

THESIS FOR THE DEGREE OF DOCTOR OF PHILOSOPHY

Travels of Business Incubators

Exploring Entrepreneurship Support from an Embeddedness Perspective
in Uganda and Tanzania

K. A. KRISTINA HENRICSON BRIGGS



Division of Entrepreneurship and Strategy
Department of Technology Management and Economics
CHALMERS UNIVERSITY OF TECHNOLOGY
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Department of Technology Management and Economics

Chalmers University of Technology

SE-412 96 Gothenburg

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Department of Technology Management and Economics, Chalmers University of Technology

ABSTRACT

This thesis contributes to business incubation research, focused on business environments in Uganda and Tanzania. Business incubation is not a new phenomenon and research began in earnest in the 1980s. Thus, there is a broad range of studies on business incubators, how they are defined and what they do to support entrepreneurs. Establishment of business incubators has also been increasingly common as a method of supporting entrepreneurs who are expected to increase regional and national economic growth through their activities. The phenomenon of business incubation originates in the US and Europe but has an increasing prevalence in the rest of the world.

However, there is a gap in the literature regarding the understanding of how context impacts the establishment of business incubators, especially in African countries. The aim of this thesis is to develop a deeper understanding of business incubator establishment in selected African settings. Moreover, this thesis is based on a perspective of entrepreneurship as embedded in social and economic contexts. The aim is approached through three questions, delving into the expectations on and embodiments of the entrepreneurs, the role of context, and how theories of business incubation and its propagation may be adjusted based on the findings from this research. The theories chosen to understand business incubator propagation are institutional theory, actor network theory and a transfer model.

The research conducted is qualitative with a design based on an interpretative approach. This approach is deemed appropriate as the research questions aim to explore business incubation and have developed over time through the process of the research. The empirical settings of Uganda and Tanzania are suitable for the study because they include a mix of formal and informal institutional environments and show a current increasing trend of business incubators. Other characteristics for these environments are a small private sector and an abundance of entrepreneurs. The thesis builds on empirical material from two field studies including interviews, participant observations, and secondary data.

The findings indicate that a business incubator may be seen as a complement to a broader system of entrepreneurship support. However, business incubator establishment needs to include an increased awareness of prerequisites, limitations and consequences of such establishment. Prerequisites include how embeddedness in a mix of formal and informal institutions influences the performance of economic transactions for the entrepreneurs. Furthermore, business incubators have capacity limitations creating a difficult task for managers responsible for identifying promising entrepreneurs from the large variety of entrepreneurs found in the studied settings. These findings are consequential since the funding of business incubators could possibly be spent elsewhere.

This thesis contributes to business incubator theories through an understanding of how business incubators are embedded in the studied contexts. Furthermore, the theories of propagation included in this thesis facilitate the understanding of how business incubators travel around the world, but need to be sensitised towards power asymmetries between countries. The analysis of managerial practices of business incubators contributes to business incubator policy by suggesting a deeper analysis of local needs and of how to compensate for contextual constraints.

Keywords: business incubation; entrepreneurship; embeddedness; Uganda; Tanzania



LIST OF PUBLICATIONS

This thesis is based on the following papers, referred to by Roman numerals in the text.

- I. Henricson, K & Palmås, K. 2012. The translation of an incubator: the case of the Lighthouse in Bubulo, Uganda. *Annals of Innovation and Entrepreneurship 2012*, 3:15762.
- II. Henricson Briggs, K. 2014. Perceptions of success of a social entrepreneurship initiative: a cross-cultural management approach. *Int. J. of Social Entrepreneurship and Innovation*, Vol. 3, No. 2, pp. 122-136.
- III. Henricson Briggs, K. 2016. Business incubation in Tanzania: policy-practice gaps. Submitted to *Africa Journal of Management*.
- IV. Henricson Briggs, K. 2016. Conflicting whys: analysing business incubator rationales. Submitted to *African Affairs*. A previous version was peer-reviewed, presented and published in conference proceedings from *Africa Academy of Management*, January 2016.



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1 Introduction

Research could in many ways be compared to travelling in the sense that both activities open up new worlds, create knowledge and include meetings with a range of people. It is a particularly suitable metaphor for this thesis, since it explores entrepreneurship support and how business incubators travel the world. In addition, the researcher has travelled not only metaphorically with this thesis as the final destination, but also literally to Uganda and Tanzania. So, let the journey begin.

This thesis contributes to the understanding of how context influences the establishment of business incubators. It adds knowledge both to the broader literature and to scholars and practitioners working on business incubation. Empirically, the focus is on the selected African¹ settings of Uganda and Tanzania. These countries are neither compared nor seen as a single entity (Jackson, 2011), but have however, similarities making them suitable for the purpose, such as a business environment with a mix of formal and informal institutional environments and a current trend for increasing numbers of business incubators (Kelly, 2014, BongoHive, 2014, AfriLabs, 2016, Bertenbreiter, 2013, infoDev, 2014b, Cunningham et al., 2015, Costech, 2010).

There are relatively few studies on entrepreneurship in general in Africa (Kolk and Rivera-Santos, 2016) and in the case of business incubation in particular, “an absence of research from Africa and South America is notable” (Mian et al., 2016, p.7). Research on business incubation is often fragmented with a focus on success stories and outcomes (Mian et al., 2016, Albort-Morant and Ribeiro-Soriano, 2016, Honig and Karlsson, 2010, Hackett and Dilts, 2004b) Although there are a variety of topics covered in previous research, there has been little that focuses on how business incubation is impacted by new contexts. The specific characteristics of the business system in the chosen context, e.g. a large small-scale sector and a small large-scale sector, in combination with continuous economic growth (Mijiyawa, 2013), have recently generated a call for an integration of in-depth studies on African contexts and research on business in general. Furthermore, countries like Uganda and Tanzania are underrepresented in research on Africa compared to e.g. South Africa and Kenya (Kolk and Rivera-Santos, 2016). This thesis addresses this gap in the literature by challenging and extending existing ideas on business incubation in the specific business environments that may be found in Uganda and Tanzania. The research design is based on an interpretative approach (Schwandt, 2000), suitable because the research questions (RQ) explore business incubators and have developed over time during the research process.

The aim of the thesis is *to develop a deeper understanding of business incubation establishment in selected African settings with a perspective of entrepreneurship as embedded in a social and economic context*. The aim has been distilled into three main research questions which are further discussed and motivated in the theory chapter. The research questions are:

RQ1: What expectations and embodiments of entrepreneurship are found in and around business incubators?

RQ2: What is the role of context, as explored through the embeddedness perspective, in understanding the establishment of business incubators?

RQ3: How should business incubation theories, and theories of propagation, be adjusted in light of business incubation practices in the selected African settings?

¹ Throughout this thesis Africa refers to Sub-Saharan Africa in line with common practice within development research (Whitfield et al., 2015).

The findings indicate that a business incubator may be seen as a complement to other entrepreneurship support structures such as universities, trade associations and financial institutions². However, business incubator establishment needs to include an increased awareness of prerequisites, limitations and consequences of such establishment. This thesis contributes to business incubator theories through an improved understanding of how business incubators are embedded in the studied contexts. Furthermore, theories of propagation included in this thesis facilitate the understanding of how business incubators travel around the world, but need to be sensitised towards power asymmetries between countries. The contribution to policy concerning the managerial practice of establishing business incubators is that there needs to be a deeper analysis of local needs and how contextual constraints may be compensated by the business incubator. Based on the rapidly developing nature of the research field of this thesis (Cunningham et al., 2015), and that contexts evolve over time (Autio et al., 2014), an expected limitation of the thesis is that the findings as presented by the research will somewhat lag behind the reality in the field.

The aim of the thesis is based on two assumptions: the first, that there is an international propagation of business incubation and, the second that entrepreneurship is embedded in a social and economic context. A further general assumption is that business incubation aims to support entrepreneurs, often with the purpose of promoting economic growth. Thus, the next sections will introduce the two stated assumptions followed by a brief presentation of entrepreneurship and economic growth in Africa. Research aim and contribution will be further presented together with the research questions in section 1.4 followed by the structure of the thesis in section 1.5.

1.1 International propagation of business incubation

The first assumption behind this thesis is that there is an international propagation of business incubation. This section will introduce the first assumption together with a short presentation and definition of the concept of business incubators³.

In an environment where the aim is to support entrepreneurship there are certain institutional structures that need to be in place. Some of them are common societal structures such as laws, regulations, administrative structures and infrastructure, and others are more specific for supporting entrepreneurship such as the business incubator. The business incubator concept has developed since it first appeared in the US in 1959 and more than one definition can be found in the literature (Bergek and Norrman, 2008, Phan et al., 2005, Hackett and Dilts, 2004b, Aaboen, 2008). For this thesis the definition by Leblebici and Shah is adopted and the definition reads as:

“a facility designed to encourage entrepreneurship and minimize obstacles to new business formation and growth by housing a number of new enterprises that share a set of services”
(Leblebici and Shah, 2004, p. 363)

It is important to emphasise for this definition that ‘a set of services’ is more than basic services and includes e.g. business development advice, business training and networks for financial support.

² For example credit associations or as commonly known in Africa, Savings and Credit Cooperative Organisations (SACCO) which are democratic, member driven and self-help cooperative organisations where members agree to save their money together and offer loans to each other at reasonable rates of interest.

³ ‘Incubator’ and ‘incubation’ are closely connected, an incubator could be seen as the physical manifestation of the idea of incubation. Furthermore, the idea of incubation is often influenced by the physical incubator. In this thesis, both words will be used to focus on those different aspects, and enable a deeper understanding, of the phenomenon.

There are several theoretical models that may be used to understand the propagation of business incubators such as institutional theory, Actor Network Theory (ANT), and transfer models. Different theoretical models have different words describing propagation, and processes connected to propagation; included in these are *diffusion* from institutional theory, *translation* from ANT and *transfer* from Lillrank's transfer model. The theoretical perspectives will be further described in Chapter 2. Theories not only describe the process of propagation but may also give an indication of how inspiration and decisions, the driving forces behind the propagation, may appear and be made. However, the word *propagation* will be used when discussing the travels of business incubators in general terms.

The concept of business incubation is propagated around the world. Within policy work it is commonly taken for granted that business incubators benefit the survival of new enterprises. However, recent research also points at mixed evidence to support this assumption (Amezcuca et al., 2013) and a lack of consensus regarding the quality and efficiency of business incubators (Albort-Morant and Ribeiro-Soriano, 2016). Additionally, theories on business incubation tend to treat business incubators as unproblematic policy tools that stimulate local economic growth (Kyaruzi and Hales, 2009).

Nevertheless, the number of business incubators is increasing and in 2012 the US-based private support organisation, International Business Innovation Association, estimated that there were about 7,000 business incubators around the world (InBIA, 2016)⁴. Uganda and Tanzania are members of the African Incubator Network (AIN) which contributes with capacity building for incubator professionals in its member countries. AIN is part of the UN organisation infoDev (infoDev, 2014a) which promotes business incubation around the world and currently provides financial and technical support to 24 business incubators in 10 African countries. From the estimated total global disbursement of US\$ 17 million in 2014, 38 percent, or approximately US\$ 6.5 million, went to the activities in Africa within the infoDev program including i.e. capacity building, trainings and events (infoDev, 2014b). It should be noted that this is only one example of an organisation funding business incubators. Other organisations supporting new and small businesses, including business incubators, are bilateral agencies, private donors, local government etc.

It is important that a business incubator adapts to local conditions (Chandra and Fealey, 2009, Aaboen, 2008) and it is not necessarily appropriate to simply copy the concept of business incubation such as it is set up in the country where the concept originated (Lalkaka, 1997). If the concept coming from Europe or the US is applied in other countries it is important to consider social and cultural differences in particular and that a system of government, businesses, universities, trade associations, entrepreneurs, service providers and financial institutions is in place (Chandra and Fealey, 2009). Additionally, it is important to remember that within the field of entrepreneurship, US culture is a special case, e.g. in terms of risk-taking and individualism, compared to many other countries in the world and therefore a less suitable choice from which to get inspiration for countries in Europe, Asia (Aerts et al., 2007, Aernoudt, 2004, Maital et al., 2008) and most likely also Africa. Moreover, there may be cultural and socio-economic differences such as religious, linguistic, tribal and ethnic differences even within the same country that need to be taken into consideration (Sriram and Mersha, 2010). It has been suggested that the development of institutions should be grounded in local contexts and focus on local growth instead of trying to create versions of growth initiatives from developed economies (Kyaruzi, 2008).

⁴ Including *inter alia* business incubators fostering commercialisation of university technologies and business incubators increasing employment in economically distressed communities. Business incubators as part of strategies for promoting university technology commercialisation are based on ideas and theories that are not covered by this thesis.

Similarly, import of management theories that are not sensitive to local African contexts should be avoided (Mellahi and Mol, 2015).

Although the first business incubator in Africa is considered to be a sheltered real estate services including financial and business development in Kenya, in 1967 (Meru and Struwig, 2011), it is not until recently that there has been an increase in the establishment of business incubators in regions outside the US and Europe such as Asia and Africa (Scaramuzzi, 2002). The current trend of an expanding innovation system⁵ with an increase in innovation and entrepreneurship stakeholders, including business incubators, has been observed since 2009 in Uganda, quickly followed by Kenya and then Tanzania (Cunningham et al., 2015). The purpose of the business incubators in developing countries is similar to where they were originally established. This means they are generally seen as a tool for promoting business development for start-ups (Atherton and Hannon, 2006) but there are indications that business incubators have yet to be successful for this purpose in the African context (Kyaruzi and Hales, 2009).

This thesis adds to the understanding of how the propagation of business incubation over the world has developed. Implementation of business incubators is influenced by the success stories coming from the US and Europe (Adegbite, 2001, Tamasy, 2007). Such driving forces also relate to historical legacies, the business system and the business environment in Africa that will be further introduced in chapter 4. It is not only policy work in terms of business incubator establishment, however, which is influenced by the US, as it is also the country responsible for the largest production and export of management theories since the establishment of the field (Hofstede, 1980, Landström et al., 2012, Boyacigiller and Adler, 1991). Moreover, the last three decades of business incubation research have been dominated by a North American and European perspective and there are still many gaps to fill regarding the business incubation process (Mian et al., 2016). Like the parable of the drunk man, searching for his keys under the streetlight because it is easiest (Demirdjian et al., 2005), scholars have a tendency to study phenomena such as entrepreneurship “where the light is” and it certainly “takes some courage to take other routes” (Steyaert and Katz, 2004, p. 183).

1.2 Entrepreneurship in context

This section gives a brief introduction to the field of entrepreneurship and how entrepreneurship is embedded in a social and economic context, as stated in the second assumption of the thesis. Entrepreneurship is then further presented in section 2.1.2.

Entrepreneurship is not a new phenomenon but has a tendency to come into fashion when unemployment in a country increases and the economy worsens. The reason for this is that entrepreneurship is considered to be important for economic development through employment, innovation and welfare effects (Amezcuca et al., 2013, Acs et al., 2008). Policymakers’ emphasis on job creation often leads to support for entrepreneurship (Steyaert and Katz, 2004, Langevang et al., 2012). Scholars have provided a variety of definitions of entrepreneurship. A few examples of entrepreneurial roles discussed in the literature are: the risk-taker, opportunity creator, innovator, and coordinator of limited resources. The many perspectives, descriptions and combinations of attributes makes the concept of the entrepreneur rather complicated (Landström et al., 2012, Landström, 2010). It is important to recognise the variety of meanings and be clear about how we choose to define it in different situations (Gartner, 1990). In this

⁵ “All important economic, social, political, organizational, institutional and other factors that influence the development, diffusion and use of innovations” Edquist 1997. *Systems of innovation: technologies, institutions, and organizations*, Abingdon, Psychology Press.

thesis, in order to encompass a variety of entrepreneurs with a combination of perspectives, a broad and inclusive working definition of entrepreneurship is used:

“any person who runs any type of business, including business founders, and without focus on newness”

(inspired by e.g. Gartner, 1990, Davidsson, 2004, Landström, 2010)

Entrepreneurial behaviour also reflects the economy and the variations in the environment where it appears (Acs et al., 2008, Baumol, 1996). The prefixes *opportunity* and *necessity* entrepreneurship are an example of this variation, as they are used to describe different types of entrepreneurship based on what is driving the entrepreneur. The entrepreneurs turning to entrepreneurship out of necessity because they lack any other opportunities for employment, are thus called necessity entrepreneurs. Entrepreneurs who instead choose to act on a business idea that they have identified are called opportunity entrepreneurs. Other types of entrepreneurship are formal and informal, export-oriented etc. (Acs, 2006, Acs et al., 2008).

Social entrepreneurship is an area of entrepreneurship that has developed since the 1980s, when the term was coined for the first time. It is understood as entrepreneurship focused on social change for individuals, vulnerable groups or society in general (Sharir and Lerner, 2006, Bornstein, 2007, Martin and Osberg, 2007). One of the main differences between entrepreneurship and social entrepreneurship is traditionally that the first is driven mainly by a financial gain but the second is driven by a social value prior to a financial value. However, this categorization is context dependent and has shown to differ based on the business environment (Gawell et al., 2009, Gawell, 2014, Spence and Rutherford, 2001). Moreover, research on economic development in Africa often includes entrepreneurship but lacks differentiation between the existing variations of entrepreneurship (Langevang et al., 2012). Consequently, all entrepreneurs are treated as if they form one homogenous group (McDade and Spring, 2005). One way of describing how the context influences economic activities such as entrepreneurship is with the concept of embeddedness. Embeddedness will be further presented in the theory chapter but could briefly be described, for the entrepreneurial actor, as:

“the nature, depth, and extent of an individual’s ties into the environment”

(Jack and Anderson, 2002, p. 468)

Embeddedness can be seen as a link between the economic and social domains of a society and illustrates how phenomena, such as entrepreneurship, are influenced and connected to their contexts. Embeddedness focuses on the part of the context that is enacted in economic action, allowing the researcher to get away from the much broader character of context that means everything and nothing. This thesis has its starting point in an embeddedness perspective of entrepreneurship. If entrepreneurship is expected to also transform a country it is not possible to discuss it without including culture and the context, which means that the social part is as important as the economic part of entrepreneurship (Brundin et al., 2005).

Even though the context is different for entrepreneurship in different places, the ideas about entrepreneurship often survive without major adaptations when they propagate around the world (Langevang et al., 2012). This taken-for-granted-reality could be problematic in the parts of the world where the ideas about entrepreneurship are not as obvious and embraced (Brundin et al., 2005, Steyaert and Katz, 2004). Entrepreneurship can even be destructive and unproductive, heavily dependent on the time and place - the conditions - for its activities. Institutional preconditions change over time and create incentives for the entrepreneurs who act correspondingly. If the institutional necessities are not in place, the entrepreneur may become unproductive for the economy (Baumol, 1996). Consequently, cultural

aspects may be an obstacle for a country if they are not properly understood and managed when planning entrepreneurship support (Lalkaka and Abetti, 1999).

Although entrepreneurship is not new to the economic development agenda it is still a buzz-word. In theory it is a strategy for development but in reality it is still difficult to know how entrepreneurs should be supported in ways that are more than basic financial advice. It is argued that there is not one single solution to support entrepreneurs and increase economic development (Naudé, 2011). Consequently, the local institutional conditions and context is important to consider for public policy when working with entrepreneurship and economic development. Moreover, studies on entrepreneurship and business incubation are still most common in North America and the OECD countries (Mian et al., 2016). In comparison there are few studies on entrepreneurship in developing countries in general and Africa in particular (Edoho, 2015). The next section will further discuss how entrepreneurship is related to economic growth in Africa.

1.3 Entrepreneurship and economic growth in Africa

Based on the general assumption that business incubation aims to support entrepreneurs, who are often seen as important for economic growth, this section gives a brief background to the reasoning behind the relationship between entrepreneurship and economic growth in Africa, further developed in section 2.1.3.

Although all countries are different, there exist some similarities between the low-income countries in Africa, such as in their business environments (Ramachandran et al., 2009). Similar characteristics include limitations due to finance, infrastructure, legal rights, availability of skilled labour, access to land, foreign ownership and export status (Iacovone, 2013, Ramachandran et al., 2009). This section is based on literature discussing economic growth in Africa in general. It begins with a brief introduction to the definitions of developed and developing countries.

From the 2016 version of the World Development Indicators, the World Bank does not use the words developed and developing countries. The World Bank no longer considers the division relevant since the Sustainable Development Goals (SDG) focus on the whole world (Fantom et al., 2016). However, there will be a period of overlap when the terms of developed and developing are phased out and material, for example in this thesis, is still labelled based on the old terminology. Although the terminology of developed and developing countries will be used in this thesis it is also clear that the labels are quite crude in the sense that they divide all countries into only two different groups, especially when one considers that most of the world's population lives in the developing world. The previous definition of a developing country was a country where the majority lives on far less money and public services than the population in highly industrialised countries. Within the group of developing countries the variations are vast. Both Uganda and Tanzania, the settings for the research discussed in this thesis are so-called 'low-income economies'⁶ (WB, 2016a), although differences, as further described in chapter 4, exist between the two countries. The global poverty line was updated in October 2015 to US\$ 1.90 and it was estimated by the World Bank that in 2015 just over 700 million people lived in extreme poverty (WB, 2015). However, the poverty line is relative and varies significantly between countries. The limit of what is considered below the poverty line is set respectively by each nation (CIA, 2016).

The current development trend in Africa has lasted for about 20 years and is often presented as being increasingly positive every year, especially in relation to the slow growth in the two preceding decades

⁶ For the 2016 fiscal year, 'low-income economies' are defined as those with a gross national income per capita, calculated using the World Bank Atlas method, of \$1,045 or less in 2014.

(Pedersen and McCormick, 1999, Radelet, 2010). It is, however, important to remember that the general trend is an average and does not show the diversity between the countries. Nevertheless, there has been a shift in the attitude towards the poor in Africa. Instead of aid recipients the poor are looked upon as possible business partners, innovators and producers (Minard, 2009) and it is clear that entrepreneurship is not lacking in Africa (Kshetri, 2011). Moreover, there are various examples of productive sectors, competitive companies and innovative solutions that are represented in many of the countries. However, most employment still comes from the agricultural sector, estimated to be 62 percent of the formal employment share in Africa, even though a majority of jobs within agriculture are still informal (UNECA, 2014). Also, African economies are still considered small with a per capita GDP⁷ of less than US\$ 500 a year, except for a few middle-income countries⁸. This could be compared to the per capita GDP in countries such as China (US\$ 6012), India (US\$ 3072) and Indonesia (US\$ 3419) (Ramachandran et al., 2009). In addition, only eight African countries make it to the top 100 in rankings of combined GDP and business climate. In contrast, 38 out of the bottom 50 countries in the same rankings are African countries (Gelb et al., 2014). Furthermore, the positive development has not been equally strong all over the continent (Radelet, 2010) and despite the positive trend there is a constant debate on what is creating real change in Africa. Two different perspectives from development economists are introduced below.

The first perspective sets out that the solution for development is to increase economic growth, primarily through increased productivity and advancement on the technological ladder for African countries. Industrialisation is then considered a key for development because manufactured goods have more stable prices and a higher added value than for example cash crops. These then offer individuals a higher income and in turn increase their standard of living. In addition, industrial jobs are capable of employing large numbers of people entering the labour market in many of these countries (UNECA, 2014). However, industrialisation has not yet had the impact hoped for in Africa partly because some of the early efforts have been undermined, returning the economies to a similar state as at the time of independence in the 1960s (Whitfield et al., 2015, Pedersen and McCormick, 1999).

The second perspective argues instead that economic growth is not enough. High economic growth is one measurement of development but not necessarily connected to structural changes in the economy or guarantees of reduced poverty (Naudé, 2010). There are only a few examples of countries in Africa where industrialisation has successfully resulted in necessary structural change and an internationally competitive manufacturing industry. Many countries still have to import both manufactured goods and knowledge-based services. One perspective arguing against economic growth as the single solution perspective is that of Whitfield et al. (2015) who believe that it was not industrialisation alone that made rich countries rich, but rather the economic characteristics of manufacturing and the type of industrialisation. Their solution is to focus on economic transformation through processes that can increase standards of living. Such processes are “agricultural transformation, export diversification, building technological capabilities among firms and farms, industrial deepening, and industrial upgrading” (Whitfield et al., 2015, p. 34). Other research has suggested that the only economic process that has a positive relationship to economic growth is exports (Mijiyawa, 2013). Through pro-active, targeted government policies, all of the above mentioned processes could be facilitated and incentivised including providing improved infrastructure, access to credit and training labour (Whitfield et al., 2015, Kelsall, 2013). These two perspectives are examples of how economic growth may influence the

⁷ Gross Domestic Product, defined as the market value of all officially recognised final goods and services produced within a country over a given period of time.

⁸ GDP (further described below in this section) only measures the formal economy. Thus, these comparisons do not include the size of the informal private sector, which is typically the largest sector of African countries, discussed in section 4.2.

development in Africa. Hereafter, economic growth will be further presented and discussed in connection to entrepreneurship.

Entrepreneurship has become an important part of economic development policies in developing countries (Langevang et al., 2012) despite the fact that studies of the results have been contradictory (Desai, 2009). As an example, there is literature within entrepreneurship, small business and management that proposes that entrepreneurship only contributes to already advanced economies but not to poor developing countries (Naudé, 2010). On the other hand, the Uganda GEM⁹ report from 2012 (Balunywa et al., 2012) suggests that all forms of entrepreneurship in Uganda may contribute to economic growth and not only innovation based entrepreneurship. Furthermore, entrepreneurship activities vary in quality and quantity (Sserwanga, 2010), and entrepreneurship in general is difficult to measure, which could clarify the contradictions found in the literature. Furthermore, entrepreneurship does not guarantee economic growth and economic growth does not guarantee reduced poverty or development of a country. The relationship between poverty alleviation, decreased poverty and increased GDP is also influenced by the quality of jobs created from entrepreneurship, where low-quality jobs mainly make really poor people become less poor (Mead, 1994, Mead and Liedholm, 1998). Studies of entrepreneurship and economic growth are influenced by cultural and country specific contexts (Delmar and Wiklund, 2008) and it is highly relevant to be aware of the different natures of entrepreneurship for further discussion (Acs et al., 2008). Moreover, it is important to understand the entrepreneurial activities in a certain country to be able to develop relevant policies for new businesses (Desai, 2009). Consequently, a one-size fits all approach to economic development is not appropriate (Audretsch et al., 2009, Naudé, 2011).

The annual increase in GDP is a common measurement of economic growth. However, GDP per capita is not a measurement of standard of living, even though it is often used as an indicator for it, based on the assumption that the increased production in a country should benefit everyone in that country. It is rather an average figure of how much the country increases its market value, meaning that the increase could be distributed unevenly between different groups in society. Furthermore, an increase in GDP does not indicate how the average income increases for individuals which means that GDP can increase because the country has an increased total market value at the same time as individual incomes could decrease and poverty levels rise. The main advantage of GDP is that it is measured regularly all over the world and that it can be helpful to identify general trends in a country.

