Rates for Agricultural Loans of 1980 – 1987, and Preferred Sector Allocation of Credit of 1970 – 1996. Though these programmes had lofty ideas, most of them failed to achieve the set goals, owing to frequent change of programmes focus with changes in government at the Federal and State levels as has it has been difficult for successive governments in Nigeria to continue with any programme(s) initiated by previous government.

Managerial competencies are very important to the survival and growth of new agribusinesses. In order to penetrate both domestic and international markets, agribusiness ventures need competent managers that have the knowledge of domestic and international markets, regulations, competitors, harvest times, communications, and strategic alliances. However, management inexperience has been identified in this study as one of the reasons for the high failure rate of new agribusiness ventures. This stems from the fact most entrepreneurs to do not undergo entrepreneurial training before venturing into entrepreneurship. This finding is in conformity with the earlier finding of Martin and Staines (2008) who posited that lack of managerial experience and skills are the main reasons why new firms fail. In similar vein, Herrington and Wood (2003) opined that lack of education and training has reduced management capacity in new firms in South Africa. This study corroborates that of Lussier (1996) who opined that there was considerable evidence that business managed by people without management experience have a greater chance of failure than firms managed by people with such experience. This was similar to Glaeser (2010)'s finding that about 88.7% of all business failures were due to management mistakes. Also, the entrepreneur's inability to perform both planning and administrative functions has been associated with firm failure (Boyle and Desai, 1991). In a similar vein, Jennings and Beaver (1997) noted that the root cause of failure or poor performance of small business was invariably lack of management attention to strategic issues, which are closely related entrepreneurial experience.

Poor knowledge of investment area has been identified as an obstacle to agribusiness growth and sustainability in Southeast Nigeria. Poor investment knowledge has led to the death of many agribusiness outfits in Southeast as many investors venture into an area either because of the inherent profit or because of friends' advice. This finding is in conformity with the earlier finding of Ocici (2006), who reported that poor knowledge of business investment areas made entrepreneurs in Uganda to face the challenge of not getting information on different support services, the process of registering business, and the various types of taxes, laws related to the business and their applications. The knowledge of an area of investment will enable entrepreneurs to utilize sources of business information and business support organs, fulfil various requirements expected of them and their business, register and license their businesses and undertake contracts in business.

Performance Level of Agribusiness Ventures

Despite the challenges confronting agribusiness sector in Southeast Nigeria, performance assessment of the sector revealed that agribusinesses on self rating operated at three major levels: above optimal, optimal, and below optimal. The optimality levels as used in this research were likened to the agribusiness ventures operating above average (normal), average, and below average respectively. Analysis on the optimality of the sector was based on the frequencies and percentages that attest to each of the levels (Table 3) in relation to the income generated from the venture and the ability of the business to improve and sustain the standard of living of the investors' household.

Table 3: Self rating of agribusiness ventures performance in Southeast, Nigeria

Performance level	Frequency (N=360)	Percentage
Above optimal	21	5.8
Optimal	248	68.9
Below optimal	91	25.3

Source: Field survey, 2011

The result of the analysis showed that 68.9 percent of the agribusiness entrepreneurs were of the view that their agribusiness ventures were operating at optimal level as against 5.8 percent and 25.3 percent that were of the opinion that their agribusiness investments were operating above optimal and below optimal, respectively. The optimal or average performance of agribusiness ventures in Southeast Nigeria stem from the individual entrepreneurial activities of the investors in which every participant seeks to be a principal actor in the market environment. Relatively in terms of satisfaction with the operation of the sector in the zone, it was derived that the 68.9% of the agribusiness investors that attested earlier were satisfied while, 2.5% and 25.3% were very satisfied and not satisfied with the operation of the sector in zone. In justification of the findings, Togar (2000) posited that agro-food industries in Africa have continued to grow at a rate of more than 10 percent annually; and with the accompanying increase in the income of the middle income group and with improvements in the quality of agribusiness products, the demand for quality food has become much stronger. Hence, the agro-business sector is expected to expand further.

CONCLUSION AND RECOMMENDATIONS

It has been established that despite the performance of agribusiness ventures in Southeast Nigeria, the sector was still bedevilled with challenging factors which have retarded the growth and development of the sector. These identified constraints included corruption and bad legal system, poor infrastructural facilities, lack of market information, multiple taxation, tedious registration and licensing procedure, poor access to formal credit facilities, crime, theft and social disorder, and poor experience in the line of business. These challenging factors were identified to be endogenous and exogenous.

Based on the findings, the study recommended that all strategies that will improve access to credit by agribusiness entrepreneurs should be encouraged. Such strategies should explore ways of enabling young entrepreneurs to access credit even if they do not possess prime assets that are currently being accepted by financial institutions as collateral. Again, it was recommended that a thorough market research be carried out to ensure that there is adequate demand for the products or services being offered by emerging agribusinesses. Strategic planning to determine the nature of competition and how to position the agribusiness is also needed. Choice of the agribusiness location needs to be considered carefully by potential agribusiness investors in order to minimize distribution costs, meet demand and beat competition.

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