The consequence of the fact that poverty levels can rise despite increased economic growth has opened up the field for the concept of inclusive growth. Economic growth has shown to be necessary but not enough. Instead, economic growth needs to be sustainable, to reach all sectors and to be inclusive, to make sure that as many people as possible benefit from it. Inclusive growth can be defined as:

“desired outcome of innovative initiatives that target individuals in disenfranchised sectors of society as well as, at the same time, a characteristic of the processes by which such innovative initiatives occur”

(George et al., 2012, p. 661)

The previous sections have briefly introduced the field of business incubation, entrepreneurship and the relationship between entrepreneurship and economic growth. On the one hand, entrepreneurship is considered important for economic development and is often emphasised within policy work to increase

⁹ Global Entrepreneurship Monitor began in 1999 as a joint project between Babson College (USA) and London Business School (UK). The aim is to “explore and assess the role of entrepreneurship in national economic growth, through the creation and comparison of annual cross-national harmonised data sets” (Balunywa et al., 2012, p. 11).

job creation (Amezcuca et al., 2013, Acs et al., 2008, Acs, 2006, Wong et al., 2005, Theodorakopoulos et al., 2014) and on the other hand, research also shows that the outcome of entrepreneurship is rather complex and guarantees neither economic growth, reduced poverty nor development (Shane, 2009, Wennekers and Thurik, 1999). This will be further discussed in section 2.1. In addition, two perspectives on the role of economic growth in the African context have been presented. Economic growth is difficult to measure and both GDP and inclusive growth were mentioned as examples of such measurement. There are additional characteristics for business in Africa that will be further described in chapter 4, including a historical overview, the business system and more details of the similarities of business environments. Based on this foundation the next section presents the research aim and contribution of the thesis.

1.4 Research aim and contribution

The entrepreneurship research field has become well-established over the last three decades and the connection between entrepreneurship, economic development and job creation has emerged on the agenda for policy makers globally (Herrington and Kelley, 2012). Previous research shows that business incubators may be a useful tool for supporting entrepreneurs and economic development (Mian, 1994, Mian et al., 2016, Colombo and Delmastro, 2002, Bergek and Norrman, 2008, Peters et al., 2004). However, research on entrepreneurship and business incubation commonly has a success bias through studies of best practices or features of successful business incubator programs (Mian et al., 2016, Albort-Morant and Ribeiro-Soriano, 2016). Thus, the research outcome creates a perspective that does not allow for further learning from mistakes, analysis of risky strategies or from failures such as business incubators that have not worked. Moreover, business incubation research tends to describe business incubators in positive terms (Honig and Karlsson, 2010). Instead of studying entrepreneurship and business incubation where it is often studied, in the US and more specifically in Silicon Valley (Steyaert and Katz, 2004), this thesis aims at expanding the perspectives and contributing to a current research gap in the African region (Kshetri, 2011, Rivera-Santos et al., 2015).

This thesis is more specifically focused on business incubation. Business incubation is increasingly emphasised as a tool for support of entrepreneurship globally but the most comprehensive evaluations of business incubators have so far been made in Europe and the US (Tavoletti, 2013, Tamasy, 2007). Although there is a variety of previous research on business incubation there is still a lack of understanding regarding how business incubation is introduced into new contexts, and especially in Africa. Hence, a knowledge gap has been identified within business incubation research in the characteristic business environments and business systems of the African context (further presented in chapter 4). In this thesis these business environments and systems are exemplified in the countries of Uganda and Tanzania. In this respect there is a perceived gap between the theories and the reality where business incubators are established.

The aim of this thesis is therefore, *to develop a deeper understanding of business incubation establishment in selected African settings with a perspective of entrepreneurship as embedded in a social and economic context.*

As mentioned above, the aim is developed into three main research questions:

RQ1: What expectations and embodiments of entrepreneurship are found in and around business incubators?

RQ2: What is the role of context, as explored through the embeddedness perspective, in understanding the establishment of business incubators?

RQ3: How should business incubation theories, and theories of propagation, be adjusted in light of business incubation practices in the selected African settings?

Through the extended knowledge generated through this thesis it may be possible to challenge existing ideas on business incubation. The findings in this thesis could be relevant for the business incubator community including both practitioners and scholars. Practitioners who want to work with entrepreneurship support in the studied settings may find it especially relevant, but practitioners in other business environments could also consider it important. Moreover, the results from this thesis contribute to theories and models of business incubation by an increased sensibility towards new perspectives (Alvesson and Sköldbberg, 1994) of entrepreneurship and business incubator embeddedness. The practical implications from development of the business incubation theories and models may be added to policy recommendations for practitioners.

1.5 Structure of the thesis

This thesis is a compilation thesis with a cover paper and four appended papers. In chapter 2 there is an introduction to the theoretical framework and perspectives of the thesis. Chapter 2 will also give the theoretical background and an introduction to the three research questions mentioned above. In chapter 3, methodological considerations are presented together with the empirical methods that have been used to collect primary and secondary data, both for the appended papers and the cover paper. The following chapter, 4, introduces an overview of the research context and the selected settings behind this thesis. In chapter 5, highlights from the four appended papers are summarised. This is followed by a discussion in chapter 6 and finally, chapter 7, with concluding reflections and ideas on future research.

2 Theories and perspectives

This chapter gives the theoretical background of the thesis, summarising the relevant theories when necessary. A framework intended to facilitate an understanding of how the three research questions relate to each other is at the end of the chapter. The first selection of theories, in section 2.1, presents the rationale of business incubators. Firstly, business incubation is introduced in section 2.1.1. Business incubation is closely related to the field of entrepreneurship which is briefly introduced in section 2.1.2 followed by a discussion on entrepreneurship and economic growth in section 2.1.3. Thereafter, the second selection of theories is introduced in section 2.2, comprising the perspective of embeddedness, and theories that are used as an analytical tool in the thesis. Section 2.2 starts with institutional theory in 2.2.1 as the main theory for the understanding of business incubator propagation. Institutional theory is followed by the concept of embeddedness in section 2.2.2, which is a perspective utilised to contextualise business incubation and entrepreneurship. In section 2.2.3 and section 2.2.4, ANT and Lillrank's transfer model are presented as complementing perspectives that facilitate understanding of business incubation propagation. Finally, there is a summary of the theoretical framework and an introduction to the research questions in section 2.3.

2.1 Business incubation, entrepreneurship and economic growth

A common aim of business incubation is to support entrepreneurship that in turn creates economic growth for the incubated businesses, for the region and eventually for the country. Therefore, after an introduction to business incubators, this section presents theories related to business incubation such as entrepreneurship and economic growth. This thesis also includes work on social entrepreneurship which is further described in the section on entrepreneurship. The aim is not to make a specific contribution in the fields of entrepreneurship or social entrepreneurship, but rather to describe how they link to business incubation, inasmuch as they provide the intellectual foundation for the phenomenon. Thus, the sections are brief and should be seen as a short overview of the topics¹⁰.

2.1.1 Business incubation

The aim of business incubation is, put simply, to support entrepreneurial ventures start up, survive and succeed (Rice, 2002). Infrastructure and other types of support sustain the start-up in a phase where it may be difficult for a new company with limited resources to survive. However, through the years, this concept has developed in many directions and on different levels with people defining business incubation differently depending on the context (Aaboen, 2008, Theodorakopoulos et al., 2014). There are various ideas on how business incubators may be categorised and grouped and there is not one single definition or explanation to how business incubators should be understood. The literature on business incubation tends to focus relatively little on theoretical aspects (Hackett and Dilts, 2004b, Mian et al., 2016) but often describes business incubation as institutions or policy tools that stimulate economic growth through employment creation (Kyaruzi and Hales, 2009, McAdam and Marlow, 2007, Grimaldi and Grandi, 2005). Thus, research on business incubation has a more application driven approach, focusing on 'how' to implement business incubator models, with a potential for additional theorising around 'why'. This thesis contributes to existing business incubation theories by an increased sensibility towards new perspectives of business incubator embeddedness. Moreover, theories on business

¹⁰ In this text there is no deeper analysis of how entrepreneurship should be defined or who an entrepreneur is because those questions are too large for this thesis. Furthermore, there is no discussion of, if, and how, entrepreneurship may be taught.

incubation are often related to and based on entrepreneurship theories, presented below, although its role in the entrepreneurial processes is still often debated (Peters et al., 2004).

The following section briefly summarises research about business incubators. The first business incubator opened in Batavia, New York in 1959 (Hackett and Dilts, 2004b, Lendner and Dowling, 2007). Since then, the business incubator concept has developed and propagated around the world (Rice, 2002, Lendner and Dowling, 2007, Aerts et al., 2007, Tavoletti, 2013, Hackett and Dilts, 2004b, Mian, 1997, Mian, 1994). There is a broad variety of definitions of business incubation/incubators (Theodorakopoulos et al., 2014) and included in the definition used for this thesis, stated in section 1.1, is that a business incubator needs to offer more than just a shared office space. It should also include support within management, financing, legal advice and access to markets (Aernoudt, 2004). In summary, there are some components of business incubators that dominate the descriptions in the literature of what a business incubator offers, namely: shared office space which is rented under favourable conditions to tenants, a pool of shared support services to reduce overhead costs, professional business support and advice ('coaching'), and network provision, that may be external and/or internal (Bergek and Norrman, 2008). The time in the business incubator is often limited to two to three years and the process of professional business support and advice is often structured and follows a program during the time that tenants are allowed to participate in the business incubator. The different aspects that are often studied around business incubators include the selection process of tenants, infrastructure, business support, and graduation from the business incubator (Peters et al., 2004, Bergek and Norrman, 2008, Hackett and Dilts, 2004b).

There are many types of business incubators and mainly two ways of grouping them based either on *who is financing the activities* or *the objective of the incubator* (Aernoudt, 2004, Mian, 1994, Clarysse et al., 2005). The financing can be divided into four categories: public non-profit incubators, private independent profit-oriented incubators initiated by individuals who want to support entrepreneurs, university business incubators and private corporate profit-oriented incubators such as business incubators connected to existing large corporations. Most of the incubators are public non-profit business incubators that are established for regional economic development (Tavoletti, 2013, Tötterman and Sten, 2005). The non-profit incubators were originally important in the institutionalisation of the practice and the fact that they were supported by universities, foundations and local governments legitimised business incubators as a tool for economic development (Leblebici and Shah, 2004). Objectives of the incubators may, for example, be economic development (regional development (Mian, 1994)), technology development (create technology entrepreneurship), social (integration of social groups) or a mixed focus (create start-ups). Although the incubator may have a main focus there is often a secondary complementary objective, such as one of those listed above (Aernoudt, 2004).

Another categorisation is to look at the different generations of business incubators. The first generation of business incubators was established in the 1980s, the second in the 1990s and the third in the late 1990s-early 2000s (Bruneel et al., 2012). Many of the current business incubators are of the third generation (Aerts et al., 2007). Third generation incubators have a higher focus on starting up companies and are complemented by the previous generations which are sometimes seen more as science parks rather than business incubators (Bruneel et al., 2012).

An important aspect when establishing new business incubators is how they may be aligned with local and national cultures (Lalkaka, 1997, Chandra and Fealey, 2009). Studies on business incubation in African countries are relatively few compared to studies on business incubation in e.g. the BRIC (Brazil, Russia, India, China) countries (Akçomak, 2009, Lalkaka, 2003, Scaramuzzi, 2002, Lalkaka and Abetti, 1999). Similarly, comparative studies are mostly done between European and US incubators, showing

that the evident differences in terms of activities and outcomes may be understood by the national culture (Aerts et al., 2007, Aernoudt, 2004). Therefore, it is considered to be problematic to copy the US incubator concept without adaptations because the US culture is an outlier in terms of risk-taking and individualism (Maital et al., 2008) and in terms of entrepreneurial activity (Acs, 2006). It is further suggested that theories about business incubation should include answers to how the business incubator can “reinforce those aspects of the culture that act positively to help incubator projects attain success” and “mitigate or eliminate those aspects of culture that act negatively” (Maital et al., 2008, p. 4). This is at the same time as national studies of business incubation have shown that culture is the crucial variable between incubator operations and processes, and the national and global business environment (Maital et al., 2008). Moreover, policies and other documents promoting business incubation need to consider the possibility that a taken for granted business environment, with a specific institutional framework (see 2.2.1 below), and ideas about how the economy works, may be different in the developing world (Brundin et al., 2009).

The purpose of business incubation is to support entrepreneurs, hence business incubation is part of the entrepreneurship field. Research and theories on different aspects of entrepreneurship are abundant. Those particularly relevant to this thesis are briefly described in the next section.

2.1.2 Entrepreneurship

Entrepreneurship can be defined in various ways (Davidsson, 2004). Historically, there are a few influential scholars, such as for example Schumpeter and Kirzner, who have discussed entrepreneurship and its importance for society (Landström et al., 2012). However, the concept of entrepreneurship is still considered complicated and ambiguous (Landström, 2010). To show the different perspectives of how the entrepreneur is defined and explained, Landström (2010) has identified five entrepreneurial roles in the literature. These are a) the entrepreneur as risk-taker/risk-manager described by Cantillon, Say and Knight; b) the entrepreneur as opportunity creator or innovator described by Schumpeter, Dahmén and Baumol; c) the entrepreneur is a coordinator of limited resources described by Say and Casson; d) the entrepreneur as alert seeker of opportunities described by Mises and Kirzner e) the entrepreneur as a capitalist described by Smith, Ricardo and Marshall. Many of those attributes are still commonly used when talking about entrepreneurs and combinations of them figure in the public debate. The broad variety of entrepreneurial roles can sometimes confuse the understanding of entrepreneurship.

In the environments where entrepreneurs have been interviewed within the scope of this thesis there is a variety of people and the definition of entrepreneurship has been inclusive to enable meetings with different forms of entrepreneurs. For example, a business founder not having a unique business idea, has still been considered an entrepreneur.

As mentioned in the introduction, GEM is a world-wide evaluation of entrepreneurship in different countries aiming to produce comparable data on entrepreneurship across countries (Desai, 2009, Balunywa et al., 2012). In the expansion of data collection there was a need to add nuance to the types of entrepreneurship. This led to the development of two types of entrepreneurship based on why people engage in business, *necessity* entrepreneurship, when people become entrepreneurs because they lack other alternatives, and *opportunity* entrepreneurship, for those people who identify an opportunity to create a business and decide to act on it (Acs, 2006). Furthermore, it has been shown that entrepreneurs who start a business because they have no alternatives perform worse than entrepreneurs who leave their jobs to start their own business (Shane, 2009). Necessity and opportunity entrepreneurship are sometimes equalised with survival and growth oriented entrepreneurship (Langevang et al., 2012). Both types of entrepreneurship are present to a larger degree in developing countries than in developed countries. One reason that opportunity entrepreneurship is also more common in developing countries

may be that respondents to entrepreneurship surveys prefer to be opportunity entrepreneurs instead of a necessity entrepreneurs and simply do not answer according to the appropriate definitions (Acs et al., 2008). Another reason could be that the different types are close and sometimes difficult to separate. One type may for example evolve into the other for the same entrepreneur (Langevang et al., 2012). A third reason could be that entrepreneurial activity is high in general, which is the case in for example Uganda (Balunywa et al., 2012). Other types of entrepreneurship can be *formal* and *informal* entrepreneurship, *legal* or *illegal* entrepreneurship, *rural* and *urban* entrepreneurship or for example *export-oriented* entrepreneurship (Acs et al., 2008, Desai, 2009) and *social* entrepreneurship. Some of these different types of entrepreneurship are introduced in more detail below.

Formal entrepreneurship means that the entrepreneur operates within the formal economy, registered with the appropriate government agency. There are different reasons why a business is considered *informal*. Most common is that informal activities remain sufficiently small that they are below the level where registration is demanded by the government, thus, they are informal but legal. Illegal activities acting in contrary to specified laws and regulations are nevertheless sometimes considered legitimate, meaning that a majority of a society find it socially acceptable based on norms, values and beliefs. Consequently, the informal economy is sometimes illegal but legitimate (Webb et al., 2009). It should be noted that the boundary between what is considered formal or informal does not concern the legality of business activity per se - an informal business activity could be legal or illegal. As above, *legal* and *illegal* entrepreneurship refers to the activity and does not have to do with whether the business is registered or not. In a developing country there may be few benefits from participating in the formal economy. There may be regulatory disadvantages but there may also be advantages such as access to export markets (Desai, 2009).

Social entrepreneurship is another way of describing why people engage in entrepreneurship. It differs from economic entrepreneurship in that it includes an additional perspective and focus on social change through entrepreneurship (Sharir and Lerner, 2006). The concept of social entrepreneurship was coined in the 1980s and has developed from traditional theories of entrepreneurship (Martin and Osberg, 2007, Smith and Nemetz, 2009). As early as 1911, Schumpeter discussed the relation between entrepreneurship and both economic and social change (Swedberg, 2008, Gawell, 2014). However, the definition of social entrepreneurship itself is still discussed in the literature (Mair and Martí, 2006, Zahra et al., 2009, Rivera-Santos et al., 2015, Gawell, 2014). It has been suggested that the definition differs between the literature and the specific context where it is studied (Gawell et al., 2009, Gawell, 2013). It is, for example, common that social entrepreneurs self-identify themselves in research studies, meaning that the context and ideas on how social entrepreneurship is defined become influential for who is considered a social entrepreneur and what they are doing (Rivera-Santos et al., 2015). The definition adopted for this thesis read as:

“the social entrepreneur is acting as a change agent to create and sustain social value without being limited to resources currently in hand”
(Sharir and Lerner, 2006, p. 3)

Although social entrepreneurship focuses on social change it does not mean that profit is neglected (Martin and Osberg, 2007). In the context of Africa, research has shown that the level of trust in economic institutions influence how social entrepreneurship is perceived. The greater the emphasis on economic institutions, the more likely it is that entrepreneurs engage in for-profit activities instead of social activities (Rivera-Santos et al., 2015).

Entrepreneurship is not a new phenomenon but its popularity has often been a response to the current economic development of society. The beginning of research on science, technology and innovation came after the Second World War (Fagerberg et al., 2012). Although entrepreneurship as a tool for economic development was already included in those early post-war discussions together with innovations, investments and structural changes, the topic seems to have disappeared from the literature and discussions at some point in the early 1970s (Desai, 2009). Also, entrepreneurship literature alone developed slower than the fields of science and innovation up until the 1980s (Fagerberg et al., 2012). It was in the 1980s when other economic development interventions failed that entrepreneurship returned to the development agenda (Desai, 2009) and when the literature development took off (Fagerberg et al., 2012). According to Landström (2010) there seems to be a strong link between the interest in entrepreneurship and small businesses research and societal development. The development of entrepreneurial capabilities in Western¹¹ economies during the 1980s and onwards, and the subsequent success stories of entrepreneurs, led to the idea that entrepreneurship could also be an important part of development strategies in developing countries. Today, entrepreneurship is key in many development aid programs (Buckley, 1997, Page and Söderbom, 2015). Nevertheless, it has been argued that although entrepreneurship is definitely considered important today it is still possible that this present fascination is as optimistic as earlier trends of rural and corporate finance in the 1960s and 1970s and microfinance in the 1990s (Buckley, 1997).

The connection between economic growth and entrepreneurship can be discussed from various perspectives, such as historical views on entrepreneurship, macro-economic growth theory, industrial economics, evolutionary economics, history of economic growth and management literature on large corporate organisations (Wennekers and Thurik, 1999). The next section will describe further how entrepreneurship is treated as related to economic growth.

2.1.3 Economic growth

The increased focus on entrepreneurship in the 1980s and the 1990s, mentioned above, was based on an assumption among economists and politicians that entrepreneurship has a positive impact on growth of the GDP and employment (Wennekers and Thurik, 1999, Desai, 2009, Fagerberg et al., 2012). An important contribution to the debate was a report called *The Job Generation Process* from 1979 stating that it is new and small companies that create jobs and not large corporations (Birch, 1979, Landström et al., 2012). The basic idea of the connection between entrepreneurship and economic growth is that “entrepreneurs create new businesses, and new businesses in turn create jobs, intensify competition, and may even increase productivity through technological change” (Acs, 2006, p. 97). Schumpeter’s theory about entrepreneurs adds to this picture with the idea that the entrepreneur is an innovator and through innovative processes drives economic development. He discusses how the creative destruction process, which the entrepreneur accomplishes, leads to opportunities that new entrepreneurs may take and consequently, an increase in the number of entrepreneurs leads to an increase in economic growth (Wong et al., 2005).

However, there are many parameters to take into account for the relationship between entrepreneurship and economic growth and it has been shown that the reality is much more complex than the basic idea presented above (Acs, 2006, Shane, 2009). Wennekers and Thurik (1999) argue that there is no direct link between entrepreneurship and economic growth and add ‘intermediate linkages’ such as innovation and competition to explain the relationship. Furthermore, they show that there are a large variety of effects and conditions at different levels for entrepreneurial activities that impact economic growth. A

¹¹ ‘Western’ has a variety of accepted definitions depending on context and usually includes Europe, North America, Australia and New Zealand.

high level of entrepreneurship or business creation is not a guarantee of faster rates of economic growth (Wong et al., 2005, Shane, 2009). Moreover, it is important to remember that it is only a limited number of new companies that actually grow and contribute to the economy (Shane, 2009). In a study of necessity and opportunity entrepreneurship in eleven different countries it was shown that necessity entrepreneurship had no significant effect on economic development (Acs and Varga, 2005) and that opportunity entrepreneurs provide more jobs, partly as they expect their firms to grow more (Acs et al., 2008). Nevertheless, the Uganda GEM¹² report from 2012 (Balunywa et al., 2012) concludes that, not only innovation based entrepreneurship, but all forms of entrepreneurship in Uganda, may contribute to economic growth. Additional aspects to consider are that the growth of a company can have a negative influence on the survival of the company, and that entrepreneurs with motivation to grow their businesses are more likely to actually realise growth. Due to the risk in realising growth, not all entrepreneurs strive for this, meaning that incentives from governments and others may be important to increase the growth of businesses that can contribute to the economy (Delmar and Wiklund, 2008, Delmar et al., 2013). It has also been shown that the positive and negative aspects of job creation in small and medium sized companies balance out. If those companies survive they tend to grow faster than large companies but on the other hand it is more likely that they will not survive. The total growth rate is therefore similar between groupings of small, medium and large companies (Page and Söderbom, 2015, Wong et al., 2005, Shane, 2009).

Additionally, Acs (2006) presents a development economist perspective where development is divided in to three stages, each connected to entrepreneurship in a particular way. The first stage has high rates of non-agricultural self-employment. In the second stage, self-employment and entrepreneurship decrease as the economy becomes more developed, average firm size increases and more experienced managers run companies. Finally, the third stage sees an increase in entrepreneurship based on an expanding service sector with a smaller average firm size. In short, it is expected that economies in the early or middle stage of economic development should have entrepreneurial activity that is negatively related to economic development, while developed economies have a positive relationship between entrepreneurial activities and economic development (Acs, 2006). In conclusion, there is both a negative and positive relationship between economic growth and the rate of entrepreneurship in a country (Wong et al., 2005).

Entrepreneurship is not only challenging to define but also to measure (Wong et al., 2005). Due to the fact that there is no single technique for measuring entrepreneurship and that the details about how entrepreneurship is evaluated are sometimes vague, it is difficult to interpret those studies both in relation to their contexts and in comparison to each other (Wennekers and Thurik, 1999, Desai, 2009, Naudé, 2011, Davidsson and Delmar, 2006). Empirical studies on the relation between growth and parameters such as survival and profitability have shown mixed results (Delmar et al., 2013). Factors that influence the growth rate of a business include which sector the business is in, age of the company, location and if the entrepreneur had some vocational training (Rogerson, 2001). Studies of growth may also have different cultural and country-specific contexts (Delmar and Wiklund, 2008). For example, according to Acs et al. (2008) it is especially important to study entrepreneurship and economic development in relation to local institutional conditions to understand why entrepreneurship influences regions and countries so differently.

As mentioned in the introduction, inclusive growth has been developed as a perspective focused on a sustainable way of measuring economic growth. Inclusive growth appeared at the end of the 1990s and

¹² Global Entrepreneurship Monitor began in 1999 as a joint project between Babson College (USA) and London Business School (UK). The aim is to “explore and assess the role of entrepreneurship in national economic growth, through the creation and comparison of annual cross-national harmonised data sets” (Balunywa et al., 2012, p. 11).

is today a part of policy work such as in the *Economic Policy and Debt Department* of the World Bank. It addresses both the pace and the pattern of growth, aiming at growing the size of the economy with increased employment and investment opportunities. In addition, it has been shown that significant income growth and poverty reduction demands structural transformation and economic diversification (Ianchovichina and Lundström, 2009).

2.2 Propagation and contextualisation

This thesis aims to develop a deeper understanding of business incubation establishment and especially how the idea of business incubation is introduced in selected countries in Africa. To understand the increased amount of established business incubators around the world, a selection of theoretical perspectives will be introduced. In the following section institutional theory is presented to describe and understand the propagation of ideas. Thereafter the concept of embeddedness is presented as a way to describe how entrepreneurship and also institutions are embedded in a social and economic context. Thereafter, two alternative perspectives of business incubator propagation are introduced in section 2.2.3 and section 2.2.4, ANT and the transfer model by Lillrank (1995). Both of these perspectives are used in this thesis as complements to institutional theory when describing propagation and establishment of business incubation. Instead of looking at the propagation of ideas and social phenomena as diffusion, ANT describes it as a model of translation. How ANT may also be combined with institutional theory, is described below. Lastly, Lillrank's transfer model is introduced, which is seen as an additional complement to institutional theory enabling a deeper understanding of how the idea of business incubation has been transferred from its original context to the selected African settings studied in this thesis.

2.2.1 Institutional theory

Institutional theory can be used to understand organisational action. It may also be used to describe how institutions drive change and how the institutions change themselves (Dacin et al., 2002). In addition, it has been described as a theory useful for understanding the different institutional contexts of mature and emerging markets (Kiss et al., 2012). Definitions and meanings of the word institution are broad and difficult to frame (Scott, 2008) and in such a broad definition, institutional theory is applied to everything from economics and politics to sociology. Additionally, there are different micro and macro levels, such as the level of a world system, society, organisational field, organisational population, organisation and organisational subsystem, where institutional theory may be applied. For this thesis the definition of institutions is borrowed from Scott and reads as:

“Institutions are comprised of regulative, normative and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life.”

(Scott, 2008, p. 48)

This definition of institutions describes the reality for an organisation and what the organisation may or may not act upon. An example is when an organisation needs to adapt to the institutions around it. When those institutions apply pressure on the organisation it needs to adapt to get support and legitimacy (Garud et al., 2007). Moreover, institutions influence organisational behaviour through three institutional pillars identified as the *regulative*, the *normative* and the *cognitive* pillar. The regulative pillar functions through threat of formal sanction, the normative pillar works through norms of acceptability, morality and ethics and the cognitive pillar consists of the categories and frames by which actors know and interpret their world (Scott, 2008). North (1994) defined institutions as either formal or informal which is complementary to the three institutional pillars described by Scott (2008). The

regulative pillar equals the formal institutions exemplified by laws, regulations and rules. The normative pillar is an informal institution and is exemplified by norms and ethics, and finally the cognitive pillar, which is also an informal institution is exemplified by cultures (Peng et al., 2009). Informal institutions are developed from human interaction, spontaneously, unintentionally, and because they are embedded in society often more slowly than formal institutions, over time (Welter and Smallbone, 2011, Havnevik and Hårsmar, 1999). However, the role which an institution takes is most important in its local context (Havnevik and Hårsmar, 1999). The perspective is often that “institutions reduce uncertainty for different actors by conditioning the ruling norms of behaviours and defining the boundaries of what is legitimate” (Peng et al., 2009, p.66). Although norms are informal the studies in both developed and developing economies focus more on the formal mechanisms of institutions. However, institutional environments in Africa are often focused on the informal institutions because the formal institutions such as rule of law exist but are inconsistently implemented. In addition, informal kinship ties and ethnically based networks in combination with a cultural system relying on networks make the informal institutions even more important (Zoogah, 2008). Unclear formal institutions create increasingly important informal institutions (Peng et al., 2009).

Institutional theory had a revival in the 1970s but even prior to that there were some economists who advocated institutionalism. The most well-known of these economists are Schumpeter, Polanyi, Galbraith and G. Myrdal. Their early work focused on institutional structures such as political systems, language and legal systems, religious structures and common meanings. Later, in the 1970s and 1980s, the focus switched to organisational forms. This change developed institutional theory into two dominant trends, called ‘old’ and ‘new’ institutional theory (Scott, 2008). What was new about new institutional theory was its way of studying organisations and emphasising the importance of the social context where the organisation operates. The social context includes both local and nonlocal influences that shape the organisations, such as ideas creating specific cultures within the organisations (Scott, 2008). Moreover, institutional arrangements reproduce rather than change existing social arrangements (Garud et al., 2007).

When studying how ideas or institutional elements move and are reproduced around the world there are a few models of interpretation. A first is that they are reproduced through cultural carriers that may be a belief system, an organisational culture that acts as a codified pattern, or a rule system to follow. Another alternative is that social structures such as networks of social positions, for example within academia, are the carriers of the institutional elements. A third way is when routines carry tacit knowledge and habits which are only based on a common understanding. Institutional elements act and are reproduced at different levels, from departments in a company to global systems; but institutional theory tends to avoid explaining the individual level (Scott, 2008). Within organisations standards are commonly used as a means for creating a template to follow. A standard could also be seen as an institutionalised organisation recipe (Røvik, 2000). If such a recipe is intended to propagate, it has to become theorised into an abstract theory that may be applied in more than one place. This process of abstraction and application may be understood by Lillrank’s transfer model further described in section 2.2.4. Moreover, the organisations need to feel they have a lot in common and therefore it is important and useful to share the same recipes. The common view is that organisations are similar all over the world and have the same type of problems. Clearly this is a simplified view that sometimes is presented as scientific fact (Røvik, 2000).

This perspective of modern standards, or organisational recipes, includes that they are easy to move and adapt. The propagation may be described either as diffusion or with the ANT concept of translation, further introduced in section 2.2.3. Diffusion denotes a perspective that ideas propagate like rings on water with a diffusion speed that eventually decreases. Here, it should be noted that this thesis uses the

term in the way that the literature on the diffusion of innovation (Czarniawska and Sevón, 1996) uses it, not along the lines of the ‘diffusionism’ of classical anthropology. A common way to introduce new models or organisational recipes in organisations is by referring to others’ experiences and describing them as success stories. Sahlin-Andersson (1996) believes that it is necessary to follow travelling ideas to be able to understand how the diffusion happens and why organisations become both homogeneous and heterogeneous at the same time. The starting point is that organisations that imitate other organisations often lack direct experience of what they are trying to copy. Instead, it is more common that they imitate models of presentations of successful organisations. Furthermore, Sahlin-Andersson (1996) has identified that those travelling models are ‘edited’. The imitating organisation emphasises similarities with the success story and ignores aspects such as when the local context does not fit the copied model. Typically, specific context dependent conditions are ignored in such a way that the model is disembedded (embeddedness is further described in section 2.2.2) from its setting. It may, however, become embedded into the new and existing setting in a way that makes the context an important part of the model again. This editing process becomes a way of translating organisational recipes. The people mediating the circulation of such stories are often researchers, professionals, leaders and consultants. It is, for example, common that politicians and managers visit places for inspiration and to collect ideas for new projects. The issue is then that they listen to stories that are edited to sound better and may not necessarily hear the details and flaws of the presented project during the presentation (Sahlin-Andersson, 1996).

Sahlin-Andersson (1996) continued with the example of how science parks were propagated in the 1980s and the early 1990s. Science parks were seen as a solution to regional and industrial problems. Their success stories were shared as models or recipes in the US and in Europe. The planners of science parks in Europe imitated the success story of the famous science park in Silicon Valley but without taking into account how the US context differed from European contexts. Not only did the imitations in Europe fail, many of the science parks in the US also failed as the success story was impossible to duplicate.

Another example is labelled ‘performance-gaps’ and occurs when there is a gap between an organisation’s goals and potential performance. Similar gaps sometimes appear across organisations with similar goals, such as business incubators. As the gaps appear similar to the respective organisations they tend to adopt similar solutions (Abrahamson, 1991). Organisation can also compare themselves with more successful organisations to find out how to reach the same type of success. Consequently, it is common that the organisations will end up increasingly similar (Sahlin-Andersson, 1996). Moreover, there is a connection between social structure and the founding of new organisations. Stinchcombe (1965) showed that history matters when studying organisational creation, inasmuch as the conditions present at the time when the organisation was formed leave a trace in the organisations. In other words, he found that the environment that shaped the initial structures of an organisation were so strong that the structures were kept for a long time. This process, how the past affects the present, was later named ‘imprinting’ meaning that the organisation adapts characteristics from the environment that are preserved despite environmental changes in subsequent periods (Lounsbury and Ventresca, 2002).

DiMaggio and Powell (1983) argued that the process where organisations become more and more similar is due to globalisation and they described the process differently. According to them, firm behaviour is shaped by cognitive, normative and regulatory forces that are supported and enforced by powerful actors such as governmental agencies, professional trade associations, and interest groups. They also argue that no organisation can be properly understood outside its wider social and cultural context. Moreover, they described a phenomenon they called *institutional isomorphism* which is a process of homogenisation that is a tool for understanding modern organisational life. As soon as organisations in the same line of business are structured into a field, there are forces that make them

become increasingly similar to each other. The authors saw this as happening even though such a strategy may not be rational for the individual organisation. The bare fact that such a strategy is normatively sanctioned increases the likelihood of its adoption.

There are three mechanisms of institutional isomorphic change: *coercive*, *mimetic* and *normative*. *Coercive* is for example when subsidiaries have to adopt practices from their mother company. It has to do with political influence and legitimacy. In addition, there may be standards from global actors such as the World Bank (Czarniawska and Sevón, 1996, Dacin et al., 2002). *Mimetic* change is similar to what was described previously by Sahlin-Andersson (1996), when an organisation needs a solution for a problem and copies a solution or a model from another organisation. It may not always be intentional if the change is propagated through employee transfer or consulting firms and industry trade associations. Another example, mentioned above, would be an organisation operating in a field influenced by uncertainty which is guided by a model or a different organisation that seems successful (Czarniawska and Sevón, 1996). According to Rottenburg (1996) a model needs to have imitators because a model would not be a model without people translating it into action. He continues to state that the fact that many organisations within a field are imitating a certain model makes them seem more rational and modern, but the main focus is to change their appearance and gain legitimacy. A closer look at this kind of behaviour shows that the expected economic rationality is beaten by a wish for legitimacy that becomes economically irrational. Finally, *normative* change comes primarily from professionalization with aspects such as formal education and professional networks. Those processes also filter managers and key staff in organisations and results in them having similar profiles and attributes (DiMaggio and Powell, 1983).

Institutional theory is relevant within research on development, where discussion on the determinants of economic performance often emphasises the role of institutions. Osman et al. (2011) suggested that institutions have been more important than macroeconomic policies, based on empirical evidence, showing that good economic policies and development are the result of good institutions. Development projects in developing countries have also been shown to be an interesting case of transferring ideas. They are described as ideas being transferred from their time and place of origin into a new context. To be able to transfer project ideas for development reasons, it has been observed that they need to be presented as copies of projects that have been successful elsewhere. The fact that the project is introduced as a copy of a successful development project increases its acceptance although the context is very different. The result may then be either adapted into something that works, or a failure because the idea does not fit into the new environment (Czarniawska and Joerges, 1996). However, the propagation of ideas is not a new phenomenon. In retrospect, it is interesting to imagine how Western civilisation was originally influenced by and built on ideas translated from other civilisations. The Western institutions were later translated to other parts of the world through colonialism and trade which created the first global culture. In some occasions it was even the same technology that the Western culture had imported, such as gun powder that was later returned to China somewhat more developed. Nevertheless, the Western civilisation was without doubt considered superior, at this time, and the term 'modern society' is and was an ethnocentric way of describing this attitude towards societies (Spybey, 1996).

Institutional theory has developed into a theory commonly used to explain organisational action, however, sometimes it is criticised for being too focused on and only explaining phenomena from a single perspective (Dacin et al., 2002). When analysing for example diffusion of an organisation through institutional theory, obvious structures are compared, such as how weak of rule of law is compensated for by trust, without including, for example, other dimensions, such as the interest behind these actions. Critics argue that it could be discussed whether there exists a motivation behind the adoption of a

solution and whether there is a meaning behind the mimetic action by an organisation (Suddaby, 2010, Welter and Smallbone, 2011). Moreover, researchers within the field of institutional theory have been criticised for the idea that organisations are completely passive in the studied processes and for not looking into how organisations actually reflect and adopt to their new environments. Others have criticised it for being stretched too far beyond the original purpose of explaining how organisational structures may obtain meaning (Suddaby, 2010). The theory is also considered limited by the assumption that all organisations are similar with comparable problems that they need to solve instead of exploring the variations in institutional logics that exist (Dacin et al., 2002)

Institutional theory and diffusion of ideas is the first perspective presented to describe the propagation of business incubation. When studying the literature and analysing the empirical material, the inquiry moved towards an exploration of how the idea of business incubation has moved internationally. Furthermore, it is a theory suitable for understanding change on an organisational level and specifically emphasises the importance of the social context, how institutions are socially embedded. Understanding the institutions in a specific society requires the understanding of the beliefs, values and rules in that society (Havnevik and Hårsmar, 1999). Institutional theory is commonly applied in research on emerging economies and such research has shown the importance of contextual institutional differences between developed and developing economies (Julian and Ofori-dankwa, 2013). Embeddedness describes how economic activities need to be understood as existing in social networks that influence them (Blombäck and Wigren-Kristoferson, 2014, Fafchamps, 2001) and how embedded economic activities can be seen as institutional agencies (Mwasalwiba et al., 2012). In addition, embeddedness is also contextual and expressed differently depending on where it is studied (Nystrand, 2015). The concept of embeddedness is used in this thesis to describe and facilitate the understanding of the specific African institutional and entrepreneurial context and is described below.

2.2.2 Embeddedness

Economic sociology is the sociological perspective applied to economic phenomena and has its basis in the idea that the economy is a part of society. It also initiates from the idea that social actors are more multifaceted and complex than the abstract *homo economicus* (economic man) that the discipline of economics sometimes suggests. Some perspectives included in economic sociology are for example social networks, gender and cultural context. Embeddedness is a concept used within economic sociology, first coined by Polanyi (1944, 2001) with a revival in 1985 when Granovetter (1985) brought it back to the research agenda of what he called the ‘New economic sociology’, with his article *Economic action and social structure: the problem of embeddedness* (Krippner et al., 2004, Krippner and Alvarez, 2007). When discussing embedded firms, “any business activity reflects a complex socio-economic phenomenon” (Johannisson et al., 2002, p. 298) and business owners may be seen as both social and economic actors (Nystrand, 2015).

Polanyi mentions embeddedness only twice in his book *The Great Transformation* and emphasises that the economy was an organic part of the early societies (Polanyi, 1944, 2001, Swedberg, 1997). He has a macro level perspective with the assumption that pre-modern societies were embedded and that modern societies, starting with the market liberalism in the nineteenth century, has been re-embedded through the rise of the welfare state. However, scholars discuss if this view of Polanyi’s text is correct and conclude that because the text is not particularly consistent it is open to different interpretations (Krippner and Alvarez, 2007).

Granovetter, on the other hand, claims that all economies are socially embedded, including the modern market economies, and he analyses the economic actions in the modern society which he sees as social actions (Swedberg, 1997, Granovetter, 1985). Embeddedness is the analytical position between an

undersocialised neoclassical perspective without room for social relations (Granovetter, 1985) and an oversocialised perspective where social conditions exist *a priori* to behaviours and with norms and values deeply internalized (Ghezzi and Mingione, 2007). The risk of the oversocialised perspective is that the actor is only capable of following such norms and values. Granovetter (1985) changed the debate, from focusing on these abstractions – *homo economicus* versus *homo sociologicus* – to examining the social structure that is enacted through practical economic action. This is the reason why embeddedness is suitable as a way of avoiding the concept of context which is much broader and vague. Moreover, he did not imply that the actors could not be rational but rather that a social structure and rationality could coexist (Swedberg, 1997), and that economic activity is contextualised in social relations (Blombäck and Wigren-Kristoferson, 2014).

The typical neoclassical market includes perfect information, independent firms and actors, homogenous products and rational actors with complete information; and thus, if any social relationships exist, it is an imperfect market (Krippner et al., 2004). In other words, there is only place for the market, and other environmental factors, such as the government, are either ignored or presumed to be the same for all firms. Embeddedness was introduced to describe the opposite of the isolated actor in the neoclassical market who existed like a lonely atom (Swedberg, 1997). The focus of the embeddedness-oriented economic sociology is on the ties to the environment that the individual enacts when engaging in economic action. Nevertheless, embeddedness is sometimes criticised for being too focused on pointing at the negative aspects of neoclassical economies instead of constructive theory development (Krippner and Alvarez, 2007, Portes and Sensenbrenner, 1993).

Granovetter (1985) has been criticised for not including a cultural perspective in his definition of embeddedness, but this perspective was added by Zukin and DiMaggio (1990) in their introduction to *Structures of Capital: The social organisation of the economy*. Granovetter later argued that it is impossible to separate phenomena into cultural and social network phenomena because all phenomena are both social and cultural at the same time (Krippner et al., 2004). Cultural embeddedness is, for example, when a company adopts general norms and values (Blombäck and Wigren-Kristoferson, 2014). Zukin and DiMaggio also introduced social/structural, political and cognitive embeddedness, based on the always existing political context and cognitive factors limiting the human mind in its mental processes. These additions are only some examples of the flexibility of the term embeddedness. This is one reason why embeddedness has been both easy to accept but also has led to criticism for being too vague as a concept (Swedberg, 1997, Krippner and Alvarez, 2007, Krippner et al., 2004), especially when used as a way of exemplifying social complexity (Johannisson et al., 2002). Although embeddedness is considered a broad concept, over time there are certain areas that have been more frequently studied. One example is the study of networks as central for the understanding of relations such as how social networking is applied to economic phenomena (Johannisson and Mønsted, 1997). Embeddedness may also be studied at different levels of society (micro, meso, macro), for different actors (individuals, groups, firms, organisations, industries, governments) (Nystrand, 2015) and for both formal and informal institutions (Mwasalwiba et al., 2012). In the situations studied, the outcome of embeddedness is often positive in the way that social influence facilitates business activities for the study object. Examples of this are through trust and networks where trust often becomes the main governance structure within embedded business relations (Uzzi, 1997) and depending on the context, trust will be present to a greater or lesser degree (Tillmar and Lindkvist, 2007). A brief example is found in countries where it may be difficult to get a bank loan, e.g. Uganda, where the family, extended family

network and friends often contribute with capital (Nystrand, 2015, Walter et al., 2004, Fafchamps, 2001)¹³.

However, there are also situations where the ties studied through the embeddedness perspective may constrain economic action. This is exemplified, in a study from Tanzania, when trust and networks are lacking but still necessary for the business (Mwasalwiba et al., 2012) or when someone misuses the existing trust (Johannisson et al., 2002). In a study from Uganda it was shown that there is a difference between network size and access to network resources. Access to network resources is important but when a large network is involved, it can be constraining, such as when an actor is embedded in a large extended family (Rooks et al., 2009). Embeddedness within a large network could mean social control and expectations on sharing your success (Johannisson et al., 2002) or employing a relative without qualifications (Nystrand, 2015). Uzzi (1997) suggested that there are three specific conditions that turn embeddedness into a liability: core resources of the network disappear unexpectedly, institutional forces rationalise markets and the network becomes overembedded, i.e. when all participants of a network are connected through embedded ties. These three conditions are all connected to the fact that positive embeddedness can quickly turn into something negative when there is a change in the network structure. An overembedded network leads to difficulties of acting outside the network which becomes limiting in terms of new information, ideas and contacts (Smallbone and Welter, 2012). In summary, embeddedness is a concept that enables the researcher to explore which contextual factors matter when engaging in economic activities.

Entrepreneurship of all types is embedded in social, cultural and political institutions (Yousafzai et al., 2015) and embeddedness is a part of all business systems although it functions somewhat differently in small and large companies. For a better understanding of business prerequisites it becomes important to acknowledge how the system is influenced by embeddedness (Uzzi, 1997). Although this contextual understanding is not new it is increasingly emphasised as a way of describing economic behaviour (Welter, 2011). Finally, it is important to note that the difference in the development of societies does not have to do with the fact that the organisations in one society are embedded and irrational, and in the other disembedded and rational. All organisations are embedded and the difference is rather that most forms of social organisation in developed societies are legitimised through an incorrect belief in their rationality (Rottenburg, 1996).

In this thesis, embeddedness is viewed as a concept that facilitates understanding of contextual challenges experienced in the specific settings chosen for the studies. Used with its broad definition including cultural, social and structural embeddedness (Welter, 2011) the context for both entrepreneurs and business incubators can be described and managed. Thus, the notion of embeddedness may inform the more abstract conceptions of entrepreneurship outlined in the section above. As mentioned, this concept may be both positive and negative for the studied activities and the perspective is that all societies are embedded although this may not always be acknowledged.

2.2.3 Actor Network Theory

This section gives a brief introduction to ANT which is a complementary theory to institutional theory. Whereas institutional theory facilitates understanding of change on an organizational level, ANT instead

¹³ The role of trust and networks in entrepreneurship is described at length elsewhere (Fafchamps. 2001, Fafchamps, 2006, Tillmar, 2006, Tillmar 2007) and although examples of embeddedness relating to trust and networks are present in the empirical material, for purposes of delimitation, this thesis will not include a detailed analysis specifically of trust and networks. A brief discussion will be presented in 6.2.1.

focuses on idea translation and change. An advantage of ANT is its inclusion of non-human and non-individual entities as actors and actants in the translation process.

The main concepts used in ANT are *translation*, *actor*, *actant* and *network*. ANT can be described as a procedure starting with the so called '*actants*'. The actants are the ones which act and are acted upon and they can be human or non-human. The idea is that you follow one of the actants through its displacement until it turns into a more stable character, an *actor*. The actor is created when the same actions are repeated with the same result. This happens when the actants associate with other actants which together creates a *network*, a more stable connection between actions and actors. When the individual identities of the different parts of the network have disappeared it becomes an *actor-network*, a network functioning as one actor. The process when many actants convert into one actor is called *translation*. Translation is used to describe different types of propagation such as knowledge and cultural practices, technology and artefacts (Porsander, 2005).

Furthermore, translation is the model of anything that moves in time and space, is acted upon by the people or other things it passes, and may then be modified, dropped, added to, betrayed or avoided. When the actant moves it may interact with people or other artefacts that facilitate the propagation and which may change the actant on its way. Actors add energy to the process and the actant may be changed during the process. This explanation aims to show how the actants are influenced by those people or other things that are called actors. Translation means "displacement, drift, invention, mediation, creation of a new link that did not exist before and modifies in part the two agents" (Latour, 1993). The two agents can be e.g. humans, organisations, technology or knowledge.

The created network should not be interpreted as an ordinary technological network such as a computer network. A technology-like network may possibly be the final stage but before that is the actor-network, a network that lacks technical characteristics. It may, for example, be local and without compulsory paths and positioned nodes (Latour, 1996). What is important with the network in ANT is primarily the work, the movement, the flow and the changes, which is different from how a network is otherwise understood (Latour, 2007). In this way, ANT facilitates an understanding of how relationships are organised and stabilised into a network (Whittle and Spicer, 2008). The theory of ANT also provides a focus on describing the translation process, and the specific 'contextual' elements which may be drawn into this process, rather than a straightforward interest in the 'general' context of where the propagation and acting happens. A thorough description of the actants' movement will include the analysis in terms of, for example, comparisons, standards and reflections. Such thick description means there will be no need for further explanation or analysis (Latour, 2007).

To combine ANT and institutional theory is not uncommon and can be found in the organisation studies literature (Lounsbury, 2008). Four areas in particular, where ANT and institutional theory differ and therefore may be seen as complements to each other, are identified and discussed in this thesis; a) the central process of each theory, b) the role of environment or context, c) levels of interaction and d) the role of identities within the theories. These four areas are briefly discussed below.

The main *process* of ANT is translation which describes propagation and exchange of, and between, knowledge, technology and artefacts. Since this process is constantly changing what is translated, it differs substantially to the process of isomorphic change in institutional theory. Isomorphic change, with its three mechanisms of coercive, mimetic and normative change, works through an isomorphic propagation which means that a similar institution appears in different places.

Environment, context and settings are not as explicit within ANT as they are in institutional theory. However, ANT does describe how both humans and non-humans specifically influence an idea when it

has been moved, which in a sense is similar to the way context is understood in institutional theory. In contrast, institutional theory specifically emphasises the importance of the social context where the organisations work. Institutional theory and especially the concept of embeddedness (which was described in section 2.2.2) may therefore facilitate the understanding of how the environment affects the business incubator. One way to understand the establishment of business incubators in new settings is to look at how social, cultural and other types of embeddedness affect the process.

Regarding the *level of interaction*, the main difference between institutional theory and ANT is the individual level. ANT describes links between actors and actants on multiple and various levels, from society to the individual level, whereas institutional theory describes multiple levels with the focus on higher levels, such as on an organisational level, and with a tendency to avoid analysis at the individual level (Scott, 2008). Institutional theory can describe how a concept such as the business incubator is moved around the world as a copy of establishments in one country to another, while ANT focuses more on how the idea would be translated on the way. Institutional theory provides a way to understand how a success story may be created and become the starting point for propagation. Such analysis can then be complemented with ANT, which allows us to follow how the idea moves between individual actors, influencing the outcome.

The last area where the theories differ is due to the different *identities* that are included in the analysis. One of the main strengths and features of ANT is that it can describe the relation between humans and ideas, ideas and objects, and humans and objects (Czarniawska and Joerges, 1996, Walsham and Sahay, 2006). Objects and ideas can include for example organisations and standards. In contrast, institutional theory does not mix identities of humans and non-humans. That means that it is possible to understand other phenomena when using perspectives from ANT than would be encompassed with the classic social theories. Social networks could be described by ANT but it is then emphasised that a social network is not only human beings, it always includes non-human actors too (Latour, 1996, Law, 1992).

Some of the features that characterise ANT have also been areas where it has been critiqued. For example, it could be argued that ANT has too narrow a focus on successful translation processes, consequently ignoring actors who are not part of processes of translation (Star, 1990). Additional limitations of ANT include the fact that it is impossible to understand non-human actors without involving human actors. Because artefacts do not speak for themselves they need to be defined by a human which means that the theory could be seen as actually reinforcing what it claims to avoid. Furthermore, based on the fact that ANT is not explicit with the general context, it has been criticised for not recognising cultural characteristics that are important to a social group. It claims that power may be described through heterogeneous networks of people and things, but misses actions that do not fit into the description of power as a process driven by a rationale. Moreover, there is no distinction around whether the means of power are coercion and corruption, or negotiation and reward. Consequently, within organisational studies the theory is unable to contribute to reflections on the levels of power and on knowledge relationships (Whittle and Spicer, 2008). These limitations can be managed by combining ANT with, for example, institutional theory, as this thesis does.

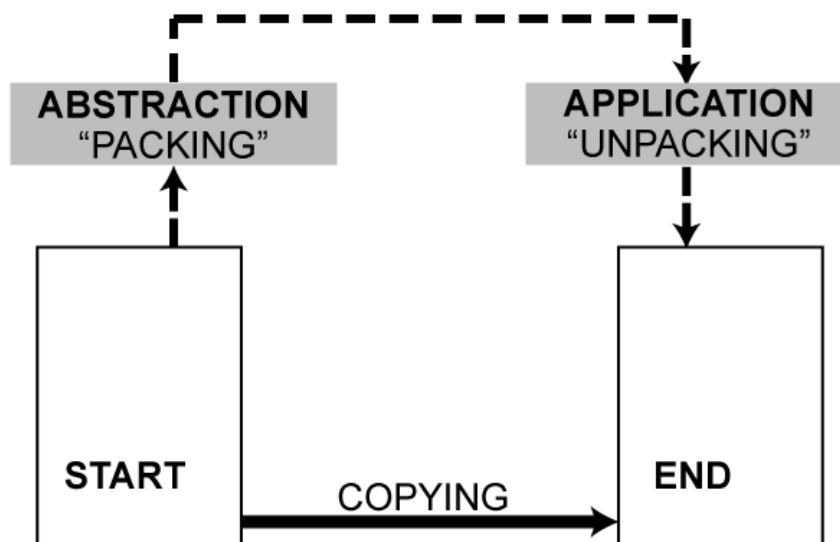
ANT and translation of ideas is one of the perspectives utilised in this thesis to describe the propagation of business incubation. ANT was initially introduced in this research process as a theory to facilitate the understanding of how an idea of business incubation was translated from Sweden to Uganda within a social entrepreneurship project. This process of translation was not deliberately initiated by the original participants, but simply 'happened' as a part of the adaptation to the local environment when it became clear that the original plan for the business incubator would not work out as planned. In this development, both human and non-human actors, such as ideas and the physical building, played crucial

roles. The flexibility of relationships between human and non-human actors is one of the advantages of using ANT in this case (Czarniawska and Joerges, 1996, Walsham and Sahay, 2006).

2.2.4 Lillrank's transfer model

The last perspective that will be presented as a tool to understand the propagation of business incubators is the transfer model by Lillrank (1995), see Figure 1. Based on the notion that the transfer of organisational innovations over cultural, national and industry borders often fail, Lillrank developed a conceptual model of the transfer process and applied it to two cases. The model is based on the analysis of the abstraction level of the process and in addition discusses if the process is supply- or demand-driven. Abstraction of a process refers to when ideas and practices are 'packaged' for the transfer. At the other end of the transfer there is an application, or 'unpacking', of the transferred concepts, models or tools. This model was primarily applied to transfer of management innovations from Japan to Europe and the US in the 1980s. Transfer includes both "the study of successful practices and the active learning that goes with implementation" (Lillrank, 1995, p. 972).

FIGURE 1 LILLRANK'S TRANSFER MODEL. INTERPRETATION BASED ON LILLRANK (1995, P. 974)



Japanese manufacturers were considered very successful from the time of the second oil crisis, in 1978, until the beginning of the 1990s. There were, however, complex structures and organisational details behind the success that could not be summarised in a blueprint to copy. Moreover, the longer the distance, both geographical and mental due to culture, society and history, the more difficult it became to transfer information without misunderstandings. As mentioned above, the process consists of a first step where ideas and practices are abstracted or 'packaged' into models, tools etc. and later an application step at the receiving end where the new models are 'unpacked' and applied into the local conditions. According to Lillrank (1995) those two steps are the key processes to understand. A transfer process of a complex system or idea, at a low level of abstraction, will not be able to capture the important properties of the idea, and is similar to copying with a low understanding of what is copied.

Furthermore, the model of transfer includes three variables: high and low level of abstraction; if the approach is demand- or supply- driven; and the type of content transferred (for example management principles, 'organisational vehicles' or management techniques). The level of abstraction influences how challenging the transfer is at both ends of the process. A too low level may miss important details of the

original idea and a too high level may be difficult or impossible to apply. In addition, the complexity increases with added social interfaces, human components and tacit knowledge within the models.

In a demand-driven approach there is a need for solutions, and people visit the source of the success stories to learn more. Perception is often selective and the visitor usually focuses on what seems good and valuable. With a supply-driven approach, a model is created by, for example, a scholar, as an attempt to describe the success. That model is then propagated with the risk of not including any specific setting, except for where the model originates from. The most common transfer agents working internationally are management consultants.

Finally, the third variable consists of three content categories: principles, organisations and tools where organisations may be the most interesting for this thesis. Organisations are described as ‘high context’, being heavily influenced by the labour market, incentive structures, level of education, management authority, and cultural dispositions. They require a high abstraction level and careful application into local conditions. Lillrank concludes that organisations are challenging to transfer well and especially need work at the receiving end for the application. Furthermore, copying is only appropriate for low organisational context and the best prerequisites for transfer is “implementing an intelligent learning process” that can function as inspiration for the receivers’ own thinking (Lillrank, 1995, p. 988).

Lillrank’s transfer model has been included in this thesis as a complement to institutional theory to understand business incubator propagation. The included variables have shown to be useful in the studies of business incubators and are applicable on the empirical material. However, it has been recognised that the model was initially developed to describe the transfer of management practices from Japan to Europe and the US in the 1980s and does not include any potential power imbalances between countries. This specific transfer had little historical baggage in terms of, for example, colonial influences which may be the case in the transfer of the business incubator concept in the studied contexts of this thesis. The advantage with Lillrank’s transfer model is its rather simplistic structure, however, with the need for an accompanying deeper analysis of why business incubators are moved in the first place.

2.3 Summary of theoretical framework

This chapter has introduced the theories of this thesis. First, the theories and ideas related to business incubation were described, including entrepreneurship and the relation between entrepreneurship and economic growth. Second, a selection of theories that are used as the analytical tool for understanding business incubator propagation were presented. The main theories are institutional theory and the concept of embeddedness which facilitate the understanding of the specific contextual perspectives of this thesis. Institutional theory was then related to ANT and Lillrank’s transfer model which are seen as complementary perspectives that may facilitate the understanding of business incubation propagation. The choice of these two selections of theories has developed over time and is considered necessary to create the nuances aimed for in the research questions. By working with some of the theories as main theories and others as complementary theories, a delimitation of the thesis is reached.

The theories included in this thesis have been introduced at different times along the process. The first selection of theories, presented in section 2.1, are seen as the foundation of the thesis as they describe the rationale of business incubators. Hence, these theories have been present to some extent during the whole process with this thesis, and especially to develop the analysis in this thesis.

From the second selection of theories, presented in section 2.2, all theories were introduced in the papers and then used in the analysis of the three research questions in the cover paper. Institutional theory was combined with Lillrank’s transfer model in Paper IV as a tool for understanding the propagation of

business incubators. In the analysis of the research questions, institutional theory has primarily been included in research question three. Embeddedness was introduced in Paper III as a perspective of the ever-present issue of context.

ANT was first introduced in Paper I where it facilitated an understanding of how a project idea shifted as it moved and was translated. Through this process the spatial aspects of the project were analysed, which are possible to recognise from later discussions included in this thesis on context and embeddedness. ANT has also been included in the discussion on research question three.

The analysis of why business incubators are propagated around the globe in Paper IV was based on institutional theory and Lillrank's transfer model. The transfer model is seen as a complement and development of institutional theory in the sense that the process of abstraction and application is a more detailed analysis of the propagation of organisations such as business incubators. Moreover, it is possible to recognise abstraction and application in the process of how new models or organisational recipes are disembedded and embedded when they are edited and travel to new contexts (Sahlin-Andersson, 1996). The final analysis of the research questions is conducted with the theories considered to be the most suitable for a deeper discussion on each individual research question, see Table 1 for details.

TABLE 1 THEORIES AND PERSPECTIVES IN RELATION TO PAPERS AND RESEARCH QUESTIONS

Theories and perspectives	Present in	Research question
Business incubation, entrepreneurship, economic growth	PI, PII, PIII, PIV, Cover paper	RQ1, RQ2, RQ3
Institutional theory	PIV, Cover paper	RQ3
Embeddedness	PIII, Cover paper	RQ1, RQ2, RQ3
ANT	PI, Cover paper	RQ3
Lillrank's transfer model	PIV, Cover paper	RQ3

With a perspective of entrepreneurship as embedded in a social and economic context, this thesis aims to develop a deeper understanding of business incubation establishment in settings with characteristic business environment limitations such as, for example, finance, infrastructure and legal rights. For this thesis the selected African settings have been Uganda and Tanzania and three research questions have been developed from the aim of the thesis and will be briefly introduced below.

Entrepreneurs have various needs based on their backgrounds, preconditions and the type of business activities they are engaged in. Thus, understanding this variety is crucial for business incubators to enable them to facilitate business activities in the best way. In addition, this contributes to the literature that otherwise often focuses on the business incubator and not the people inside it (Hackett and Dilts, 2004b). However, for an increased understanding of how business incubation is expressed in the selected settings, the expectations on the entrepreneur are as interesting and have inspired the first research question:

RQ1: What expectations and embodiments of entrepreneurship are found in and around business incubators?

In this thesis, embeddedness is viewed as a concept that facilitates an understanding of contextual challenges experienced in the specific settings chosen for the studies. The context for both entrepreneurs and business incubators can be described and managed with a broad definition including cultural, social and structural embeddedness. As mentioned, the perspective is that all societies are embedded although this may not always be acknowledged. In conclusion, a second research question regarding the relationship between business incubation and its context is prompted:

RQ2: What is the role of context, as explored through the embeddedness perspective, in understanding the establishment of business incubators?

In section 2.2, theories and models to understand business incubator propagation were introduced. These theories are used as tools that facilitate the description of the increasing establishment of business incubators around the world. However, both business incubator theory and the chosen theories of propagation are developed for different settings than are studied in this thesis. Hence, the third research question is:

RQ3: How should business incubation theories, and theories of propagation, be adjusted in light of business incubation practices in the selected African settings?

Finally, a brief summary of how the presented theories will be applied in the discussion, in chapter 6. The chosen theories are utilised at different levels to create a deeper understanding of the findings. As mentioned above, business incubator theories, entrepreneurship, and economic growth are all connected and used for the basic understanding of business incubators and their purpose. Moreover, the theory of embeddedness is an underlying perspective of all types of economic transactions that are discussed in this thesis. Thus, embeddedness will be used for the general understanding of the context.

Institutional theory on the other hand, and especially the concept of isomorphism, will be used as an analytical tool in the discussion on the propagation of business incubation. However, for the understanding of such processes, isomorphic change is a crude tool and not enough to allow a sufficient understanding of the findings. An identified complement is ANT which enables an analysis that includes both human and non-human actors. ANT is a tool that is used in the analysis of how an idea is translated and may drift during that process. Nevertheless, ANT does not include a structural power analysis which, as discussed below, is relevant for the understanding of business incubator propagation. Lastly, institutional theory and isomorphic change are complemented with a more detailed analysis of the transfer of ideas, described in Lillrank's transfer model which is used as an additional analytical tool.

3 Methodology

This chapter describes the methods and methodological considerations behind the thesis. It is in many ways a travel journal; describing both the metaphorical travels of the researcher and the literal travels within this specific research. It starts with the research design of the thesis in section 3.1 followed by an introduction to the field studies in Uganda and Tanzania in section 3.1.1 and 3.1.2. The following section, 3.2, covers the different data collection methods that have been utilised in the field including interviews, participant observation and how the studies have been inspired by ethnography. The last section, 3.3, discusses methodological considerations including ethical concerns.

3.1 Research design

To conduct research abroad demands different methodological considerations compared to research in a familiar culture and context. This thesis endeavours to increase the understanding of how people experience certain phenomena such as business incubation establishment and an increasing focus on entrepreneurship, in the context of a developing country. This is an interpretative approach (Schwandt, 2000) that is common within, for example, development studies (Mikkelsen, 2005). To be able to comprehend people working with entrepreneurship in East Africa, the focus has been on their stories, how and where ideas come from and how their experiences are embedded in the culture (Brundin et al., 2005). Those interactions are better understood in their socio-cultural context (Steyaert, 1997) which is preferably studied with a qualitative approach.

Thus, this thesis is founded upon explorative and inductive research that takes its starting point in the initial stories of people encountered in Uganda. These initial stories inspired the underlying thoughts now present in the research questions. There has been a process through which the research has been conducted and developed over time, influenced by the additional field trips. The resulting two sub-studies are not intended to be compared but instead they together enable a broader understanding of business incubator establishment. The two studies reflect the journey of the research process behind this thesis. This specific research process, for doctoral studies at Chalmers University of Technology, is influenced by the formal separation of licentiate and doctoral degree. The first part of the journey, published in the licentiate thesis, covered the Uganda study and has been the stepping stone for the next part, generating questions and ideas that have been further explored in the study in Tanzania.

The first study, further introduced below, was based on a student project labelled as social entrepreneurship. At the time, social entrepreneurship was also the main interest of the researcher. The aim of the first part of the research was to elucidate this social entrepreneurship project, resulting in a translation of the idea of a business incubator that was possible to study and analyse in-depth. The second study sets out from the findings of the first study and here the interest was in a broader understanding of how entrepreneurship is supported. This study covered a larger number of interviewees who were found continuously and the scope was not delimited to a single project.

In addition, the development has gone from a high degree of participation of the researcher in Uganda, because of recurring visits to the same village, to a low degree of participation during the study in Tanzania where the interviewees were only met once (further described in 3.1.1 and 3.1.2). Both research settings were reached through my work at the university and through Swedish student projects. The initial visits to the village inspired the interest in the travels of a social entrepreneurship project and similarly, during the first visit to Dar es-Salaam the interest for business incubation was further strengthened when it was confirmed that there was a variety of entrepreneurship support that was suitable for the second sub-study.

Similar for both the interviews in Uganda and Tanzania is that the interviews were conducted during the second or third visit to the same place. The first visits were used for collecting background material from observations and informal meetings which facilitated the understanding of the specific context. All interviews were related to entrepreneurship, business incubation and contextualisation, although shaped by the different interview guides used in the different settings, see Appendix II. Thus, all interviews add knowledge about these issues from different perspectives.

During the work with the first study a deeper understanding of the importance of context, definitions of social entrepreneurship (Gawell et al., 2009, Rivera-Santos et al., 2015) and the actors who shape those definitions, was gained. An observation and reflection on how the project labelled as 'social' in Sweden, was instead categorised as 'entrepreneurship' in the village in Uganda, initiated these thoughts. This process led to further reflections on how social entrepreneurship relates to the field of entrepreneurship. The label 'social' is not consistently defined and may not even be different to what someone else would call 'entrepreneurship'. Initially, social entrepreneurship was partly included because the Swedish student used the label for their project. However, for a deeper understanding of business incubation and based on the fact that social entrepreneurship theories have developed from entrepreneurship theories, it was decided to continue the research from the perspective of entrepreneurship support. The concept of social entrepreneurship was therefore not included in the second part, after the licentiate thesis. Additionally, social entrepreneurship is seen as a subset of the entrepreneurship field. Two main things influenced the decision; firstly how the definition of social entrepreneurship was less relevant to describe the activities in the selected settings, and secondly that a contribution to the field of entrepreneurship would be broader and could still include social entrepreneurship.

Between the field visits to Uganda and Tanzania, there was a second data collection phase in South Africa and Botswana consisting of 10 semi-structured interviews during the fall of 2011. The main motivation in visiting these two countries was the unique opportunity presented to study a business incubator from its establishment in Gaborone, Botswana. However, access in both Cape Town and Gaborone turned out to be more complicated than expected and the time available for interviews was thus limited in both cities. Consequently, the number of interviews became lower than hoped for and they have not been included in the material for this thesis. Additionally, the business incubator initiative was not realised.

This thesis is based on five visits to the field. In total, about nine weeks was spent in Uganda and Tanzania and the two next sections present some brief background information on these two settings.

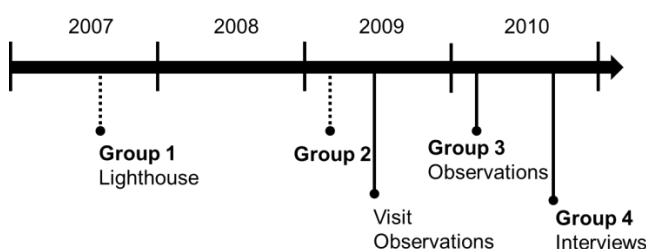
3.1.1 The Uganda study, Paper I and II

Paper I and II are based on research conducted in Uganda during in total three visits, in 2009 and 2010. The first project in Uganda, established in 2007, was a student driven initiative with the aim of constructing a business incubator with solar panels on the roof and to share knowledge about entrepreneurship with the people in Bubulo, a village a 45-minute drive outside Mbale in the East of Uganda, towards the Kenyan border. Students from an action-based education (Lundqvist and Williams-Middleton, 2008, Ollila and Williams-Middleton, 2011) at Chalmers School of Entrepreneurship in Sweden wanted to support the development of business activities in a village in Uganda. With solar panels on the roof it would be possible to work at night in the business incubator. The idea was to encourage people to start entrepreneurship activities and locate them in the new building. It was the students' responsibility to implement a project that they had formulated themselves with the purpose of strengthening their team spirit and to give them a sense of how much they could accomplish together as a group. The main idea had to be adapted on arrival and was further developed over time.

In total 15 interviews were conducted with local project members in 2010 during the last field visit out of three, that altogether added up to about a month in the field, see Figure 2. One additional interview was later conducted with a Swedish project member; see Appendix I for list of interviews.

This first data collection phase started small-scale with a study of the translation of a business incubator that was then followed for about four years in total. The main reason why this student project was chosen as a starting point for the PhD studies was that it was closely connected to my employment at the university. The students were enrolled at my department and a faculty member, like me, was required to accompany the students on any overseas travels. This allowed me to be present in Uganda and to have access to the empirical material through already established contacts. A reflection on my role as a researcher is further developed in section 3.3.2 below.

FIGURE 2 DATA COLLECTION IN UGANDA. THE RESEARCHER HAS VISITED THE VILLAGE THREE TIMES, INDICATED WITH SOLID LINES.



When the research was initiated, two years had passed since the first group of students stayed in the village and I visited the site myself three separate times, see Figure 2. The semi-structured interviews were conducted mainly with participants of the project in Uganda but also with some local entrepreneurs from the centre of the village. In addition, some informal interviews and observations were made with people from the village.

The first study initiated the interest for business incubation and why an idea that seemed quite simple was in fact really difficult to establish. Questions regarding the translation of ideas, the meeting of cultures, and ideas of entrepreneurship are discussed in Paper I and Paper II.

3.1.2 The Tanzania study, Paper III and IV

Paper III and IV are based on the study conducted in Dar es-Salaam, Tanzania, starting in 2012 during a two-week long field visit followed by interviews in 2013, during a similar visit. Another student group, from the same education at Chalmers School of Entrepreneurship as mentioned above, had a project together with students at a similar education at the university of Dar es-Salaam, but the research was separate from that project (my role as a researcher in connection to this study is further developed in section 3.3.2 below). The main aim of this research study was to understand more about entrepreneurship and organisations supporting entrepreneurship in an urban setting such as Dar es-Salaam. For this purpose interviewees were identified from a local academic's knowledge about the city and the local business activities. In addition, the local driver assisted with contacts to entrepreneurs and some guidance in the city. Thereafter, more people were found with the snowball sampling method (Biernacki and Waldorf, 1981) by asking at the end of the interviews about other entrepreneurs in Dar es-Salaam and places supporting entrepreneurs. The study covered a broad variety of initiatives and organisations including government owned business incubators, private initiatives and business development services. The interviewees were not specifically involved in the student project and included a variety of entrepreneurs in terms of education, economical preconditions and business ideas. The time in Tanzania was limited but due to some additional funding it was possible to involve four Swedish students that

facilitated the interview process as research assistants. The same interview guide was used by the researcher and the assistants, and there was a debriefing session every day as an attempt to align the interviews as much as possible. In total, over 43 interviews were conducted over a time period of two weeks. During the data collection phase in Dar es-Salaam, the researcher was more distant to the interviewees than during the data collection phase in Bubulo, Uganda. Thus, compared to the rich description of one business incubator in Uganda, the empirical material from Dar es-Salaam contributes with a more general understanding of entrepreneurship support in an urban environment.

When the second student group was back in Sweden, in 2013, two workshops were organised to understand more about the experiences that the students had from firstly, the interviews they had made, and secondly, the meetings with other students and micro-entrepreneurs in Dar es-Salaam. The workshops were based on the Nominal Group Technique (Delbecq and Van de Ven, 1971, Delbecq et al., 1975) and the outcome contributed to a better understanding of the entrepreneurship context in Dar es-Salaam. The main topics of the workshop were: Entrepreneurship; Engagement and dreams; Attitudes in the society/culture and; Similarities and differences with the students' own experiences.

The second study added a broader range of empirical material and the analysis of these interviews and the additional workshops contributed to the last two papers. Paper III considers three identified gaps between policy and practice in Dar es-Salaam in relation to business incubation and its establishments. Paper IV discusses the importance of understanding the different 'whys' behind business incubator establishments in Dar es-Salaam.

3.2 Methods of data collection and analysis

This thesis is based on different qualitative methods such as participant observation as a part of micro-ethnography, and semi-structured interviews. These methods allow a deeper understanding of people and their related concepts and contexts. However, even with some experience from the field, the researcher is always 'new' in the context, culture and to the language (Flick, 2009, Schilling, 2006). Hereafter, this section is divided into two sub-sections, where it will be presented to what extent and why the methods mentioned above have been used, and ends with a sub-section summarising the specific paper approaches.

3.2.1 An ethnographic approach

To work in the field demands certain methods and strategies to be able to collect data. One method is ethnography, which is a way of connecting fieldwork and culture, traditionally based on long periods of time in the field. Shorter stays in the field are sometimes called micro-ethnography (Bryman and Bell, 2007) and are focused on a specific setting instead of a whole cultural system (Wolcott, 1990). Both short and long studies are connected to the method of participant observation, sometimes as a part of the ethnography and sometimes seen as the ethnography (Van Maanen, 1988).

Participant observation is a combination of document analysis, interviewing, participation and observation, and has been used as a data collection method for this thesis. During participant observation, researchers typically observe but also influence what is observed through their own participation. Participant observation may also work as reflection on the relation you have to what is researched. Through the increased access to the field and the people observed, there is room for reflection on research questions and already collected data. There are three phases of observation: descriptive, focused and selective observation (Flick, 2009). Participant observation has mainly been used during the visits in Uganda where the researcher interacted with the interviewees and needed a deeper understanding of what had happened in the studied project (Lee, 1999). The interactions with the interviewees in Uganda were based on recurring visits, including the visit in 2009 that was not connected

to a student group, adding up to many meetings, meals and relationships with the people in the village. During the second period of interviewing there was not the same need to be as close to the interviewees because the interest of the research was to get a broader picture of entrepreneurship support in Dar es-Salaam which was not connected to a specific project. As mentioned above, the participation and closeness to the data was lower in Tanzania than in Uganda.

The time spent in the field, underlying this research, has been divided into shorter visits over the years and has not been the long-time study traditionally associated with ethnography, where the researcher lives with and in the same way as those who are studied (Van Maanen, 1988). Nevertheless, the study in Uganda, described in section 3.1.1 above, has been inspired by ethnography, using a broad definition, and includes characteristic features such as exploring a social phenomenon, a tendency to work with rather unstructured data at the point of data collection, and an investigation of a small number of cases (Wolcott, 1990). Following an explorative approach (Alvesson and Sköldbberg, 1994), theories and references were used as tools and became secondary to the empirical results. During the field visits, the researcher inevitably carried preconceived notions, but refrained from using pre-determined ideas of specific theories or already existing frameworks. Such tools were only applied in a later phase to facilitate, but not steer, the analysis.

Ethnography is not only the fieldwork but also the text that gives the rich description of what is studied (Wolcott, 1990). In the context of this thesis, Paper II is the closest example of such text. The credibility of the text is also what determines the ethnographic validity and it is assessed based on the text's authenticity and to what extent it manages to describe what happened in a certain setting. Ethnography is a way of engaging with social, economic and political issues and writing reflections on these topics is a learning process (Cunliffe, 2010). In an ethnography there may be more than one story or voice in the text, to show the meaning-making and interactions between people, and especially Paper II has been inspired by this method.

3.2.2 Semi-structured interviews

The main data collection method has been semi-structured interviews. Semi-structured interviews are suitable for situations where areas of interest have been identified but where the researcher wants to be able to adapt the order of the questions and to follow up interesting aspects during the interview. This was the situation behind this thesis where there were a number of areas which the interviews covered but not a set order of research questions from the beginning. Consequently, the interviews have followed a structured interview guide with predetermined questions but with the flexibility to follow up for clarification or to follow interesting topics that were brought up during the interviews. It was also possible to move between the questions in a different order if that facilitated the interview. There were different parts of the two guides depending on peoples' roles and backgrounds, see Appendix II for the interview guides.

In total, 59 semi-structured interviews have been conducted of which 16 in the Uganda study and 43 in the Tanzania study, see Appendix I for specification. Most interviews in this work have been between 30 and 60 minutes long but both shorter and longer interviews have occurred. The interviews were conducted in English, except for one in Swedish, and tape recorded in all situations possible, to remember what was said and how it was said during the interview (Flick, 2009). The non-recorded interviews are further described below. Some of the interviews in Tanzania were conducted together with a local academic who facilitated the understanding through contextual input. Not all interviews have been tape-recorded due to different reasons and there are five non-recorded interviews that have been included in the material. In some cases, it has been interviews with embassy staff where recording tools are not allowed in the embassy. In those cases, notes have been taken and, if the researcher was

accompanied, both persons took notes and compared the material after coming back. There have also been informal interviews in terms of shorter opportunities to ask questions but when the situation has been unsuitable for recording, sometimes because it felt like it would constrain the conversation (Brundin et al., 2005).

All interviews have been analysed, following a procedure that could be described as thematic analysis (Braun and Clarke, 2006). This method is common within qualitative research but sometimes not explicitly described. Thematic analysis is considered to be a flexible method but also emphasises that it is important to be clear and explicit about what, why and how things have been done. Firstly, it is important to be clear about the theoretical position of the analysis which for this thesis, as mentioned above, has had an interpretative approach. Secondly, the analysis has been inductive and driven by the empirical material and not adapted to a theoretical interest or an existing coding frame. Thirdly, the level of analysis has been focused on what was explicitly expressed in the interviews. This is separated from the interview situation as such (Czarniawska, 2004). There has been a progression from identifying themes in the empirical material, to an interpretation of what was said in the interviews, facilitated by theories and previous literature. Finally, the analysis process behind this thesis has been an iteration between the different steps, or guidelines, of the thematic analysis method as described by Braun and Clarke (2006). These guidelines and how these have been followed will be described hereafter.

The first step of the analysis has been to listen through the interviews and to transcribe them. Since the research is not based on linguistic analysis but rather a sociological tradition of understanding the human experience (Schilling, 2006), not all of the interviews have been transcribed word by word. In some cases the most interesting parts, from listening to the interviews, have been picked out and then transcribed in detail. The transcriptions were read and re-read in a conventional content analysis to get a holistic understanding of the material (Mwasalwiba et al., 2012). Steps two and three in the thematic analysis method are initial coding and searching for themes. These steps have been performed by reducing the material to shorter sentences, then used as the basis for the identification of interesting topics, organised by themes with an inductive approach, starting with the material (Schilling, 2006). Themes have been organised and grouped in an iterative process before paper writing, which is recognised as steps four and five of the thematic analysis. The process of reviewing the themes has also included re-visits to the interviews. The last step is to produce the text which includes a selection of quotes and to connect the analysis to the literature (Braun and Clarke, 2006).

During the work with the interviews from Uganda, it became clear that there were almost as many stories from the project as individuals. Thus, as an alternative to finding common themes it became interesting to write a rich description of the project including as many different voices as possible. Hence, in Paper II the interviews were initially approached with a descriptive narrative perspective which is common in studies of cultural change. Such an approach includes extensive contextual detail in combination with the many voices from the empirical material resulting in a detailed story. Although the final version has less of a narrative approach, the rich descriptions from the different accounts aim to give the reader a possibility of identifying similar ideas also in other situations. This is an approach suitable for a smaller study (Langley, 1999) such as the translation of a business incubator from Sweden to Uganda.

Interviewing in a cross-cultural setting in the second language for both interviewer and interviewee adds dimensions to the analysis. The answers and information from the interviewees are then affected by, not only the language, but also gender, class and age (Mullings, 1999, Chikweche and Fletcher, 2012). There are some common mistakes easily made when it comes to qualitative analysis including exaggerated accounts of events, understating data that does not confirm the wanted result and making an 'average' of the different human accounts. This may be avoided by counting occurrences in the initial stage of the

analysis but not for the presentation of the result (Sandelowski, 2001). Reflection on the specific situations of research in Uganda and Tanzania has been included in the analysis and is further developed in section 3.3 below.

During the last field visit in Tanzania, four Swedish master students acted as research assistants and were dedicated to facilitating the research by conducting interviews. They all used the same interview guide and transcribed some of the material when back in Sweden. During the trip, this research group discussed with the researcher about how the interviews progressed and tried to make them as uniform as possible. It was however clear that the quality of the interviews in the end differed across the interviewers. Finally, because of poor quality, some of the interviews could not be included in the material.

3.2.3 Specific paper approaches

The appended papers are based on different studies with somewhat different data collection and analysis methods. This section briefly summarises the specific approaches in each paper.

Paper I is based on a qualitative field study in Uganda. The setting was chosen because I had visited the village twice and been able to make background observations and in addition, data was still accessible by the time of the third visit. Then, semi-structured interviews were conducted in combination with participant observation. The interviews and observations were complemented with additional documentation, such as reports, from the student group. The main data utilised was however, the semi-structured interviews with the local participants of the project.

Paper II is based on the same material as Paper I but analysed from a different perspective. The same project was the main objective of the study but from a longitudinal perspective of the fieldwork. More data was added from all three visits and complementary documentation included reports, personal reflections, and student dairies. The analysis focused on the different perspectives found in the data from the people involved in the same project but with diverse experiences of it.

In Paper III, the collected material comes from Dar es-Salaam, Tanzania, and is mainly based on semi-structured interviews. The interviewees were initially chosen based on a local academic's knowledge about the city and the local business activities. The process was then continued with the snowball sampling method (Biernacki and Waldorf, 1981) to identify more interviewees. In addition, the local driver contributed with contacts to entrepreneurs. For this paper the interviews were complemented with a workshop together with the student group that was part of the trip to Dar es-Salaam in 2013. This additional material was primarily used to give a richer contextual background. Secondary data includes policy documents and reports.

Paper IV is based on the material from Tanzania that was the foundation for Paper III. The empirical material was the 43 semi-structured interviews with entrepreneurs and people working with entrepreneurs. Due to the large number of interviews they were the main source of data for this paper.

3.3 Methodological considerations

There are many decisions made behind the final design of this research and this section presents some of them and reflects on the result. An important cornerstone has been the choice of context for the study. The fact that the empirical material mainly has been collected abroad, during specific field visits, has had important consequences for the process.

3.3.1 Access and delimitations

The choices of environments to visit and people to interview have to some degree been founded on accessibility. Due to the often rather strict time limit for the trips, it has been important to find people within a close distance, in safe areas and who works with entrepreneurship in a way that could give a variety of perspectives to the research. Most interviewees were found through already established contacts or by calling organisations after finding them on the internet. In Uganda, all interviewees were connected to the studied project within the limited area of the centre of the local village. Interviewees in Dar es-Salaam were initially identified with the support of a local researcher, whose research focused on Business Technology Incubators in Tanzania, from the University of Dar es-Salaam. Based on the researcher's knowledge about the type of business activities that were interesting for the research, it was possible to contact the relevant organisations and find representatives to interview. More interviews were then added with the snowball sampling method (Biernacki and Waldorf, 1981). Furthermore, the local driver acted partly as a guide around Dar es-Salaam and contributed with some contacts to local entrepreneurs.

To be able to manage a study, it has to be delimited (Dubois and Gadde, 2002). This means that the limitations are a large part of the research because they decide what is not included in the material and may possibly affect the findings to a large extent. This research has been limited by the empirical choices made and the environments that have been investigated. The scope of the empirical material was for example narrowed down by the decision to find people through the snowball sampling method and only interview English speaking people. Possible consequences from this decision are misunderstandings in the communication based on that both researcher and interviewee spoke their second language and a lack of details that are easier to express in one's first language. Furthermore, it may result in a biased picture of entrepreneurs because the interviewed sub-group, those proficient in English, is not representative of all entrepreneurs. For example, proficiency in English is in Tanzania connected to a higher level of education. This was the case for some of the interviewees who had studied and lived abroad. Experiences such as time spent in the US, Scandinavia or the UK are most likely reflected in, and influence, their answers. A limitation of using the snowball sampling method is that it can be difficult to find suitable interviewees if the required profile is quite specific (Biernacki and Waldorf, 1981). Another is that the snowball sampling method leads to interviewees that somehow know of each other and hence, potentially are too similar to give a nuanced picture. These possible problems were to some extent balanced by the fact that the required profile was rather flexible; that there were multiple starting points for the sampling; and that, in total five people conducted interviews simultaneously and therefore could work on different lines of interviewees. Nevertheless, with a different selection of interviewees, other themes for this research may have arisen.

Moreover, in qualitative research the way of presenting the findings is essential and a large part of the analysis. Every decision about language, methods and how empirics are presented affects the outcome. It is important to remember how the text and accounts presented are influenced by the voice of the researcher and that the empirics are judged through ethnocentric norms, practices and a cultural lens (Mikkelsen, 2005, Cunliffe, 2010). Furthermore, it is possible to present both extended text or quotes in qualitative research but both methods are prone to mistakes and bias (Schilling, 2006). The important ideas will always be brought forward through the way the empirics are presented which also means that it is important to balance the way they are described, analysed and interpreted (Sandelowski, 1998). The quotes in my papers are all chosen by me, and therefore I have decided which picture the reader gets of the people that have been interviewed. Moreover, I have used quotes as examples of the themes that are further discussed in the papers but it is worth emphasising that they are not a statistical representation of the findings. Instead, they are voices that I believe give an interesting picture of the topics.

Consequently, there have been continuous reflections on the quotes included and I have tried to balance them with already existing literature.

3.3.2 Process, my role and ethics

As mentioned earlier, the research has been exploratory and has developed over time with unplanned experiences and additional empirical material being incorporated along the way. ANT, as was described in the theory chapter, is not only a theory but sometimes also considered a research methodology. It may be identified as such in the research process with which this thesis is concerned. According to the ANT methodology, which is generally similar to ethnography, and also follows the hermeneutic tradition, the researcher visits the field with a limited understanding of what to expect. The point is to avoid reading theories beforehand and instead to observe and explore the field. The researcher will always bring his or her own preconceived ideas and focus should be on themes and concepts that may be interesting to further develop with theory after the fieldwork has started or is even completed (Brannick and Coghlan, 2007). Examples of such themes and concepts included in this thesis are contextual features influencing business incubators, the role of the business incubator, and the concept of the entrepreneur and perspectives of successful entrepreneurship. To be able to avoid bias towards your own ideas, an open mind and a conscious effort are needed, which is obviously difficult. Sometimes, there is also a challenge in sorting out when certain ideas and a deeper understanding were recognised and reached. One method which I was recommended to try by my supervisor, was that I made notes before I left, describing expectations and thoughts of what I would find and experience, which I could compare with thoughts and ideas that I had after the field trip.

Following the hermeneutic tradition, my way of carrying out the role of researcher has affected the research process, rather than being separate from it. Reflexivity is used as a tool to manage the relationship between the researcher and the studied object within social sciences (Brannick and Coghlan, 2007). It is important to remember that there is always a human observer behind the research who tries to make sense of the collected empirical material (Wolcott, 1990). The studied environment in Uganda has become familiar to me as a researcher. Because of the repeated visits to Uganda and the dual role as both researcher and faculty member, a close connection to the project in Uganda was built up and consequently also to the interviewees. I did, however, never participate in the actual student project. Moreover, when interviewing, I have always been explicit with my role as a researcher and the aim of the interviews (Mikkelsen, 2005). The field in Dar es-Salaam was not as close to me as a researcher because the interviewees were found without connections to the student project that I accompanied there. Nevertheless, it could always be discussed if the interviewees, in both settings, felt that they could trust me as a researcher and share their honest opinions (Chikweche and Fletcher, 2012). It has been important to emphasise that there were no right or wrong answers and also that the questions had nothing to do with evaluating either the interviewees or anyone they might talk about. Moreover, some interviewees have known more about me as a researcher and some have known someone that recommended them to me, which increased the level of trust. In the case of this thesis, the material has additionally been analysed including the reflection and awareness of the contributions from my own background. There are especially four characteristics that will be reflected on here, namely: age, gender, level of education and Swedish citizenship.

As is the case globally, seniority and maleness are more respected in business than youth and femaleness. Such beliefs may have affected the interviews. On one hand, being a rather young woman actually facilitated the interview process for me, allowing me to take the role of a receiver of knowledge who could ask for clarification without going against expected norms. On the other hand, my Swedish nationality, which has strong positive connotations, and my high level of education, may in some ways have overridden my age and gender. Sweden has a fairly good reputation in the two countries I have

interviewed in, as a long term development aid partner but also recently, such as in Tanzania, supporting innovation and cluster programs. This could affect the type of answers I get if the interviewees think, although I have been clear with my purpose, that there is a connection between previous programs and support, and my questions. However, the young entrepreneurs interviewed seemed to appreciate the situation more as an experience, an interesting meeting and an opportunity to connect to a foreigner from Europe. Since they were pleased that someone was interested in their stories and opinions it seemed that they were sharing their honest thoughts. Semi-structured interviews made it possible to adapt the interview situations to the most suitable approach based on the above mentioned differing dynamics between interviewee and researcher.

A final reflection would be on which picture that I wanted to create for the interviewees. In addition to introducing myself and then revealing the characteristics discussed, it is quite common that people ask whether it is the first visit to Africa and to the specific country in which you meet them. The fact that I have visited a few countries in Africa, some more than once for work purposes, and that I lived for a short period of time in Ethiopia, may contribute to a positive picture of me.

Nevertheless, in the rural setting in Uganda there were also examples of how trust is closely connected to the foreign background of the visitors, which comes with great responsibility for the visitor to not misuse such situations. An example has been included in Paper II where one interviewee explains how he would trust knowledge from Sweden more than from Uganda. This quote is a shortened version of the quote included in Paper II:

“From different background, different exposure, and somebody carrying knowledge all the way from Sweden to Uganda. It means that is something of value.”
IT-guy, Bubulo

For ethical issues within field studies there are, depending on the field, certain things to think about. For my work and interviews I have been careful to do the following: 1. introduce who I am and the purpose of the research; 2. avoid promises such as support to the entrepreneurs, copies of the research or keeping in contact; 3. always offer confidentiality to the interviewees (Mikkelsen, 2005). However, during my first interviews I offered copies of my material when published but because it took longer than expected to publish, I had unfortunately lost contact with the interviewees when I was about to send it to them. To be on the safe side, all interviewees have been anonymised in the articles although only a few actually asked for it. Furthermore, other people who have been involved in the research have been anonymised to avoid any potential harm. Finally, I made a mistake when conducting research in Dar es-Salaam. Initially I did not have the required official research permit but managed to obtain one when I visited the same building where the permits were issued for an interview. In addition, there are ethical perspectives of the choices made in research when visiting other countries (Jackson, 2015). Thus, for this research I have defined the research problem and decided for whom I consider this research worthy and relevant. I believe that the knowledge could benefit the local community but I understand that this is based on my perspective and understanding of the field, which is connected to my background as reflected on above.

3.3.3 Validity

Imagine if two researchers studied the same social phenomena and were asked to describe what they had experienced. Logically, it is not expected that the result would be the same although they would most likely describe similar things (Ahrens and Chapman, 2006). Validity criteria used to evaluate quantitative research is not suitable for qualitative field studies, such as a context-specific social reality which is by its nature impossible to replicate. In contrast to a positivistic perspective, the hermeneutic

research paradigm is more interested in particular knowledge where a subjective interpretation is the focus of the research process (Brannick and Coghlan, 2007). Thus, the empirical material in this thesis is not statistically generalizable and nor has generalisation ever been the purpose. Instead, the research aim has been exploratory with a focus on local findings that can be interpreted as contextual examples of more general phenomena. The perspective of local knowledge, as the only existing knowledge, was introduced in the 1980s by Geertz. Geertz discussed ethnography with the idea that there is no universal knowledge but only local knowledge, situated in a local culture. Consequently, anything that is global should be understood as an extended network of localities (Czarniawska and Joerges, 1996, Steyaert, 1997). Although it is a specific understanding in a specific environment, this type of research has turned out to be the best way of describing interaction between a particular phenomenon and its context (Dubois and Gadde, 2002). When it comes to human activities, contextual knowledge can give the reader a thorough knowledge enabling a better understanding than predictive theories (Flyvbjerg, 2006).

However, there are types of validity that may say something about qualitative research (Lee, 1999). Internal validity focuses on how a study avoids anticipation and elimination of alternative explanations and is related to the actual work of the researcher. As mentioned in the previous section, 3.3.2, anticipation was attempted to be avoided by making notes about thoughts and ideas before the field visits, with a view to increasing an awareness of my own starting point of the research. Alternative explanations have been discussed with other researchers and in addition findings and conclusions have been analysed in relation to existing literature. Internal validity is also termed 'validity of craftsmanship', which may be validated through questions, discussions and reflections on the research process. Such questions have been invited from colleagues in Uganda and Tanzania during the process. However, discussions and feedback have mostly been with Swedish colleagues and therefore this is identified as an area of this research that could have been improved. Reflecting has been a constant undertaking that has been mentioned above in section 3.3.2 regarding the process, my role and ethics, and is further described regarding the overall research process in the next section, 3.3.4. Furthermore, the whole process of writing this thesis has been a time of thorough reflection.

Alternatives for improved field studies may be to spend more time in the field and to use more than one method for data collection (Ahrens and Chapman, 2006). Data collection has mainly been interviews but complemented with participant observation, written documents and reports, and also workshops, see section 3.2. Secondary data may sometimes be biased and differ depending on where it is found. To be able to give similar background data from the included countries, the same, large and well-known, sources for statistics have been used, such as The World Bank, CIA World Factbook and UN Statistics Division. In addition, detailed statistics have been included from Uganda Bureau of Statistics and Tanzania National Bureau of Statistics.

3.3.4 Reflections

The process behind this thesis was slowly initiated in 2009 and has developed over the years since. During almost five years it was a half-time engagement with employment. This had the advantage of providing additional time for reflection. It feels important to remember that there has been a large amount of freedom behind this PhD process which started without any specific topic or research questions. Such a start was an amazing opportunity, but also a challenge in terms of limiting the study and finding the gap where a contribution could be made.

The research topic has developed based on my experiences. Also, the approach and research design have been influenced by the licentiate thesis and by the fact that some approaches, such as additional field studies or a combination with quantitative methods, became less suitable along the way. This is why the thesis is based mainly on interviews. When returning from the field, I realised that many of the things I

had experienced had also been observed by others and analysed in the literature. However, there was a gap in the literature when it came to business incubation in African settings. It also turned out that business incubation and its effects were difficult to evaluate. This made it even more interesting to understand the propagation of business incubation around the world.

One way of avoiding the large risk of focusing on cultural stereotypes, exaggerating the differences between people and including cultural biases in the interpretation of the results from management work and research, is to include reflection (Eglene and Dawes, 2006). Such cultural biases may appear on an individual level, as individuals are a product of cultural influences. Cultural biases are a part of structural ideas of the developing world, and how it is represented in the eyes of the developed world (Jackson, 2011, Zapata Campos and Zapata, 2013). Consequently, an important tool for helping me realise my own cultural biases has been cultural shock. This stressful transition to an unfamiliar environment, which most people experience when traveling, consciously or unconsciously, is also commonly experienced within ethnographic work. In a new country, there are often new ways of doing things, thinking and valuing, which means it is easy for a visitor to feel frustrated and anxious. People suffering from cultural shock often blame the local culture because they do not understand it. There are a lot of feelings connected to the stage of shock such as disorientation, identity crisis, irritability, and defensiveness to mention a few (Winkelman, 1994). Continuing to the next stage, is important not only in escaping this unpleasant stage, but also to come closer to understanding the people around you.

Finally, a short reflection on whether hindsight suggests I could or should have chosen different methods for this thesis. One way of changing the outcome of this research would have been to stay longer in the field and to conduct a more classic ethnography. Such a study would have given even richer empirical material and a deeper understanding of the people met. However, it would not have been possible to stay longer time periods while working in parallel with researching. The findings might have been better anchored, but not necessarily different in and of themselves.

4 Research context

This chapter presents the research context of this thesis and the general business context in Africa. The presentation will be general with some examples from Uganda and Tanzania, which are the countries focused on in the thesis. In addition, these two countries exemplify different development routes based on their post-independence periods (Whitfield et al., 2015). It is often a major mistake to treat Africa as a single entity or country, because obviously history, economic potential, geography, culture and political systems differ (Radelet, 2010). However, Ramachandran et al. (2009) showed that there also exist similarities between the low-income countries of Africa in terms of business environment. Whitfield et al. (2015) found this especially true compared to other developing country regions. Some characteristic problems identified in the region are also similar enough to be generalised and these influence the establishment of business incubators. There is an introduction to the selected settings of Uganda and Tanzania, in section 4.4.1 and 4.4.2, and this chapter ends with a summary in section 4.4.3.

4.1 Historical overview

A historical overview is important to understand the current situation and historical trajectory of Africa. This brief overview starts when most countries in Africa had acquired their independence in the 1960s. After independence financial policies were authored and economic development until the 1970s was relatively fast. The role of social services became important as a step to narrow the gap between rural and urban areas, a gap that was inherited from the colonial times, and was intended to decrease through a process that emphasised the role of the state. The oil-price shock in the 1970s and the debt crisis in the 1980s led to structural economic and political weakness in African countries, and a decline in economic performance. Osman et al. (2011) argued that economic reforms, but also solutions envisaged as a quick way to solve the situation, led to domestic and neighbouring conflicts.

Nevertheless, increasing imports during this period meant that governments began protecting their local industries through policies and import tax. This designed strategy, called import substitution, was meant to support domestic industries and to develop the local industrialisation (Radelet, 2010). Similar strategies have been used in Japan, South Korea and Taiwan, when these countries created their successful economies through protected industries and investor incentives that effectively created subsidies. It has been shown empirically in these countries that industrial policy, where the state took an active role in industrialisation, was necessary to create economic transformation (Whitfield et al., 2015, Kelsall, 2013, Kjaer, 2015). However, a consequence from the industrial policy of import substitution in Africa was that local businesses could not continue manufacturing due to lack of supplies. In the end, new businesses were limited and job creation decreased. Moreover, this strategy limited the economic diversification and generated increased poverty (Radelet, 2010).

The structures in African countries are often hierarchical, a heritage from historical and social structures. Patriarchal structures stem from the pre-colonial times and continued into hierarchical colonial structures. During colonial times the hierarchy, based on racial and skill levels in society, was even more pronounced. The consequence of this was that the system became self-reinforcing where little delegation within the system led to fewer skills and, in turn, less reason to delegate. The lack of skills is the reason why education has been a major issue since independence in many countries. Lack of education and other factors influencing the business climate have their roots both in geography, the institutional environment and history, including the consequences from the colonial period (Gelb et al., 2014, McDade and Spring, 2005).

As mentioned previously, many economies in Africa are small which means that market power has become concentrated in groups that are often connected to the government in their respective country.

It also means that these groups often are interested in maintaining the status quo. Historically, these groups had no interest in changes that would benefit the majority of the people but focused instead on civil servants, protected businesses, labour unions, the military and urban consumers that would support them (Radelet, 2010, Gelb et al., 2014). In Tanzania, for example, there was one strong and dominant party after independence (Whitfield et al., 2015). This political elite was not interested in developing a local business class that could compete with the power (McDade and Spring, 2005). Instead state monopolies, parastatals, were created (Pedersen and McCormick, 1999). A parastatal is a company or organisation that is separate from the government but serves the state directly or indirectly and was often introduced after independence in the 1960s. Uganda, with its own pre-colonial society and colonial experiences, had a number of political elite factions that made it difficult to reach a stable ruling coalition (Whitfield et al., 2015). Kshetri (2011) described how oligarchic capitalism, with corrupt government officials connected to business and a symbiosis between the political and economic elites, means that the business people use political power, capital and social networks for their economic benefits. In many countries the state is still important but there has been development towards a balance between the state and the market (Radelet, 2010).

Before continuing to look into the specifics of the business system and business environment in Africa, a quick overview shows general positive trends of growth and decreased poverty. The average growth decreased to 3.7 percent in 2015 but is expected to increase to 4.8 percent in 2017. Africa has a young population but they are better educated than ever before with a literacy level of 70 percent. Moreover, mobile phones are used for payments, improving tax collection, and integration between countries to remove costs and hurdles of transporting goods. Thus, digitalisation of economies is identified as a way of a leap frog transformation for countries in Africa (WB, 2016b).

4.2 Business system

The business systems have developed in a similar way in many African countries and typically, many African economies have a *large* small-scale sector and a *small* large-scale sector. Many countries had a large parastatal sector before the privatisations which were initiated mainly during the 1980-1990s. These privatisations were part of structural adjustment programmes run by the World Bank and the donor community (Ramachandran et al., 2009, Radelet, 2010). All African countries had a similar development but the parastatals were more dominant in the socialist states, such as Tanzania. Further ways of dividing the business landscape are: informal and formal sector, traditional and modern, local- and foreign-owned in rural and urban areas. A characteristic feature for Africa is the ‘missing middle’, the fact that most African countries still have a very small medium-scale sector, which is often considered a problem (McDade and Spring, 2005, Pedersen and McCormick, 1999). Solutions to this issue include an increased diversification of products that can be competitive and produced by low-skilled workers and entrepreneurs. Many models emphasise the role of the entrepreneur and conclude that it is the weak business environment, including poor infrastructure, that is the reason for the lack of enterprise growth (Iacovone, 2013, Radelet, 2010, Ramachandran et al., 2009). Others emphasise the importance of structural change and economic transformation (Whitfield et al., 2015). Further reasons and solutions to the ‘missing middle’, found in the literature, are presented in the following sections.

The *formal private sector* is often ethnically segmented and includes companies run by foreigners or ethnic minorities as a part of the large-scale sector. Depending on the country, different nationalities dominate the formal private sector, influenced by the time prior to independence and/or multinationals from the former colonial power (Pedersen and McCormick, 1999, Ramachandran et al., 2009). These companies are larger and have a higher capacity than the informal private sector.

The *informal private sector* is typically the largest sector in African countries and consists mostly of micro- and small-enterprises, usually with a self-employed owner or with a maximum of one to three employees. It is a heterogeneous field both in terms of the informality and the type of businesses (McDade and Spring, 2005, Ramachandran et al., 2009). Informal may be: legal businesses that do not pay tax or licences because they have not reached a sufficiently large enterprise size; businesses on land that is not the property of the business owner; and, finally, illegal activities. Some business owners have just not registered their companies in order to limit the formalities, often considered expensive. The fact that companies avoid formalisation because it is easier to stay informal with a small business, may also be the reason why companies do not grow and become 'middle' enterprises (Iacovone, 2013). An additional characteristic of African entrepreneurs is that they often have several small businesses. This is a reasonable solution based on risk management, seasonality of activities and the fact that running several businesses is often taken as a sign of being a successful entrepreneur (Langevang et al., 2012, Kiggundu, 2002).

A major problem in Africa is the high rate of unemployment, especially amongst young people. Although population growth is decreasing, there are millions of low-skilled workers entering the labour market each year. There are also high levels of low-productivity employment in the informal sector both within agriculture and in the cities (Radelet, 2010, Whitfield et al., 2015).

4.3 Business environment

As mentioned above, there is a current positive general development trend in Africa that has lasted for about 20 years (Pedersen and McCormick, 1999, Radelet, 2010). The global innovation index, including innovation indicators from 143 economies around the world, showed in 2014 that African countries made the most significant increases in the index (Cunningham et al., 2015). Even though there are differences between countries, entrepreneurship is not lacking in Africa (Kiggundu, 2002, Kshetri, 2011). Nonetheless, entrepreneurs are influenced by their business environment. The business environment influences productivity, survival and growth of companies and some of the general challenges of the business environment in African countries are: finance, infrastructure, legal rights, availability of skilled labour, access to land, foreign ownership and export status (Iacovone, 2013, Ramachandran et al., 2009).

Small enterprises globally are often financed by the owner. In Africa, there are many reasons why small business owners do not get a loan from the banks. Some do not have audited accounts or own land that can be used as collateral, for others their transactions are too small, or they live in remote areas where banks are not represented. Small business owners have for a long time been excluded from the banks and have been forced to ask for financing from family, informal money lenders, or credit associations. It has also been expensive, in terms of fees, permits and long processes, to start a business in many countries in Africa (De Soto, 2000, Radelet, 2010, Ramachandran et al., 2009). Furthermore, a common problem for these small enterprises is that they have difficulties in growing due to their financial situation. This is another reason for the 'missing middle' in many African countries (Pedersen and McCormick, 1999). Nevertheless, new systems are rapidly developing where the mobile phone can be used for transactions, or where other banking schemes open up opportunities for entrepreneurs and small enterprises to run their businesses without the banks. The most famous system is M-PESA which means mobile money in Swahili and enables both depositing money to save, as well as sending money to other mobile phone users (Radelet, 2010).

Infrastructure includes, for example, electricity and transport. The lack of reliable electricity is perhaps the most common answer as to constraints for business owners and entrepreneurs in most African countries. Deficient transport decreases productivity and limits the entry of new firms to the market

(Ramachandran et al., 2009). Export is important because increased export almost always increases growth (Gelb et al., 2014). However, what a country exports is also crucial. The more processed products, higher up in the value chain, the more value stays in the producing country (Ramachandran et al., 2009, Balunywa et al., 2012).

A central issue in the African societies is the lack of a functioning legal system. It is often very difficult to enforce contracts which make most business relations dependent on mutual personal trust and networks (Fafchamps, 2001). Moreover, there is a large uncertainty in policy implementation and the institutional systems such as governance and bureaucratic capacity. This creates an expensive environment to operate in (Iacovone, 2013, Gelb et al., 2014, Ramachandran et al., 2009). Networks have been shown to influence the business climate in various ways. Higher education of the local business owner impacts the speed of growth of the company. This growth has been analysed as facilitated by the networks of business professionals acquired through the higher education. Moreover, the ethnic minorities dominating certain businesses are believed to use their networks both to overcome constraints but also to exclude others from the market. However, the same networks may also be constraining if, for example, family and relatives demand successful business individuals to share their results (Ramachandran et al., 2009). In addition, it is less likely that management positions are filled by someone outside the family. This in turn constrains management control and growth of the company. The dependence on networks is sometimes limiting, especially for new entrepreneurs and young people with smaller networks.

A consequence of the current conditions in Africa is that it is both more difficult and important to be trustworthy in an unstable business environment. The infrastructure meant to reduce risks often excludes small enterprises. This is seen as yet another reason why small companies do not manage to grow into medium and large companies (Pedersen and McCormick, 1999, Iacovone, 2013). Finally, the general positive development in Africa holds plenty of promise. There is a young and increasingly educated population which could be considered a great resource. However, the young population may also be identified amongst the general challenges presented in this section as well, together with finance, infrastructure, legal rights and availability of skilled labour. These challenges have also been identified in the empirical material and will be further discussed in chapter 6.

4.4 Selected African settings

The selected African settings of this thesis are located in Uganda and Tanzania because there is currently an increase of business incubators in these countries (Kelly, 2014, BongoHive, 2014, AfriLabs, 2016, Bertenbreiter, 2013, infoDev, 2014b, Cunningham et al., 2015). The two sections below give a brief background to first Uganda and then Tanzania.

4.4.1 Uganda

Uganda is land-locked, shares control of Lake Victoria with Kenya and Tanzania and borders the Democratic Republic of the Congo (DRC), Kenya, Rwanda, South Sudan and Tanzania (CIA, 2016). The capital of Uganda is Kampala, situated in the central part of the country. The population is 34.6 million people and almost half of the population is under 15 years old (UBOS, 2016). 13.9 million people are included in the working population (measured on the population between 14-64 years old), whereof 80 percent are self-employed and 72 percent involved in agriculture, forestry or fishing. In the working population there is an unemployment rate of 9 percent (UBOS, 2014). However, it should be noted that methodological problems such as a lack of formal registration of employment combined with the variety of types of employment, make the measurement of unemployment difficult (Balunywa et al., 2012).

English is the official language that is taught in schools and used by most newspapers and some radio broadcasts. Other languages are Luganda and Swahili but in total there are about 45 ethnic groups and 32 different languages in Uganda. In Uganda, 24.5 percent live under the poverty line (CIA, 2016). The main exports are coffee, tea, cotton and tobacco. A recent goal has been to develop the country with an emphasis on private sector development, employment creation and industrialisation (Ecuru, 2011). In 2009, a major find of oil was confirmed on the border between Uganda and the DRC. The opportunities sprung from these oil reserves are large but also highly uncertain, due to the varying estimations of the reserves, the possible income and how the reserves will be managed (Gelb and Majerowicz, 2011).

A positive example of the development in Uganda is the cut flower sector, which has grown from almost nothing to an important part of employments. Today this sector employs more than 6,000 workers, and has exported more than US\$ 30 million, in the last 20 years (Radelet, 2010). Economic growth has been strong in Uganda, which was one of the 15 fastest growing countries in the world in the 1990s and 2000s, with an average growth of 7 percent per year (WB, 2016d). Since the 1980s, the Ugandan governments have succeeded to create one of the most active entrepreneurial communities in Africa. This development has had a positive impact on poverty levels and non-economic production levels, which have fallen during the same time period. Moreover, living and education standards have risen in Uganda (Balunywa et al., 2012), where 87 percent of the children aged between 6-12 (primary school) are attending school. Basic education is included as a human right and considered an entitlement for all children in the Ugandan constitution (UBOS, 2016). However, while the youth are encouraged to become entrepreneurs, the education system is at the same time considered insufficient for the changing market needs (Langevang et al., 2012).

Kampala and its surrounding region is the centre of business in Uganda. In 2010/2011, the industrial sector in Uganda consisted of about 460,000 businesses whereof 94 percent had less than five employees (UBOS, 2011). Moreover, less than 30 percent of the start-ups in Uganda survive the first year (Mutambi, 2011, Rooks et al., 2012). Previous research has shown that a majority of the micro-enterprises show little or no growth and were mainly necessity entrepreneurs (Rooks et al., 2012). Additionally, urban entrepreneurs are less innovative and have less network resources than their rural counterparts (Rooks et al., 2009). There is also a large problem of corruption in all aspects of starting up a company (Herrington and Kelley, 2012). The five most problematic factors for doing business in Uganda, between 2005 and 2015, were: 1. Corruption, 2. Access to financing, 3. Inadequate supply of infrastructure, 4. Tax rates/tax regulations, 5. Poor work ethics in the national labour force (Ogola et al., 2015).

Uganda is a former British protectorate and became independent in 1962. Before the colonisation, the south part of the country was shared between four kingdoms and in the north there were a variety of chiefdoms. This background made it difficult to distribute power at the time of independence. After independence there were divided political elites, the divisions based on regional-ethnic, religious or socio-economic parameters. Up until 1986 the country had political instability due to civil wars that started in 1970. In the north the civil war continued until 2006.

After independence there was a violent period when Milton Obote, and Dictator Idi Amin, following a coup in 1971, ruled the country. In 1972, the Asian ethnic minority (primarily of Indian descent) who had owned or controlled about 30 percent of the industrial activities at the time of independence, were expelled from Uganda. This led to a downturn in the economy (Whitfield et al., 2015). Between the 1970s and the 1980s, the political situation and mismanagement led to fluctuating growth rates, and policies and regulatory instruments which destroyed the private sector (Mutambi, 2011). The current president, Yoweri Museveni, seized power in 1986, after a civil war between 1980 and 1986. Both social

and private sectors have been re-established and also grown since the end of the 1980s, when only a limited group of people were involved in business. This growth is mostly driven by the revival of coffee exports and increased domestic demand. In 1997, Uganda was the first country to receive debt relief as part of the Highly Indebted Poor Countries program. The Asians have been welcomed back and returned their private property and companies (Whitfield et al., 2015). Elections have been held at five-yearly intervals since 1996 (Kjaer, 2015), and the ruling party, the National Resistance Movement, has won them all, including the most recent in February 2016. Multiparty elections were introduced in 2006 and at the same time Museveni removed presidential term limits (Whitfield et al., 2015).

Kjaer (2015) described the current political economy as heavily influenced by the ruling elite and its efforts to stay in power, which creates a deteriorated environment for economic growth. Within a system of benefits for the elite it is difficult and politically expensive to implement policies to promote productive sectors, as these policies challenge the elite and lead to the disappearance of these benefits. Two things about the political system are important to understand when it comes to implementing new policies: firstly, there is a lot of competition within the ruling coalition and privileges that people are unwilling to give up; and, secondly, it has become more expensive to run the politics and win the elections. This understanding is helpful for policy makers as input to decision-making regarding which sectors to support for job creation and poverty reduction (Kjaer, 2015).

4.4.2 Tanzania

The United Republic of Tanzania borders Burundi, DRC, Kenya, Malawi, Mozambique, Rwanda, Uganda and Zambia. The capital of Tanzania is Dodoma but the largest city and leading commercial centre is Dar es-Salaam. Tanzania has a population of 49 million people. The working population (15-64 years old) is estimated at 26 million people, whereof 86 percent are self-employed and 66 percent work within agriculture, forestry or fishing. In the working population the unemployment rate was 10 percent and youth (15-24 years old) unemployment was 14 percent in 2014 (TNBS, 2014). English and Swahili are the official languages and English is primarily used for commerce, administration and higher education. Other languages are Arabic and local languages. In Tanzania 28 percent of the population lived under the poverty line in 2012 (WB, 2016c).

Since the mid-1990s economic growth has been on average 5.7 percent in Tanzania, which in turn has increased the average income 46 percent since 1996. The last 15 years have had a high economic growth, mainly within gold mining, manufacturing, tourism, telecommunications and banking. However, these industries have not generated much employment or affected poverty because most people still work within agriculture. About 66 percent of the population is still dependent on agriculture for their income and, as in many other African countries; the manufacturing companies are small and often informal. In 2007 there were 400,000 tax payers registered out of a population of 45 million people (Whitfield et al., 2015) and in 2011/2012, 70,000 businesses were registered (TNBS, 2010/2011). There are, however, more large manufacturing companies than in some other countries due to how the privatisation of parastatals led to an increase of productivity in manufacturing (Whitfield et al., 2015). The five most problematic factors for doing business in Tanzania were between 2005 and 2015: 1. Corruption, 2. Access to financing, 3. Inadequate infrastructure, 4. Tax rates/tax regulations, 5. Inadequately educated workforce (Ogola et al., 2015).

Positive developments have been that the external debt has decreased from 160 to 30 percent and that the country has changed to more democratic governance with peaceful elections and improved political and civil rights. In 2001, school fees were removed, more teachers employed and work to improve the quality of education in Tanzania initiated. More than 90 percent of primary school children attend school

and the quality is considered to be improved although there are still challenges to deal with (Radelet, 2010).

Tanganyika became independent from British rule in 1961 and formed, together with Zanzibar in 1964, Tanzania. During colonial rule, trade and manufacturing, that is the formal economy, were controlled by Europeans and East African Asians. Many of the Asian businessmen became citizens during the last years before independence (Whitfield et al., 2015). Julius Nyerere was the first president (1962-85) and he introduced a non-Marxist socialism, known as ujamaa, specific for Tanzania where the state was a central player responsible for the development agenda. This role became even more dominant after The Arusha Declaration in 1967, which was followed by the nationalisation of major financial, commercial and manufacturing institutions into parastatals (Temu and Due, 2000). Based on the idea that those institutions were considered responsible for class divisions in the country, the purpose of the nationalised institutions was to create a classless society and increase equality. Government control became more dominant than in any other country in Africa (Temu and Due, 2000). At this time Nyerere's party (TANU) was the same as the government (Tripp, 2012). The private sector was basically retail business found in the cities. All other private entrepreneurs were considered to be 'capitalist exploiters' and to become rich was considered to be something negative (Temu and Due, 2000). However, Nyerere initiated liberalisation reforms in the early 1980s which was heavily influenced by aid donors pushing for privatisation and market liberalisation (Whitfield et al., 2015). Beginning in 1986, there have been a few formal economic reform programs in Tanzania with aid as a main source of funding for economic development (Temu and Due, 2000).

The political system in Tanzania is different to the political systems in Uganda, where there has only been one party, CCM, ruling the country since independence (Whitfield et al., 2015). Since power is not personalised but based on the ruling party instead of the president, there are not the same incentives for the president to build up a powerbase and violence has therefore become rarer. On the other hand, party dominance can be difficult to displace. In addition, Nyerere introduced cultural and institutional policies that have supported a less stable development of the politics in Tanzania. There were egalitarian social policies and no support for chiefs, ethnic leaders or people who had the same language. He also made clear that religion and ethnicity were not connected to politics, an idea that is still commonly accepted by the parties in Tanzania. The 5th election since becoming a multiparty democracy in 1992 was held in 2015 and was won by John Pombe Magufuli from CCM.

Corruption is still a serious problem and Jakaya Kikwete, the president, admitted that 30 percent of national spending was unaccounted for in 2011. As early as 1996, a report showed that the main problem was not the poor economy or low salaries but political leadership. Incompetence and very relaxed leadership towards public finances is also reported by the donors who are active in the country (Tripp, 2012).

4.4.3 Summary of research settings

The two previous sections have introduced the selected African settings of Uganda and Tanzania. A business landscape may be divided between the rural and urban business environments. This is relevant as this thesis is situated in a rural business environment in Uganda and an urban business environment in Tanzania. However, findings are understood as local examples and since the countries have different backgrounds and different political systems, the aim is neither to compare them nor treat them as one entity. This section will summarise aspects from the business environments that will reappear in relation to the empirical material presented in chapter 5 and 6.

In Uganda, the status of the entrepreneur shifted from the 1970s when entrepreneurs were denied access to business opportunities to the end of the 1980s when social and private sectors were re-established (Balunywa et al., 2012). The current status is that the country has high rates of entrepreneurship and that there is an emphasis on private sector development (Radelet, 2010) but also a ruling elite that creates a deteriorated environment for economic growth (Kjaer, 2015, Balunywa et al., 2012). Since the population growth rate is high, there are 700,000 new labour market entrants per year (WB, 2016d). Even though entrepreneurship has influenced poverty levels, it has been shown that it creates relatively few quality jobs (Balunywa et al., 2012) and that there is a challenge for new companies to survive their first year. Other major constraints for business development, relating to business incubator establishment, are corruption, access to finance and infrastructure (Ogola et al., 2015) .

Tanzania is influenced by its socialist background; where the state was responsible for the development and private entrepreneurs were considered negative for the country (Temu and Due, 2000). During the last 15 years Tanzania has had high economic growth but this growth has predominantly been based on industries that have not affected employment or poverty because of the high percentage of the population that still work within agriculture. In addition, improvements in living standards have not been distributed equally between the urban and rural population. It is estimated that the labour force grows by 800,000 people per year (WB, 2016c). The major constraints for business development, relating to business incubator establishment in Tanzania include corruption, finance, infrastructure and an inadequately educated work force (Ogola et al., 2015).

In conclusion, there are a few characteristics of the studied contexts which are important for business incubator establishment and will be further discussed in this thesis. The promise of entrepreneurship is influenced by historical activities of business limitations, decreased job creation and increased poverty. Moreover, the structure of the business system with a large informal private sector, and a missing middle, creates relatively small markets with concentrated market power. This typical business system in combination with large numbers of low-skilled workers entering the labour market each year is considered a challenge. Solutions to this challenge often include and emphasise the role of the entrepreneur.

A challenge in the business environment, influencing the business incubator, is poor infrastructure in terms of, for example, a lack of reliable electricity, which is one of the major constraints for entrepreneurs. Lack of electricity inspired the project that was studied in Uganda and is described in two of the papers discussed in the next chapter. Another aspect, namely that some business incubators seem to be embedded in cultural and societal structures that are built on certain connections for access to the business incubators, is discussed in another paper. Such hierarchies, in combination with concentrated market power that makes it difficult to enter the market and expand the business, tend to cement existing social structures. The next chapter, 5, introduces a summary of the appended papers of the thesis including brief reflections on findings, followed by the discussion in chapter 6.

5 Summary of Appended Papers

The thesis has four appended papers contributing to the overall understanding of business incubation establishment in the selected African settings, see Table 2 .

TABLE 2. SUMMARY OF CONTRIBUTING PAPERS.

Paper	Main Title	Author(s) Contribution	Status	Methodology	Key findings
Paper I	The translation of an incubator	Henricson, K. and Palmás, K. (50/50)	Published in <i>Annals of Innovation and Entrepreneurship</i> , 2012	Field study in Uganda 2007-2010, 16 semi-structured interviews	1. Context and space matters; 2. conceptions of entrepreneurship differ; 3. mobilisation instead of creation of entrepreneurship; and 4. what are the alternatives to business incubation?
Paper II	Perceptions of success of a social entrepreneurship initiative	Henricson Briggs, K (sole author)	Published in <i>Int. J. of Social Entrepreneurship and Innovation</i> , 2014	Field study in Uganda 2007-2010, 16 semi-structured interviews	Perceptions of success influence the outcome and may be understood using a cross-cultural management lens. The importance of a balanced view of the visitors and avoidance of an ethnocentric pattern.
Paper III	Business incubation in Tanzania	Henricson Briggs, K (sole author)	Submitted to <i>Africa Journal of Management</i> , 2016	Field study in Tanzania 2012-2013, 43 semi-structured interviews, student workshop	1. The variety of entrepreneurship in Dar es-Salaam demands additional types of support to generate a valuable contribution; 2. there is a large risk that business incubators become excluding organisations cementing already existing roles in the society; 3. business incubators may compensate for constraints on entrepreneurship but it is important to make them fit local needs.
Paper IV	Conflicting whys	Henricson Briggs, K (sole author)	Submitted to <i>African Affairs</i> . A previous version was peer-reviewed, presented at and published in conference proceedings from <i>Africa Academy of Management</i> , 2016	Field study in Tanzania 2012-2013, 43 semi-structured interviews	There are conflicting rationales of business incubators for entrepreneurs and staff working within the business incubators. An additional rationale on policy level is identified. Conflicting whys indicate a lack of adaptation to local business environment and lack of need assessment before business incubator establishment.

5.1 Paper I

Henricson, K. and Palmås, K. 2012. The translation of an incubator: the case of the Lighthouse in Bubulo, Uganda.

The aim of this paper is to understand the development of a social entrepreneurship project which was initiated in Sweden and conducted in Uganda. An idea of a business incubator is followed from its origin in Sweden to what it transformed into during implementation in Uganda. The first objective was to explore how the original thought of establishing a business incubator was transformed by different perspectives of objectives and interests. The second objective was to examine how different notions of entrepreneurship may have affected the outcome of the project and the third objective, whether those differing views ought to be considered in policy recommendations for promoting entrepreneurship through business incubation. In addition, the paper deals with spatial aspects of social entrepreneurship projects as ‘spatializing’ is a way to keep the social entrepreneurship agenda relevant, according to Steyaert and Dey (2010).

An increased interest around the world in social entrepreneurship and promotion of entrepreneurship in developing countries in combination with the contemporary research within the area, paved the way for this paper. Business incubation is often regarded as a way of promoting industrialisation and start-up activities in developing countries, but the research covering this field is still limited. Consequently, there is an increased interest from policy-makers and academics to study this phenomenon. In addition to that, there is a current discussion on how to describe, analyse and develop social entrepreneurship research to be more relevant in setting a future research agenda.

This paper is based on a field study of a project, that was initiated in Uganda in 2007, where a class of university students constructed a solar-powered business incubator. Interviews with the management group of the business incubator and other participants of the project are included in the empirical material. This study shows how the original idea, developed in Sweden, became something different when translated to the site in Uganda using concepts from ANT to exemplify how this process developed.

As the idea was migrated from Sweden to Uganda it had to be adapted to, and translated into, local conditions. Moreover, the visiting Swedes had to handle a variety of expectations from the local management group appointed to run the business incubator. The paper presents four main conclusions: 1. Space and context matters for projects and their outcome; 2. The drift and translation of the idea was based on different conceptions of entrepreneurship and how entrepreneurship should be supported; 3. Instead of introducing or *creating* entrepreneurship, projects similar to this can support *mobilisation* of resources and by that encourage entrepreneurship; 4. In terms of policy recommendations, it was concluded that alternative ways of business incubation should be investigated. At the most general level, the conclusion of the paper is that social entrepreneurs have to be sensitive towards differences in the outcome of projects and be open for adaption. Project initiators should anticipate and recognise the potential translation of the idea.

Reflections on the findings from Paper I

The conclusions from this paper contribute to a better understanding of both private social entrepreneurship projects and how they might be run, and the discussion around business incubators as a tool for entrepreneurship and economic development in developing countries. The paper touches upon the question of whether business incubation, the way it is ‘done’ in the developed world, is the best way of supporting entrepreneurship in countries like Uganda.

It should not be surprising that space and context matters for the outcome of this initiative. Although it may be included in the planning, its importance may be difficult to appreciate. There is vast knowledge in this area but actors within private initiatives may not have the time and understanding to make sure this knowledge is incorporated in their projects. Furthermore, this is related to the view of entrepreneurship, a word that is defined in many different ways depending on the situation. Depending on how entrepreneurs and entrepreneurship is understood, there are also different approaches for its support. A mistake easily made is to start from one's own perspective and assume that others have a similar view. The more steeped one is in a certain perspective of entrepreneurship, such as the school environment for the student group, the more difficult it becomes to see beyond that specific angle. Again, this relates to the third finding which is also based on a perspective that entrepreneurship was lacking in the local village and that efforts were needed to introduce and create more such activities. It turned out that entrepreneurship was not lacking but was rather different to the technology-based focus that the students were used to. Therefore, it is more fruitful to mobilise the already existing entrepreneurship, encourage the people engaged in various activities and through that enable a better standard of living. Finally, this paper, was the first time that I addressed the question about whether business incubators are the right tool for economic development. This discussion is taken up again in Paper III and IV.

The conclusions from Paper I led to questions and concerns that have influenced this thesis. From the empirical material that Paper I is based on, a number of different accounts were identified. Although the 16 interviews all covered the same project and the same type of questions, all members had their own view of what had happened. The accounts were so different that it became the inspiration for another paper, Paper II, described next.

5.2 Paper II

Henricson Briggs, K. 2014. Perceptions of success of a social entrepreneurship initiative: a cross-cultural management approach.

The objective of this paper is to contribute to the understanding of how the different perceptions of the outcome from a social entrepreneurship project can be understood using a lens of cross-cultural management.

Despite increasing efforts to stimulate economic development through entrepreneurship, entrepreneurship and cross-cultural management in developing economies, especially in Africa, remains an under-researched area. Social entrepreneurship itself is an increasingly popular phenomenon in need of more extensive research, such as studies involving a more reflexive and experimental enactment. This paper is based on a field study of a social entrepreneurship initiative in a Ugandan village, running from 2007 to 2010. Data was collected during field studies and interviews.

Findings suggest that a fruitful and positive project would balance cultural differences throughout the whole process up to and including the evaluation. Cross-cultural management was important for this social entrepreneurship project. Several of the problems within the project could be due to cultural differences and therefore may have been avoided had there been an increased awareness of these differences from the project's start. The challenge is to avoid the traditional view of the visitors from the North as more trustworthy, knowledgeable and in possession of more valuable ideas. The paper points to the fact that the interpretation of the results is influenced by cross-cultural complexities and that it is easy to fall into the same ethnocentric pattern that was attempted to be avoided when formulating the project. Ultimately, the visitors again wish to decide the agenda for what they believe a successful entrepreneurship initiative is.

Reflections on the findings from Paper II

Success factors and success dimensions on which projects are evaluated have been studied before but the contribution of this paper is the critical perspective of who decides whether the project was fruitful or not. The paper thus contributes to the discussion on how to evaluate success within social entrepreneurship, and adds to the growing literature on local perceptions of international social entrepreneurial ventures.

The process of formulating this paper and the different voices from members of the specific social entrepreneurship project, led to a better understanding of the outcome of the project. As the varied perceptions of the project and cultural difference had not been taken into account, the outcome of the project became less surprising. Both visitors and local project members took on roles based on history and previous experiences and eventually, the project followed an ethnocentric pattern that the visiting group had tried to escape. The fact that this happened even though there was some awareness and efforts to avoid it, indicates that much more preparation and knowledge is needed for these types of activities.

A combination of the findings in Paper I and II were the inspiration to explore business incubation and its prerequisites more. After these two papers, it also became more interesting to leave social entrepreneurship and instead approach traditional entrepreneurship. Social entrepreneurship was included mainly because the Swedish group labelled their project as a social entrepreneurship project but for a deeper understanding of business incubation it became more suitable to look at the broader field of entrepreneurship. Moreover, the field study in Uganda was rather local and for additional papers more empirical material were needed.

5.3 Paper III

Henricson Briggs, K. 2016. Business incubation in Tanzania: policy-practice gaps.

The aim of the paper is to contribute to the understanding of business incubation in developing countries and especially the potential to decrease the existing gaps between policy and practice. The three identified gaps are: 1. the role of the entrepreneur and how it influences business incubation; 2. the business incubator aim and outcome; 3. policy for support and perceived constraints in Dar es-Salaam.

The idea of business incubation is travelling around the world inspired by ideas and best practice from the US and Europe. Moreover, policy on business incubation is propagated through global networks such as the World Bank. Previous studies on business incubation have mainly focused on comparing US and European business incubators and studies elsewhere, especially in African countries, are relatively few. Due to difficulties in assessment and the lack of studies, there is little knowledge about how business incubation contributes to economic development in other business environments. Thus, the study behind this paper is set in Dar es-Salaam, in a context with characteristic constraints for African countries, such as finance, infrastructure and legal rights.

This paper is based on semi-structured interviews with people working with both entrepreneurship and business incubation on a daily basis in Dar es-Salaam. The interviews were conducted in August 2013 with support from four research assistants, students from Chalmers School of Entrepreneurship. The Tanzanian context is understood from an embeddedness perspective of economic transactions, focusing on the contextual factors important for these economic transactions. Hence, these activities are influenced by social, cultural and institutional structures in society; in contrast to policy documents which tend to assume a rather disembedded economy.

The first gap between policy and practice points to the various types of entrepreneurs and their needs, which is a similar finding as in Paper I. A simplified view of entrepreneurs and entrepreneurship leads

to generic support instead of guidance tailored to various entrepreneurs. Consequently, the business incubator may only suit a small proportion of the larger group of people that aim to start their own businesses. The second gap identified is that while the aim of an incubator is to support entrepreneurs, create jobs and contribute to economic growth, the design of the incubator makes it a rather excluding organisation, accessible by only a limited group of entrepreneurs. The third gap considers the context of the business incubators in Dar es-Salaam. Both entrepreneurs and people working with entrepreneurship in different roles mention various constraints that are commonly encountered. Some of the constraints may be understood by an economy where trust and networks have to compensate for weak institutions such as legal acts. This third gap appears between the perceived constraints for the entrepreneurs in Dar es-Salaam, embedded in social structures, and the disembedded perspective of policy documents.

Reflections on the findings from Paper III

The contribution of the paper is a better understanding of the three gaps between policy and practice which could facilitate potential improvements and developments to decrease these gaps. The first gap illustrates a need for a broader variety of support from the business incubator based on the different types of entrepreneurs in Dar es-Salaam. The second gap considers the large risk of creating an excluding organisation which cements already existing roles in society. The third gap emphasises that a business incubator may be able to compensate for constraints in the business environment but it is important to adapt it in order to support the needs of local entrepreneurship support.

Based on a larger field study than the previous one in Uganda, similar observations are made in Dar es-Salaam, Tanzania. The idea of business incubation sounds fruitful but this paper illustrates the complexity of local practices and gives additional perspectives from entrepreneurs and people working with entrepreneurs. Policy documents are rarely nuanced enough to include all aspects and are therefore too simplistic in their encouragement for business incubation.

A question that has been present in all papers is the issue of the propagation of business incubation around the world. Where does the idea come from, who is working on the propagation, and what happens during the process? There are theories describing translation of ideas, transfer of management models and diffusion of institutions. The final paper, Paper IV, explores *inter alia* the diffusion and transfer of business incubation in an attempt to understand such propagation better.

5.4 Paper IV

Henricson Briggs, K. 2016. Conflicting whys: analysing business incubator rationales.

The aim of the paper is to analyse different versions of ‘why’ it may be interesting to establish business incubators. The discussion is based on empirical material from Dar es-Salaam, Tanzania, a context with similar characteristic business environment constraints as other countries in Africa. The main question of the paper, ‘why’, i.e. the rationale behind the business incubator, has been called for in previous business incubator research (Hackett and Dilts, 2004b, Maital et al., 2008). Existing research has a tendency to focus primarily on ‘what’ business incubators are. Adding other questions is necessary for the development of business incubator theories. The study is analysed through institutional theory that is further complemented by the transfer model by Lillrank (1995).

Within transfer management theories, transferring economic activities and organisational innovations from one business environment to another with different preconditions is seen as challenging. Institutional theory describes organisational diffusion through three models of interpretation: cultural carriers such as an organisational culture; networks of social structures; and routines or standards. Moreover, the process of homogenisation of organisations is described within institutional theory with the term institutional isomorphism. This term describes how organisations structure themselves in a

similar way influenced by other organisations within the same field. As a complement to institutional theory, Lillrank's transfer model was included in the paper. The transfer model by Lillrank was initially developed to describe the transfer of Japanese management innovations from Japan to the US and Europe. Its main processes are abstraction and application of the idea that is transferred. Both theories facilitate the understanding of how the idea of business incubators propagate. However, the analysis reveals that for a deeper understanding, the ways in which power imbalances between countries influence the process, should be further analysed.

The empirical material that this paper is based on consists of 43 semi-structured interviews with entrepreneurs and business incubator managers and staff in Dar es-Salaam.

Reflections on the findings from Paper IV

The contribution of the paper is the deeper understanding of different rationales behind business incubators in the studied setting. The interviews showed that the business incubator staff and the entrepreneurs within the business incubators have rather different perspectives of why the business incubators are supportive. It is common that the entrepreneurs prioritise the cheap office space which is, however, only a part of the package that business incubators offer. The business incubator staff on the other hand mention this misunderstanding of the offer as a problem. It is concluded in the paper that the conflicting whys may be understood as a lack of adaptation to the local business environment or a lack of needs assessment before the establishment of business incubators.

Furthermore, an additional rationale, at a policy level, emerged from the material. Establishment of business incubators are influenced by the globally propagated idea about business incubators as a tool for entrepreneurship support. The analysis of why business incubators are propagated is illustrated by using institutional theory in combination with the transfer model by Lillrank. Institutional theory may describe how the idea of business incubation propagate through institutional isomorphism. The analysis becomes more detailed when the transfer model is used. In the transfer model there are mainly two steps that need to be passed properly, labelled abstraction and application. It is particularly important to know why an organisation such as the business incubator should be transferred in the first place and then, if so, to be able to make a proper abstraction of the idea. It is correspondingly important to understand why the business incubator should be applied in a new context for a complete transfer. The paper discusses how both supply- and demand-driven transfers may lack a crucial understanding of the 'why'-question. Finally, this paper proposes careful needs assessment for all projects and initiatives, local and foreign, and encourages a greater emphasis on entrepreneurship support that builds on local ideas and activities.

Paper IV is the last paper in this thesis which thus ends with the question of 'why' business incubation. While reflecting on the four papers, this question seems to have been present throughout the work, only varying in the extent to which it was articulated. Over time it has become clear that it has developed into a fundamental question for the thesis, but it should also be central for everyone who works with business incubation.

6 Discussion

In this thesis the aim has been to develop a deeper understanding of business incubation establishment in selected African settings with a perspective of entrepreneurship as embedded in a social and economic context. This thesis contributes to the literature about business incubation in settings with particular characteristics, such as those found in Uganda and Tanzania. Typical constraints in this business environment, which can also be found in other African countries, were discussed and presented in detail in section 4.3 and include finance, infrastructure, legal rights, availability of skilled labour, access to land, foreign ownership and export status (Iacovone, 2013, Ramachandran et al., 2009). In addition, there is a characteristic feature, often considered a problem, of the general business system in Africa labelled 'the missing middle'. This idea refers to how most countries have a very small medium-scale sector (Pedersen and McCormick, 1999, McDade and Spring, 2005). Furthermore, based on the different histories of Uganda and Tanzania (introduced in section 4.4.1 and 4.4.2), each country has its own unique conditions. In Uganda, the status of the entrepreneur has had a revival since the 1970s, from denied access to business opportunities, to the current position where Uganda has high rates of entrepreneurship (Radelet, 2010). Tanzania is influenced by its socialist history. This is sometimes offered as an explanation for a lack of a profit-maximising business mindset, further discussed below. However, Tanzania has made successful economic and structural reforms and maintained high economic growth rates during the last 10 years (WB, 2016c).

The theoretical and empirical studies of this research have been conducted with the perspective that entrepreneurship is embedded in a social and economic context. The approach of the work has primarily been inductive and the motivation for the research has developed over time and through the visits to the field.

The discussion below is based on the key findings from the four appended papers, and also additional aspects that have appeared over time and that appear when the four papers are analysed as a whole. Three main areas, connected to the research questions, are identified in the papers and discussed in this section, namely: aspects of entrepreneurs; the role of context for business incubator establishment; and theory adjustment based on the studied settings. These themes have already been touched upon in the previous chapter, 5, where the papers were briefly summarised. The discussion is structured around the three main research questions, found in the sections 6.1-6.3:

RQ1: What expectations and embodiments of entrepreneurship are found in and around business incubators?

RQ2: What is the role of context, as explored through the embeddedness perspective, in understanding the establishment of business incubators?

RQ3: How should business incubation theories, and theories of propagation, be adjusted in light of business incubation practices in the selected African settings?

After this discussion the thesis ends with a chapter on concluding reflections and a discussion of areas for future research.

6.1 Multifaceted aspects of entrepreneurship

Entrepreneurship and entrepreneurs are part of a large research field. Therefore, to delimit this thesis, focus has been on entrepreneurship and entrepreneurs related to business incubation. The first research

question, further discussed in this section, is: *What expectations and embodiments of entrepreneurship are found in and around business incubators?*

Entrepreneurship, as previously introduced in section 2.1, is discussed because it is commonly considered important for the creation of wealth through generating job opportunities, increasing economic growth, and, in turn, facilitating the development of nations (Wennekers and Thurik, 1999, Desai, 2009, Fagerberg et al., 2012). This view of entrepreneurship is usually globally adopted despite the differences in preconditions, which may be problematic where these ideas are not as obvious and embraced (Brundin et al., 2005, Steyaert and Katz, 2004). Moreover, studies of entrepreneurship and economic growth are influenced by cultural and country specific contexts, that need to be included if the purpose is to utilise entrepreneurship for the transformation of a country (Delmar and Wiklund, 2008, Brundin et al., 2005). Understanding of the entrepreneurial activities in a country is crucial to be able to develop relevant policies (Desai, 2009) that reflect the heterogeneity, in terms of both aspirations and capabilities of entrepreneurial actors, and in terms of the resources they need to develop (Phillips and Bhatia-Panthaki, 2007). Poorly developed policies on the other hand, may be more destructive than productive for the economy (Baumol, 1996).

The variety of motives behind entrepreneurship have been observed all over the world (Smallbone and Welter, 2001). Nevertheless, previous research on economic development in Africa, has often treated entrepreneurs as one uniform group. The resulting lack of differentiation makes it difficult to understand the necessary support mechanisms (McDade and Spring, 2005). Moreover, entrepreneurship activities differ in relation to quality and quantity (Sserwanga, 2010), making them difficult to measure but making the difference relevant for the analysis. If we instead look into what types of entrepreneurship are found in the context where business incubators have been studied for this thesis, another picture emerges. Starting from a historical perspective, the entrepreneurs met in Uganda and Tanzania are often closer to Kirzner's idea of the entrepreneur (the entrepreneur is an alert seeker of opportunities) than to Schumpeter's idea (the entrepreneur is an opportunity creator or innovator). Additionally, the entrepreneurs interviewed in Tanzania do not talk like the capitalist entrepreneur identified by Smith or Marshall (Landström, 2010), but include social change in their definitions of entrepreneurship, further discussed below and exemplified in Paper III:

"A successful entrepreneur is the one who can bring changes in the society. And those changes are... and can help others in the community, not only for himself or herself but see how he or she can make some changes of the community issues and change their lives"
Entrepreneur #36, Dar es-Salaam

More examples of the variety of entrepreneurs can be found in Paper III, where the gap between how policy documents describe entrepreneurs and the role of the entrepreneur described in the interviews from Tanzania, is discussed. The variety of entrepreneurs is also included in Paper I, based on interviews from Uganda, where it is concluded that there is no need to introduce projects to create entrepreneurship in a context where all types of entrepreneurship are more abundant than in the Western world (Acs et al., 2008). Thus, instead of creating entrepreneurship, entrepreneurship support could instead mobilise the already existing entrepreneurship.

6.1.1 Forms of entrepreneurship

For the discussion in this thesis, examples of different forms of entrepreneurship identified in Uganda and Tanzania have been divided into complementary pairs, see Table 3. These pairs are based on what was discussed during the interviews and hence they are primarily chosen based on the empirical material in this thesis. Some forms can be recognised from previous research (see e.g. Acs, 2006, Martin and

Osberg, 2007, Webb et al., 2009, Kiggundu, 2002, Landström, 2010). Furthermore, they may also give an overview of which forms of entrepreneurship that are expected, needed and already exist in different environments. There are other forms of entrepreneurship that are not discussed in this thesis, e.g. rural-urban and women's-men's, so the list below should not be seen as exhaustive.

TABLE 3 FORMS OF ENTREPRENEURSHIP, BASED ON THE EMPIRICAL MATERIAL AND PARTLY ADAPTED FROM PREVIOUS RESEARCH, SEE E.G. ACS, 2006, MARTIN AND OSBERG, 2007, WEBB ET AL., 2009, KIGGUNDU, 2002, LANDSTRÖM, 2010.

Forms of entrepreneurship divided into complementary pairs	
Necessity	Opportunity
Social	Economic
Formal	Informal
Copying	Diversifying
Narrow	Broad
Portfolio business	Single business

Moreover, it is worth emphasising that it is more complicated than an either/-or exercise to categorise entrepreneurship. Additionally, many of these labels do not have strict boundaries and one may easily take on the other form over time. The variety of entrepreneurs with examples and conclusions from the papers are discussed below.

Necessity and opportunity entrepreneurship was discussed previously in the theory chapter and is a common way of discussing entrepreneurship in developing countries. Originating in a GEM evaluation on entrepreneurship around the world, where there was a need for nuances in describing entrepreneurs for their measurements, the two terms of necessity and opportunity entrepreneurship were coined (Acs, 2006). It has since then been shown that both types are more present in developing countries than in developed countries. The division between necessity and opportunity entrepreneurs has been criticised for being too simplistic (Langevang et al., 2012), which has been confirmed during the work with this thesis. Thus, the list of different forms of entrepreneurship, in Table 3, is interesting to discuss further.

Necessity and opportunity entrepreneurship could be described as two ways of understanding the motivation behind entrepreneurship. They are sometimes equalised with survival- and growth-oriented entrepreneurship (Langevang et al., 2012). However, necessity should not be only associated with a poor entrepreneur who needs to make a living. Similarly, opportunity is not necessarily an entrepreneur with a range of opportunities and extensive possibilities. Research shows that necessity and opportunity entrepreneurship have different effects on economic development. It has been suggested that it is only opportunity entrepreneurship which contributes to economic growth, making it highly relevant to reflect on which type of entrepreneurship is identified locally and discussed for development (Acs and Varga, 2005, Acs et al., 2008). It has been shown that an entrepreneur who has no alternative but to start a business, is more likely to perform worse than an entrepreneur who leaves a job. This is based on the notion that a person who is employed is less likely to take on a new and uncertain career. For this entrepreneur, the business idea and possibilities to create something sustainable need to be much better

from the start for them to consider leaving a job to become an entrepreneur. However, the unemployed potential entrepreneur has a lower threshold to start something new (Shane, 2009). This entrepreneur has less to lose. Nevertheless, it has also been suggested in the GEM Uganda from 2012 that on the one hand, all forms of entrepreneurship contribute to economic growth in Uganda, but on the other hand, entrepreneurship creates relatively few quality jobs providing high living standards (Balunywa et al., 2012). These rather mixed results from research hint at the complex nature of entrepreneurship and how it is measured, as previously mentioned in section 2.1.3. Moreover, there is another group of necessity entrepreneurs who are educated entrepreneurs with a university degree, but still forced into entrepreneurship because there are not enough jobs. This was described by an entrepreneur in Paper III:

“Entrepreneurship is also important right now to create jobs, especially to young people who are graduating because unemployment is very scary. Because I know the people, I graduated with them, I can see how many percent that are in the streets, hoping that one day they will find a work that they could work for different companies.”

Entrepreneur #38, Dar es-Salaam

Individuals who combine education and entrepreneurship do not reflect the typical profile of a necessity entrepreneur. Such individuals may be a more suitable group to target for business incubators even though they represent what has been labelled the *narrow* group of business incubator tenants in Table 3, further discussed below.

A third way of looking at the motivation behind entrepreneurship may be the *social* perspective of entrepreneurship that is sometimes prioritised over the *economic* entrepreneur’s profit-maximising view of entrepreneurship. Again, partly due to the variety of definitions of social entrepreneurship, it is not necessarily easy to decide the boundaries between the social and economic entrepreneur. Additionally, the inclusion of a social perspective in the objectives of the company is not exclusively a typical characteristic for small businesses in African countries. Previous research has shown that the assumption of comparability of business ethics between small and large companies, sectors, regional areas and cultures is unconfirmed (Spence, 1999). It has also been shown that business owners of small and medium-sized companies have a different perspective of growth and profit maximisation than is often described in entrepreneurship and business development literature (Sundin, 2009, Spence and Rutherford, 2001). One example, found in a study of small business owners in the UK, showed that the most common perspective of business for small business owners, is a combination of a social and a financial motive. Profit is considered important but other objectives such as social values and actions are also taken into account (Spence and Rutherford, 2001). Consequently, it is important to understand that there are often multiple and complex reasons for running a business.

Moreover, it has been discussed in the literature how the context influences definitions of social entrepreneurship (Gawell et al., 2009, Rivera-Santos et al., 2015). This observation was also made in Paper I and Paper II where the perception of entrepreneurship and labels placed on entrepreneurs were discussed as contextualised. In Paper II, it was further reflected on how the perception of success within entrepreneurship can be understood from different perspectives. The paper elaborates on the balance between visitors and the local project members. The conclusion is that the understanding of what a successful project is, is based on an interpretation influenced by the original expectations on the project. The perceptions placed on the project from the visitors’ perspective did not meet their expectations in terms of entrepreneurship and development in the village, compared to the local expectations on the project as a first step within a longer collaboration. The second expectation meant that the project was considered quite fruitful. Thus, also the understanding of the outcome of this project should be contextualised based on the different actors’ expectations of aims for the project.

Paper III discusses the difference between the ways entrepreneurs are described in the policy documents compared to the entrepreneurs met in the interviews. The interviewees emphasise the importance of creating a change in society through their entrepreneurship in a way that could be labelled social entrepreneurship. This is a good example of what is important to understand from the local context to be able to develop and implement policies. Tanzania has a collectivistic culture (Hofstede, 1980, Carr et al., 2001) which is influenced by the idea of ‘ujamaa’ meaning “a person becomes a person through the people or community” (Mwasalwiba et al., 2012, p. 390) which would typically be exemplified in the way interviewees talk about successful entrepreneurship as a contribution to society at large.

However, the perspective of successful entrepreneurship in an interview could possibly also reflect the view that interviewees would like to share, of others and of themselves. There may be social norms concerning how one should look upon success based in history and ujamaa which influence these answers. As mentioned above, it may also be connected to how a mixed perspective of social and financial motives is the most common one for small business owners, as mentioned above. Interestingly, the interviewees in Paper III also mention that there are many members of society who do not understand what success is and only focus on their own increased wealth. That perspective of success was not represented in the empirical material. Again, this may reflect the interviewees’ perspective of others or a sign of their differing views of what a successful entrepreneur is. However, based on previous research in Uganda, urban regions appear more individualistic than the rural regions where the culture is instead more collectivistic (Rooks et al., 2014). In the rural context of Tanzania, it has been shown that there is a strong social control which makes it difficult to narrate success stories (Tillmar, 2006). Although this thesis has not delved deeper into the comments and definitions of success in Tanzania, the understanding that there is a mix of motives for the entrepreneurs is highly relevant for all types of support structures and needs to be a part of the adaptation of business incubators to the local context. The motivation behind one’s business influences the growth of the company, and this company growth is an essential part of the rationale for business incubators.

Part of the motivation for the establishment of business incubators is the expectation that they support job generation and increasing economic growth by reducing the challenges for companies to grow. Moreover, there is research arguing that it is not the size of the company but company growth that is most important for a contribution to economic growth (Page and Söderbom, 2015). However, based on the belief that economic growth is a solution for development, the conclusion is that it is not just any entrepreneur that is needed to create increased growth in small firms but an entrepreneur with growth motivation. Consequently, it becomes important that there are incentives and a specific focus on growth to develop the economy (Delmar and Wiklund, 2008, Delmar et al., 2013). Since most African businesses are small, it is relevant to compare with previous research on small business owners and managers. As mentioned above, such research in the UK concluded that the least presented characteristics, within small business owners and managers, were those of profit-maximising and self-interest (Spence and Rutherford, 2001).

Many micro- and small-enterprises in African countries are part of the informal sector (McDade and Spring, 2005). *Formal* and *informal* entrepreneurship are mainly discussed in Paper III but have been relevant for all papers as an important part of the contextualisation of entrepreneurship in Uganda and Tanzania. There are strategic advantages with staying informal, such as keeping costs down and avoiding the authorities, and that is one of the explanations for why some entrepreneurs restrict the amount of information they share about their companies. They do not necessarily avoid the authorities to conduct illegal business, but as tax and regulations are sometimes based on the size of the company, there are incentives for business owners to stay small and informal (Kiggundu, 2002). However,

companies in a business incubator and companies that aim to grow, need to be part of the formal sector, as will be further discussed below.

Paper III discusses how people working with entrepreneurs have noticed a lack of business mindset among many of the entrepreneurs they meet. It is understood from the history of Tanzania, where for long periods running private businesses was not encouraged, as described in section 4.4.2, that this shaped a climate with limited motivation to support business skills:

“Ruled by the rules of the society, we used to go to school to work in offices – now, that things are gone, factories are closed, the government can’t employ me, I don’t have any skills to start my own company.”

Entrepreneur #5, Dar es-Salaam

“One of the problems is understanding [...] we have people doing business but they start their business without the proper foundation for doing business so they need training, so education is important [...] if the understanding is low you can’t think of expanding.”

University representative #1, Dar es-Salaam

A consequence of what is described in this quote, is that it is common for entrepreneurship to be based on copying other peoples’ successful business ideas. An observed effect from this is that there is a lack of differentiation when it comes to business ideas. This creates unnecessarily tough competition for the entrepreneurs. Based on this rather common scenario, entrepreneurs are also afraid that someone will steal their ideas, and this is mentioned as a reason to why entrepreneurs do not share their success stories. A similar observation was made in Uganda where the idea of a business incubator with a shared office space was rejected due to this risk of copying ideas, further discussed in Paper I. Though, it should be mentioned that there is research showing similar thoughts on business incubation secrecy also from European counties (McAdam and Marlow, 2007). In addition, there is the aspect of weak institutions enforcing property rights which will be further discussed in research question two. The difference between the two forms from Table 3, *copying* and *diversifying* business ideas, may be recognised in the definitions of the entrepreneur by Kirzner and Schumpeter, with their views of the entrepreneur as identifying or creating opportunities respectively.

As presented in section 4.3, and further discussed in research question two, networks may influence the business climate in different ways. Moreover, the connection between networks and the physical limitations of business incubators, and which type of entrepreneurship is suitable for a business incubator will be elaborated below. Previous literature has defined two ways of looking at applicants for a business incubator. The selection criteria can either be based on whether the managers of the business incubator focus on the idea or the entrepreneur. Moreover, ideas can be picked with a narrow or broad perspective, only the ideas that seem most promising or as many ideas as possible to see which ones survive (Bergek and Norrman, 2008). However, based on the interviews, narrow and broad may also be connected to networks and therefore the selected entrepreneurs. Hence, a division of entrepreneurship based on whether the selection to business incubators is *narrow* or *broad*, will be used including a network perspective. *Narrow* describes the smaller group of entrepreneurs included in certain networks such as from their educational background as mentioned in section 4.3. This group of entrepreneurs also has knowledge about business incubation and furthermore connections and access to them. *Broad* is used for the broader group of entrepreneurs that could include any entrepreneur outside the group of narrow entrepreneurs. Although business incubators have previously been criticised for being excluding (Lalkaka, 2003) these labels including the network aspect are, however, only used with this definition for the specific discussion in this thesis.

The last forms of entrepreneurship are *portfolio* and *single* business entrepreneurship. Portfolio entrepreneurs are common in Africa. Each entrepreneur has a portfolio of small businesses that are not necessarily within the same field but based on seasonal activities or general risk management. This is important in the discussion on business incubators because with a portfolio of small businesses, entrepreneurs have other requirements and need different types of support than single business entrepreneurs (Balunywa et al., 2012). In some environments, portfolio business entrepreneurship is seen as a sign of success but that was not the case for the interviewee from Paper III, who reflected on his entrepreneurship:

“Entrepreneurs, to my understanding now, shouldn’t be proud of just making money, but rather they should look at how much impact have I made for the community and serial entrepreneurship has no such direct impact at all.”
Entrepreneur #35, Dar es-Salaam

6.1.2 Expectations and embodiments

This section continues the discussion by relating the described forms of entrepreneurship, see Table 3 for an overview, to the establishment of business incubators.

A lack of understanding of local entrepreneurial actors was exemplified in Paper I where the visiting students had a rather uniform picture of entrepreneurship and how it should be created and supported. Steeped in their own perspective, and coming from an urban environment with mainly formal entrepreneurship, their main idea of entrepreneurship was opportunity-based and economic, while many of the local entrepreneurs were undertaking a variety of entrepreneurship as has been introduced above. The students were influenced by their education where they have learnt that firstly, entrepreneurial traits are teachable and secondly, that more entrepreneurs may be created when people find or create an opportunity to act on. Consequently, there was a gap between their perspective and the local business system and environment that included also informal and necessity entrepreneurship. In addition, the idea of teaching the local entrepreneurs about entrepreneurship from the visitors’ perspective was misguided. As discussed in the paper, new entrepreneurial actors were not needed in the village but to develop local ideas relating to support for the existing entrepreneurs may have been more interesting to explore.

A typical idea of an entrepreneur in a business incubator, found in policy documents but also in the interviews, includes a formal, opportunity-based, economic entrepreneur who has a single business idea differentiated from other business ideas. The different business incubators studied in Dar es-Salaam are primarily discussed in Paper III and Paper IV and their objectives are similar. Typical objectives include offering business development training, support entrepreneurs to run their start-ups, support to small and medium sized companies, and to build an entrepreneurial environment which would eventually decrease youth unemployment. Hence, there is an idea of who the entrepreneur in the business incubator is, and what the objectives of the business incubator are. Furthermore, there are a few characteristic constraints, typical for the African business system, described in section 4.2, that are linked to the objectives of many business incubators. These constraints are high unemployment (especially among the youth), low-skilled workers, a large informal private sector that does not pay tax and also a missing middle.

Evaluating the characteristic constraints, suggests that instead of supporting any entrepreneur, the business incubator should support an entrepreneur with the potential to grow the business into the missing middle and increase the number of employees in the formal sector. In addition, to manage the high unemployment, these new start-ups need to grow fast and employ many. If they do, they would pay tax and contribute to economic growth and a possible development of society. To be able to target the

low-skilled workers it is important to support companies that focus on employing these people, possibly by diversification of products that may be produced by low-skilled workers. In addition, a necessary qualification for the business incubator management is to be capable of identifying the entrepreneurs who are most likely to fulfil the criteria, “weak but promising” (Hackett and Dilts, 2004b, p.62), which is difficult and part of the challenges for business incubators worldwide. To some extent it is possible to pick entrepreneurs and ideas that seem to fit into the required profile, but there is no clear-cut recipe for how that should be done. As discussed in Paper III, the policy documents emphasise that the selection process should focus on the entrepreneurs with “greatest potential for success” (infoDev, 2014a), but also that it is difficult to define success which makes this recommendation sound rather tough to follow. This recommendation and idea behind business incubation puts a lot of responsibility on the business incubator management which needs to be competent and experienced enough for the task.

If the expectations on the business incubator entrepreneur are contrasted to the existing entrepreneur, it can be concluded that business incubators expect an economic formal opportunity entrepreneur, preferably with a focus on growth, but instead the management is more likely to find an entrepreneur who could have any reason to start a business, based on an opportunity or necessity, based in unemployment, with or without education, and often with a different perspective of entrepreneurship than the above mentioned economic entrepreneurship. In addition, the entrepreneur may not have the wanted business mindset with a focus on growth, and the business idea could be a copy of an already existing business. Moreover, it has been shown in, for example, Uganda, that the entrepreneur may start up more companies and have a portfolio of small businesses, which is pragmatic within the local context as a way of adjusting to market imperfections, risk and uncertainty (Kiggundu, 2002). The empirical material indicates that an entrepreneur who has found and been admitted to a business incubator in some sense was already part of the business incubator network. This is also confirmed in an assessment of the innovation systems in East Africa where the innovation system in Dar es-Salaam is found to be fragmented, driven by like-minded individuals and based on in-kind contributions (Cunningham et al., 2015). The entrepreneurs that are included in such business incubator networks are labelled *narrow* in Table 3.

There is limited space in a business incubator and there is a vast amount of entrepreneurs of all types. It is possible to have a broad variety of business incubators approaching different types of entrepreneurs but nevertheless, space will be limited. Moreover, although one of the many solutions to solve high unemployment is supporting entrepreneurs, a weak business environment might hinder enterprise growth for both small and large companies (Iacovone, 2013, Radelet, 2010, Ramachandran et al., 2009, Page and Söderbom, 2015). Such an environment can only partially be compensated for by a business incubator. It is possible that a business incubator could support entrepreneurs by connecting them to sources of finance, such as private investors, or serve as guarantor on an entrepreneur’s loan application for a loan. A business incubator could also facilitate legal issues and administrative work regarding exports, for example. On a practical level it is possible that a business incubator has somewhat better infrastructure, such as an internet connection and a location with good access for customers. However, it is important to remember that a business incubator can never fully compensate for neither a weak business environment nor ineffective policies and regulations, as exemplified in Paper III by this business incubator staff member:

“If you look at the methodologies and processes used somewhere else, the population of people that they are used to develop is entirely different in terms of their attitudes and skills and knowledge that they receive, and also the surrounding, everything around them from the laws that control entrepreneurship to the markets, to marketing to the way people see entrepreneurship [...] everything is different, so there are some things that probably universally apply, but I don’t think we can take an incubator [from abroad] and put it here with all the same processes and translate it to Swahili and say off you go, I don’t think it would work.”

Business incubator staff #20, Dar es-Salaam

This thesis contributes with additional nuances of the ideas of entrepreneurs in and around business incubators in the particular settings. It has been shown that there is a broad range of entrepreneurs even when grouped roughly, and if the purpose is to create economic growth it should be remembered that a business incubator per definition is always a limited support structure. Moreover, it is important to have a deeper understanding of business incubation to avoid simply copying the concept and instead be able to adapt business incubators to local needs e.g. by including support for portfolio entrepreneurs as has been suggested by GEM in Uganda (Balunywa et al., 2012). Meeting the needs of different entrepreneurs is a challenge and it is important to analyse the purpose before implementation. Thus, the business incubator should be seen as a complement to other entrepreneurship support and established with the awareness of its prerequisites, limitations and consequences. In the next section, the discussion on entrepreneurs will be further developed in relation to the embeddedness perspective taken in this thesis.

6.2 Business incubators and embeddedness

Although there is a multitude of research on different aspects of business incubators, there are in comparison only a few researchers who have focused on the importance of new business incubators aligning with the local and national culture (Chandra and Fealey, 2009, Maital et al., 2008, Lalkaka and Abetti, 1999, Lalkaka, 1997, Lalkaka, 2003). Lalkaka (1997, 2003) argued that the profile and needs of the local entrepreneurs should be identified in the process of establishing business incubators. His studies cover countries globally but within the African region, only South Africa. Furthermore, in the article by Lalkaka and Abetti (1999) they recognised the importance of culture and that the business incubator is feasible within that culture. They continued to argue positively for the practical aspect of establishing business incubators with assistance from Western experts, and with Western trained managers. Chandra and Fealey (2009) concluded from their study on business incubators in the US, Brazil and China that global business incubator models need to be adapted to local requirements. They also emphasised the importance of a functioning institutional system surrounding the business incubator. Lastly, Maital et al. (2008) included alignment with local and national cultures as one of their three main conclusions and argued that a theory of incubation should include answers to how the business incubator can “reinforce those aspects of the culture that act positively to help incubator projects attain success”, and “mitigate or eliminate those aspects of culture that act negatively, and lead to failure” (Maital et al., 2008, p. 4). Furthermore, they argued that to imitate the US business incubator model fails to recognise the importance of cultural alignment and will be unsuitable for many national cultures.

This thesis suggests that there is room for re-thinking the business incubator in specific settings, outside its original environment, to create an improved support structure. There are certain conditions typical for the African context that are relevant for a better understanding of business incubator establishment. A summary of the specific research settings for this thesis was presented in section 4.4.3 and concluded that previous experiences of business limitations, decreased job creation and increased poverty, in combination with a large informal private sector and a missing middle, influence the promise and emphasis of entrepreneurship as a solution. The typical business system and large numbers of low-

skilled workers entering the labour market each year influence the establishment of business incubators. Other relevant challenges for business incubators are poor infrastructure, such as a lack of reliable electricity, and that business incubators seem to be embedded in cultural and societal structures that require certain personal connections for access. Furthermore, embeddedness is exemplified in the patriarchal structures of society creating different preconditions for men and women in entrepreneurship (Tillmar, 2016).

This thesis argues that it is of utmost importance to delve into the particular context of a business incubator to understand how it may contribute as a tool for entrepreneurship support. Thus, initially inspired by the empirical data it was decided to take on the perspective of embeddedness which was further described in section 2.2.2. In short, embeddedness could be described as the link between the economic and social domains of a society, describing the position between an undersocialised neoclassical perspective and an oversocialised perspective of society (Granovetter, 1985). The perspective behind this thesis is that embeddedness is part of and may describe all business systems. In addition, the belief behind the thesis is that, as suggested by Rottenburg (1996), there is an overconfidence in the rationality of so-called modern, or developed societies. Embeddedness describes how rationality and social structures would coexist (Swedberg, 1997). Context should therefore be included in the theoretical framework of business incubators to improve the understanding of ways to establish business incubators. Hence, the second research question, further discussed in this section, is: *What is the role of context, as explored through the embeddedness perspective, in understanding the establishment of business incubators?*

The importance of context for entrepreneurship has been addressed previously by a few scholars (Kyaruzi and Hales, 2009, Mwasalwiba et al., 2012, Low and Abrahamson, 1997). Additionally, how an institutional context influences entrepreneurial behaviour is increasingly recognised and requested (Mair and Marti, 2009). To understand entrepreneurs and how to support them it is necessary to include their social, cultural and political environment (Welter and Smallbone, 2011). For example, Edoho (2015) argued that this means that African governments need to create improved entrepreneurial environments to enable entrepreneurs to contribute to economic growth. Maital et al. (2008), as mentioned previously, suggested that it is a mistake to imitate the US business incubator without adaptations, since the US entrepreneurship culture is an outlier compared to most other cultures in terms of risk-taking and individualism. There is a variety of types of embeddedness and this thesis focuses mainly on economic transactions influenced by the cultural, social and structural or institutional embeddedness.

The specific context of business environment and culture for the business incubators in Uganda and Tanzania was briefly described in chapter 4. How business incubators are embedded is *inter alia* influenced by the historical background of the two countries and exemplified by current business norms. This discussion focuses on how limitations within the business environment in Uganda and Tanzania may affect the establishment of business incubators and will include limitations of legal rights, financing for entrepreneurs, infrastructure and availability of skilled labour.

6.2.1 Access to networks

Lack of implementation of legal rights makes the economy embedded in other structures and informal institutions, and makes trust and networks very important parts of business (Ramachandran et al., 2009, Iacovone, 2013). Embeddedness is present in the empirical material through for example trust and networks as will be described below. However, as mentioned in section 2.2.2, the analysis on trust and networks has been conducted in length elsewhere (see e.g. Fafchamps, 2001, Fafchamps, 2006, Tillmar, 2006, Tillmar and Lindkvist, 2007) and will be kept brief for purposes of delimitation of the thesis.

The recognition of informal institutions is important when deciding on appropriate provision of support to entrepreneurs through business incubators, especially as policy documents often assume the economy to be disembedded without social, cultural or other ties into the environment (Spence and Rutherford, 2001). Weak formal institutions have been connected to many of the problems in Africa (Kumssa and Mbeche, 2004), but to understand the institutional environment and how it interacts with the local business environment, it is necessary to focus on the informal institutions (Peng et al., 2009, Havnevik and Hårsmar, 1999). This is also important when adapting a business incubator to its environment.

Continuing the discussion from research question one on types of entrepreneurship and adding the perspective of embeddedness, there is an example in Paper I showing how difficulties in enforcing property rights and agreements need to be compensated by relationships built on trust. The idea of a business incubator with an open space solution was not appreciated by the local business culture in the village in Uganda. The explanation was that a proven successful idea would instantly have been copied by other entrepreneurs. One reason could be the lack of diversifying entrepreneurs, as discussed in research question one, but it could also be the challenge of enforcing an agreement. Consequently, with economic activities and entrepreneurship embedded in informal business norms and trust-based modes of enforcing contracts, the entrepreneurs were not interested in sharing office space because they were afraid someone else would copy their successful business ideas.

Paper III shows how policies for business incubation often assume a surrounding system of a formal institutional framework that is in place for the business incubator. Such an assumption is thus built on the original setting of business incubators (i.e., the US or Europe). However, in Dar es-Salaam, trust and networks, more informal aspects, were an important part of business relationships for the entrepreneurs, as illustrated by two entrepreneurs from Paper III talking about how they need a relationship to their customers:

“The quality of the job does not matter, it’s about who you know, even if your quality is good-sometimes you can’t get the job done if you don’t know the right people it’s not possible, you need to know your customer.”

Entrepreneur #10, Dar es-Salaam

“Other than the financial challenge I think it is sales and marketing, we are trying to change a mindset in the way we are doing business... people like the idea however, there is always this sort of initial scepticism... can we trust you that this will work, is it secure... there is a lot of scepticism in Tanzania, because there has been so many scams and frauds... so one of the big challenges has been to prove that we are a legitimate company that are here offering services and products.”

Entrepreneur #34, Dar es-Salaam

When there are limited governance structures, it becomes necessary to be able to trust customers, partners, investors and others, and market entry becomes easier for entrepreneurs embedded within the right networks (Mwasalwiba et al., 2012, Fafchamps, 2001). In addition, it has been shown that there is a difference between the size of a network and the actual access to resources through the network. Literature on developing economies has shown that a large network may become a disadvantage based on the demands from close and extended family that are included in such networks (Rooks et al., 2009, Rooks et al., 2014). Furthermore, interviewees mentioned financing as one of their main constraints which creates a need for entrepreneurs to access a trustworthy network, such as friends, nuclear and

extended family, to borrow money from. Hence, such a need for a social network to manage limited resources shows how financing activities are embedded in social relations (Honig, 1998).

Moreover, these are typical aspects of culture that the business incubator should be able to reinforce or eliminate. An activity that is common for the idea of business incubators is to contribute with an extended network (infoDev, 2014a, Aaboen, 2008) and this becomes additionally important when such networks are crucial for business as discussed above. In addition, it is especially relevant in the urban setting because it has been illustrated in studies from Uganda that urban entrepreneurs are more individualistic and less innovative (Rooks et al., 2009) than the entrepreneurs in the collectivistic rural setting (Rooks et al., 2014, Rooks et al., 2012). Findings from the interviews in Dar es-Salaam laid the groundwork for a discussion around which individuals are able to access business incubators. Although there are various types of business incubators, catering for different groups within society, many business incubators seem to be embedded in cultural and societal structures that require certain connections for access. The intent of the business incubators could be to admit a promising entrepreneur, the most promising ideas or as many reasonable business ideas as possible to see which ones survive. Nevertheless, it was discussed in Paper III whether the business incubators really target only entrepreneurs or ideas, or, if admission to business incubators is influenced by certain connections and knowledge about their existence, labelled ‘narrow’ in Table 3, thus cementing already existing structures in society. The first quote below is by an entrepreneur who was recruited to a business incubator when he had won a competition, and the second is an entrepreneur talking about business incubation in Dar es-Salaam, both included in Paper III:

“Yes, from that programming challenge, and from the university where I was studying, the CEO over here he heard about me being into technology and when I won the challenge it’s when he found me.”

Entrepreneur, #14, Dar es-Salaam

“Theoretically, they are there, many of them, but the same problem, if you don’t know anyone there, to get support it will be difficult... yes, it is for everyone in theory, but when you go there, it is very difficult to secure that support.”

Entrepreneur, #10, Dar es-Salaam

Thus, business incubators may support entrepreneurs who do not have an extended network, by connecting their tenants within the physical facilities but also with external networks of other entrepreneurs, customers, investors etc. However, for business incubators to reach outside already existing networks and to contribute to their tenants’ businesses, they need to be adapted accordingly in relation to the local cultural, social and structural embeddedness. When analysing the aim and outcome of business incubators, it is necessary to include these findings and reflect on which type of entrepreneurs should be supported.

Other informal institutions important to recognise, which facilitate the understanding of how entrepreneurs and business incubators are embedded, are the hierarchal structures observed in both Uganda and Tanzania. In Uganda, the visitors unconsciously end up on one of the higher levels of the structure, as a result of their unawareness and inexperience of such projects. The outcome is the result of a chain of situations without reflection on hierarchies, including *inter alia* who were the main contact persons in the village, how interviews with applicants for the management group were conducted, and the language of communication. One could expect that people in positions with power are better at English and at arguing for why they should be in the management group. Paper II thus reflects on the risk of cementing ethnic and class hierarchies from a rather ethnocentric perspective and concludes that

the visiting group is steeped in their own national business environment which they try to re-create in the new context.

Hierarchies are likely connected to corruption which has been listed as the primary constraint for business in both Uganda and Tanzania during a 10 year period from 2005 to 2010 (Ogola et al., 2015). Corruption is reported as influencing every step of the entrepreneurial process. However, it was rarely mentioned in the interviews, which may be because no specific questions were included on the subject. Nevertheless, the interviewees did describe how small entrepreneurs try to avoid the authorities by not sharing their business stories, which might be related to hiding financial information in order to evade paying tax.

6.2.2 Contextual constraints

In the specific business environments studied, illustrated by Uganda and Tanzania, there are further examples of how the context matters to the establishment of business incubators. Infrastructure, such as electricity, internet, water and roads, is an issue in both countries. In Uganda, electricity was a scarce resource at the time of the project, presented in Papers I and II, and the newly constructed house with its solar panels was attractively offering mobile charging during power cuts. In a context where mobile phones are increasingly utilised for economic transactions, the added value from this service was as important as office space for the entrepreneurs. The house with the solar panels became a charging point for people from all over the nearby region and thus the idea was adapted to the local business environment. This is also a clear example of how the business incubator was adapted, in this case to become a different type of support for the entrepreneurs in the village. Another example of business environment constraints is illustrated by an entrepreneur and tenant of one of the business incubators in Dar es-Salaam who has built a company around ice cube production. His business is a case of infrastructure limitations because he is dependent on water, electricity and transports. He talked about weeks without water, power cuts that destroyed his ice, and transports that took too long because of the constant but unpredictable traffic jams.

An issue brought up in many interviews from Tanzania has been the challenge of knowledge and education. Although there are strategies and policies to improve the education system (Zaparucha and Muths, 2014), a reflection in relation to the empirical material on business incubators is that there may be potential for the education system that reaches beyond specific entrepreneurship training¹⁴. The interviewees identified a lack of general education, education in entrepreneurship, capacity to run a small business and finding skilled labour when it is time for hiring, as challenges connected to education. Historically, as mentioned in section 4.1, education has been prioritised in many African countries since independence. Nevertheless, a lack of education is connected to consequences from history, geography and the institutional environment (McDade and Spring, 2005, Gelb et al., 2014). Moreover, as mentioned in section 4.4.1, the education in Uganda is not considered to be sufficient for the demands of the market. According to the Uganda Youth Report from 2013 (Namatovu and Dawa, 2013), the youth in Uganda lack entrepreneurship skills and are unlikely to create businesses that will employ others. Although there are policies that aim to support the youth they are not aware of them, they do not understand what type of support they may get or they have been unhappy with their experience of that support.

In Tanzania, as mentioned previously, the interviewees working with entrepreneurship support describe how the entrepreneurs sometimes lack a business mindset as well as an understanding of entrepreneurship. One explanation is the historical and cultural influences where private business has

¹⁴ Examples from previous research show that the level of education influences the profitability of small-scale firms (Honig, 1998) and in Uganda, it has been shown that the number of years of education has a positive effect on entrepreneurial behavior (Rooks, 2009).

previously not been encouraged. Culturally embedded entrepreneurship would appear in an environment with high acceptance of entrepreneurial activities as part of the economic welfare and with suitable institutions that the entrepreneurs know and interact with (Welter and Smallbone, 2011). If the economic perspective until quite recently, has been influenced by informal institutions of norms and cultural values, not encouraging private businesses, this needs to be accounted for in the establishment of business incubators expecting a market-based business mindset. Thus, this is important to remember for the Tanzanian context. Nevertheless, entrepreneurship education has been included in school curriculum from grade three to high school since 2005. The current entrepreneurship education is, however, considered unable to produce a workforce that has the relevant skills for the private and public sector (Zaparucha and Muths, 2014).

Moreover, there is an issue of low-skilled workers that are a large part of the unemployed population in the studied settings. If entrepreneurship aims to decrease unemployment, these workers either need to start a business or become employed by someone who is better at entrepreneurship. However, from the Tanzanian interviewees' perspective they expect skilled labour when they are recruiting and are thus not interested in employing these workers. The interviews further showed that the people working to support entrepreneurs notice a lack of entrepreneurship skills in the entrepreneurs they meet. Moreover, the empirical material in this thesis has shown that there are highly educated necessity entrepreneurs in Tanzania. In conclusion, there are both uneducated and highly educated groups but also challenges for entrepreneurs to find employees with the right level of education and experience for their companies. It is possible that education for low-skilled workers to either enable employment or to improve the conditions for entrepreneurship could be part of a solution, but business incubators have neither the capacity nor the objective to include such educational support.

Embeddedness is manifested in this thesis through a number of activities and relationships. A recurring theme has been success and successful entrepreneurship. Furthermore, both economic entrepreneurship and social entrepreneurship are embedded in the environment where the concepts were coined. In Paper II, there are almost as many versions of the project as participating individuals, and many different reasons for why the project could be considered successful or not. The perspective of success is also affected by expectations based on historical experiences, such as that the Swedish group is trusted and expected to come back with additional resources. Consequently, the project is deemed successful by many people in the village, as the first step towards a longer collaboration. In Paper III, the notion of successful entrepreneurship is discussed and related to the context as embedded in the collectivistic culture. The typical view of entrepreneurs as profit-maximising and rational individuals was rarely expressed. Such a view may even be a misconception and the incentives of small business entrepreneurs much more complex (Spence and Rutherford, 2001). The fact that success is not something that is reached, but rather created by the people or organisations that have the control and the power to interpret a project, has previously been discussed in relation to development projects (Mosse, 2004, Zapata Campos and Zapata, 2013) and will be further reflected on in research question three.

In summary, there are preconditions taken for granted and expected in the typical business incubator models, coming from nations with a set of formal institutions (Autio et al., 2014), such as a system of government, businesses, universities, trade associations, entrepreneurs, service providers and financial institutions (Chandra and Fealey, 2009). However, it has been shown that these preconditions differ in the specific context studied. There is a need for an improved holistic environment of infrastructure including transportation, communications, political stability with policies and structures that encourage entrepreneurship, and a functioning business system including financial institutions. All these aspects are difficult for a business incubator to compensate for. Since the major constraints for business development in Uganda and Tanzania are corruption, coupled with, in Uganda a difficulty to access

finance and infrastructure, and in Tanzania an inadequately educated work force, solutions for entrepreneurs may be found in different areas than establishing business incubators. Furthermore, it can be concluded that a business incubator is excluding, which, however, may suit the purpose. A society needs a variety of skills and the people who are not part of a business incubator can focus on other areas and activities. Nevertheless, previous research on entrepreneurship support in Tanzania highlighted the need to reach different groups in the society equally (Tillmar, 2016).

A business incubator is established into an existing formal and informal institutional framework that influences its outcome (Hackett and Dilts, 2004a). If the formal institutions that are expected to support a business incubator are inadequate, the business incubator process may not work properly and subsequently may not lead to the increased entrepreneurship and economic growth aimed for. This thesis has discussed the complexity of the business incubator and the numerous requirements needed to actually create a difference from the process. In the next discussion on research question three, the rationale for business incubators will be further developed. Entrepreneurs and business incubators are embedded in different ways in Uganda, in Tanzania, and, where business incubators were originally developed. Hence, a business incubator could possibly stimulate local growth but, in order to stand the best chance of doing so, needs to be adapted to the business system and environment, and the local social and cultural contexts.

Building on the conclusions from research question one, further complemented with arguments from the discussion on research question two about how context influences business incubator establishment, it can be concluded that a business incubator may not be the optimal alternative for entrepreneurship support in all contexts. If it is chosen as a suitable support structure it should be established and implemented with the awareness of required preconditions and possible limitations. Furthermore, even though the business incubator may be adapted to the context, it is possible that the idea of how it should work hinders other support structures from developing, support structures that would be based on the typical business environment with its specific needs in that context. In conclusion, business incubators need to be carefully developed or substituted with support structures that are better suited and more efficient for this specific type of business environment. Finally, the conclusion is that context should be included in business incubator theories and models as a basic prerequisite to enable an improved outcome.

6.3 Rationale for business incubator propagation

When studying implementation of business incubation in new settings, questions regarding the ideas behind such initiatives arise. In this thesis these questions have been approached by looking into different perspectives that may describe propagation of management trends, organisational models and institutional structures. Institutional theory has been chosen as the main theory to explore the propagation. Complementing perspectives to institutional theory have been ANT and Lillrank's transfer model. The concept of embeddedness has been used to contextualise business incubation and entrepreneurship. Based on the chosen theories, the third research question, further discussed in this section, is: *How should business incubation theories, and theories of propagation, be adjusted in light of business incubation practices in the selected African settings?*

Business incubators are increasingly established all over the world, including Africa. Thus, it is interesting to delve deeper into how the idea behind, and practices of, business incubation is propagated. The next section discusses theories of propagation and is followed by a section reflecting on the rationale for business incubators.

6.3.1 Theories of propagation

Interestingly, business incubators usually have similar aims but sometimes also similar physical appearances. Institutional theory enables understanding of these local activities of establishing business incubators because it describes organisational action, how institutions drive change and how the institutions change themselves (Dacin et al., 2002). Such explanations of how organisations become increasingly similar, share standards and copy each other, enable a better understanding of business incubator propagation.

The concept of isomorphic change, from institutional theory, meaning that similar institutions appear in new and different places may describe how business incubators similar to the original US-based incubators are introduced in the studied settings. Isomorphic change has three mechanisms, namely *coercive*, *mimetic* and *normative*, and the propagation of business incubators is likely a mix of these three mechanisms. The standards and influences from the World Bank, more specifically its organisation infoDev, is an example of the *coercive mechanism*. infoDev spent approximately US\$ 6.5 million on activities for business incubation in Africa in 2014 (infoDev, 2014b). It is only one example of an organisation engaged in such support. Attached to such funding are recommendations or guidelines which, if followed, would lead to organisations with similar aims and appearances around the world. A general business incubator standard could be understood as an institutionalised organisation recipe. The propagation of such a recipe requires the model to be theorised into an abstract theory, and later applied somewhere else. Another explanation is the editing process of organisational recipes influenced by researchers, consultants or politicians. These explanations, described in section 2.2, are also possible to recognise in Lillrank's transfer model, which will be further discussed below. A prerequisite for organisations to share the same recipe is that they feel that they have the same problems. In the case of business incubators this problem is high unemployment, a major issue globally. However, there is not a single solution, or recipe, to decrease unemployment.

Mimetic change is visible in that the concept of business incubation itself is copied. This mechanism is reinforced as when many organisations within a field copy a certain model they look more rational and modern (Rottenburg, 1996). This thesis argues further that establishing business incubators is an important part of international relationships. Developing countries are still often dependent on external resources (Zapata Campos and Zapata, 2013), such as those available from the World Bank. Thus, if infoDev suggests an establishment of a business incubator, presented as a solution to support entrepreneurs and decrease unemployment with its possible flaws ignored (Sahlin-Andersson, 1996), it would appear logical to include such establishment in policy documents. *Normative change* is also exemplified in this study through, for example, shared ideas on entrepreneurship and how it should be supported. It was identified among interviewees with similar educational backgrounds that the perspective of entrepreneurship and entrepreneurship support was similar. The interviewees with higher educational backgrounds had often spent time abroad as a part of their studies. Formal education and professional networks, and the ideas and norms from such environments, are typical examples of how normative change may influence a business incubator.

Moreover, Paper IV discusses the different rationales for business incubators and points to how business incubators are inspired and copied from abroad, resulting in a lack of fit with the type of entrepreneurship support needed locally. Business incubators are an example of an organisation with an inherent interest to present a success story as a consequence of how they are financed, which was exemplified in the interviews, here from Paper IV:

“It seems like 85% of the emphasis on this is what it looks like, this looks like an incubator and there are more bodies in each room we are happy, we will bring the press here and we will tell in interviews how great we are doing, but whether it creates any value or they are doing any sensible things with any of their business ideas, whether they are getting any value more than an office place nobody cares.”

Business incubator staff, #20, Dar es-Salaam

Whether a business incubator is privately financed or, as is much more common, financed by the government, it is important to show that the money has been invested carefully and wisely (Honig and Karlsson, 2010). The result are ideas of how the business incubators and their tenants should be and act that become part of local policy documents. The aim of policy documents is to influence entrepreneurial action (Autio et al., 2014) and consequently, the expectations of the business incubator and its tenants in policy documents become a principal influence on the outcomes of policies. However, as discussed in section 6.1, entrepreneurship in the studied settings is multifaceted and, based on previous research on small business owners as described in section 6.1.1, it seems unrealistic to transform entrepreneurs with various characteristics into profit-maximising, growth-oriented entrepreneurs. One may also note that the heterogeneity to a certain degree appears within the existing business incubators. Therefore, policies rather need to reflect the heterogeneity of entrepreneurial actors (Phillips and Bhatia-Panthaki, 2007). This is important because it is doubtful if strategies of narrowing down the variety of entrepreneurs would be successful. It seems an inefficient way to meet the challenges of unemployment and the high number of low-skilled workers entering the labour market per year. Hence, such support for profit-maximising entrepreneurs seems misguided in the studied settings.

In Paper IV, institutional theory is complemented with Lillrank’s transfer model (1995), suggesting that the process of business incubation propagation can be described as driven by supply or demand. The people who mediate the propagation are either researchers, professionals, leaders and consultants, advocating a supply-driven process, or managers and politicians, advocating the demand-driven process. This theoretical model facilitates the understanding of the above mentioned process of isomorphic change with a complementary perspective, although the ideas of the model may also be recognised within institutional theory in general. Nevertheless, it is a more detailed model that focuses on the challenges and differences between copying and a more thorough processes of transfer. Examples represented in the empirical material of this thesis include researchers, consultants and international organisations that come with ideas of establishment of business incubators, and local politicians and managers who travel to hear the success stories abroad. These influences are recognised as the supply and demand behind the transfer. In Paper IV, an interviewee talks about how ideas come from people abroad who want to support Tanzania:

“No, I think the support is good if the idea comes from the people supported, but is it something that comes from you who want to support me the moment you leave, that thing will die, if it’s not my idea I might not know exactly what is required, most of the projects which have been supporting this country died because of a sort of top down approach.”

University representative, #1, Dar es-Salaam

Moreover, the details which have been identified as not suiting the local business environment can also be illustrated with the concept of lack of abstraction and application from the same model. Abstraction and application of an idea or organisation, discussed in section 2.2.4, are, according to Lillrank, what distinguishes this process of transfer from regular copying. These are therefore important for a suitable introduction of an adapted complex organisation such as the business incubator.

Another complement to institutional theory, is ANT and the process of translation. Paper I analysed the project in Uganda from an ANT perspective. This paper described how the idea of business incubation was translated and had to drift as it moved with its implementers from one country to another. It was not only a physical movement of people but also a translation of the idea that developed and changed to be adopted locally. For this project, where the building was originally intended as a business incubator in Uganda, the adaption generated a different support structure.

This opportunity of studying the interaction of both non-human and human actors is the advantage of ANT. The theory facilitated the understanding of this project by describing the link between the idea of business incubation and the local people in the village of Uganda, who explained that a classic business incubator would not work as expected in their context. This creates an understanding of business incubation as an idea that moves from its place of origin, is affected by humans, technology and events on its way, and eventually translated is into its new context. This is different to the isomorphic change, where a similar organisation to the original idea or model, appears in a new place. In combination, institutional theory facilitates the understanding of how change happens on an organisational level, how the idea of business incubation is copied around the world, and ANT provides a complementary view of describing how the idea possibly develops and changes, i.e. is translated. In line with ANT, all business incubators in the empirical material are influenced by the people connected to them including tenants, managers and others. Moreover, the adaption of the business incubators to the local context has most likely developed into different business incubators, depending on the ideas and people that have been involved. An indication could be the physical appearance of the business incubators in Dar es-Salaam where some are more similar to a European business incubator, for example, which could be a sign of stronger foreign influences.

It is argued in this thesis that the propagation of business incubation can be illustrated by these theories but also that the best understanding is created by combining them and looking beyond institutional isomorphism. Furthermore, it is proposed that although the theories facilitate the understanding of propagation of business incubators, it is not a valid enough reason to establish business incubation in a new context. The theoretical framework gives explanations of processes and reasoning behind the propagation, but a deeper analysis is required of what could be expected from such organisations, what is actually needed, and what is wanted from the multifaceted group of actors in the countries where they are established. Institutional theory is sometimes criticised for its single perspective focus (Dacin et al., 2002) leaving out dimensions such as specific interests behind actions. For the findings in this thesis the comments previously made by critics, that there might be additional motivations and meanings behind a mimetic change (Suddaby, 2010, Welter and Smallbone, 2011), are highly relevant. Business incubators are presented as a rational and modern solution for increased job creation and economic growth. The combination of pressure on local politicians to act on economic challenges, and of the tendency to trust foreign initiatives, thus adds motivation to adapt business incubators. This type of institutional pressure to gain legitimacy and financing is a basic idea within institutional theory (Scott, 2008).

The pressure on local politicians in relation to business incubators would probably be recognised in any setting, but how foreign ideas are accepted is more likely to be context dependent. One explanation is that local norms and culture in the African region include an accepting attitude towards foreign ideas. Such norms may be rooted in history and relate to what was described in the interviews around receiving new ideas and knowledge, reflected on in section 3.3.2. More explicitly, it is possible to identify a power imbalance that may influence the acceptance of ideas. Institutional theory is sometimes criticised for neglecting the role of power. Depending on if institutional theory is utilised as an outcome or a process the possible interpretations vary. Institutionalisation as an outcome means that organisations passively

conform to expectations, and is not concerned with underlying interests and politics. In contrast, institutionalisation as a process is political and depends on power, interests and actors who mobilise these interests. The issue of power has also been suggested to be closely related to ‘decoupling’ (Covaleski et al., 1993). Decoupling is described within new institutional theory as a separation between how an organisation is formally structured and depicted, and its actual practice (Meyer and Rowan, 1977). The power of interest groups influences the level of decoupling between the image of an organisation and its practices (Covaleski et al., 1993). Paper III noted that the findings of gaps between policy and practice for business incubators in Dar es-Salaam, could be described as a result from decoupling.

A component of institutional theory that does not incorporate the interests behind actions, but rather focuses on the outcome is isomorphic change – there is a new business incubator and it looks and functions similar to a business incubator in Europe. The argument in this thesis is, however, not to say that the organisations are passive recipients (Suddaby, 2010, Dacin et al., 2002). Instead, this process should be interpreted with relation to norms and culture for a proper understanding of an organisation as also argued by DiMaggio and Powel (1983). Nevertheless, this thesis concludes that there is a power asymmetry between countries in relation to how ideas on business incubation are propagated. Thus, the way business incubators propagate may be better understood when local norms and culture are taken into account. Previous research has also discussed whether institutional theory needs a more comprehensive approach including the motivation behind adoption of a new organisation, and, the concept of power (Suddaby, 2010, Clegg, 2010, Dacin et al., 2002). According to Jackson (2011) it is impossible to not include issues of power in a study of a local-global context.

Similarly, ANT has been criticised for not recognising cultural characteristics that are important to a social group (Whittle and Spicer, 2008), such as actions based on power imbalances. Power is only the outcome from actions (Zapata Campos and Zapata, 2013). This is exemplified in the translation of the business incubator idea to the Ugandan context in Paper I where the actions and outcomes are not related to the hierarchy among the actants influencing the translation process. They could be a house, the mayor of the village or a farmer but ANT does not include that perspective. Consequently, ANT is not suitable for the reflection on levels of power and knowledge relationships. Lastly, Lillrank’s transfer model does not include rationales in the transfer process.

In Paper IV, the question of ‘why’ is in focus and this thesis argues that this question is both relevant and important to pose. Paper IV discusses the conflicting whys behind the transfer of business incubators. There is a lack of analysis of incentives behind the transfer both in the abstraction phase when the idea of the organisation is ‘packaged’, and in the application phase where the idea is ‘unpacked’ into its new context. The paper further recognises that the model was initially developed to describe the transfer of management practices from Japan to Europe and the US in the 1980s. It is important to remember that this specific transfer has little historical baggage in terms of colonial influences, contrary to the studied contexts. The possible power imbalance between Japan and Europe and the US was based on which country was currently lagging somewhat behind economically. However, the findings in this thesis show that transfer of business incubation is more than a rational supply- and demand-process.

6.3.2 Reflections on the rationale for business incubators

This thesis proposes that there is a lack of reflection on the power imbalances affecting business incubation propagation. It has been discussed above how important it is to include a power analysis in the chosen theories. In addition, it will be suggested that actors involved in the propagation of business incubators also lack reflection on their initiatives and this will be further discussed below.

Actors involved in propagation of business incubation include politicians, policy makers, researchers and consultants. Their justifications for establishing business incubation are commonly increased job creation and economic growth. Therefore, the first reflection relates to the assumption that economic growth is seen as the solution for development. It has been shown in section 2.1 that the connection between entrepreneurship and economic growth is much more complex than a causal connection, and that entrepreneurship does not necessarily contribute to increased job creation and economic growth. Moreover, the Uganda GEM report concludes that “entrepreneurship can lead to wealth creation and poverty alleviation, yet create relatively few quality jobs” (Balunywa et al., 2012, p. 68). Awareness of the quality of the jobs created is relevant for the promotion of entrepreneurship and a conditional aspect for business incubation. One possible reason for the low quality jobs is that production is still on a lower level of the value chain, as mentioned in section 4.3. Low quality jobs, often out of necessity, are important to make really poor people less poor. These type of jobs may also develop into more stable ones, with a higher prospect of sustainability, when supported. It is not until the next level of companies, which expand and grow, that people may move out of poverty. Thus, it is possible to aim for one or several of these policy motivations, poverty alleviation, decreased poverty or increased GDP, depending on which type of jobs that emphasised. Based on the complexity of growth, it is necessary to reflect on where the resources are focused to reach the dual goals of growth and poverty alleviation (Mead and Liedholm, 1998, Mead, 1994).

Furthermore, the literature showing mixed or rather vague results from when business incubation is used as a tool for economic growth, such as contribution to job and wealth creation (Ratinho and Henriques, 2010, Tamasy, 2007), is generally ignored. One perspective of research, introduced in section 1.3, on what actually creates an economic transformation in developing countries, argues that Africa needs industrialisation (Pedersen and McCormick, 1999, Whitfield et al., 2015). An alternative perspective argues that it is necessary to include processes that increase the standard of living such as “agricultural transformation, export diversification, building technological capabilities among firms and farms, industrial deepening, and industrial upgrading” (Whitfield et al., 2015, p. 34). To enable these processes a focus is needed on improved infrastructure, access to credit and training labour (Whitfield et al., 2015, Kelsall, 2013). Moreover, inclusive growth, which addresses both the pace and the pattern of growth, intended to expand the economy through increased employment and investment opportunities, is included in policy work by the World Bank (Ianchovichina and Lundström, 2009). In conclusion, reflecting on the objectives of business incubation, such as job and wealth creation, and how they are expected to be reached, should be the first action before establishment of a business incubator.

In the transfer of organisational ideas and models from the US and Europe to Africa, there is a power imbalance, possibly due to colonial pasts, where ideas and knowledge from other parts of the world are sometimes more valued when introduced in Africa. This is discussed here by a staff member from a business incubator in Paper IV:

“It’s not always that wisdom has to come from the outside – that there has to be a white person which is unfortunately also part of the attitude that people tend to value, that if foreigners come to educate something it’s more valuable.”

Business incubator staff, #20, Dar es-Salaam

The influence of colonialism and the importance of history are necessary to understand current environments, with regard to, for example, economic development and institutions (Kolk and Rivera-Santos, 2016). Politicians travel to learn from what are considered more developed countries. Consultants and donors supply Africa with solutions but also set the priorities (Zapata Campos and Zapata, 2013). Both Papers I and II show examples of how the actors of the studied project lack

reflection on how the larger structures of power and hierarchy influenced the project. In Paper II there is an example of how the project agenda falls back into a rather ethnocentric assumption about the outcome, even though there was an initial attempt to avoid this. The aim was to create local ownership, and leave the development of the house to the management group. When the project was followed up during the subsequent years, the lack of development of business ideas around both the house with the solar panels and also in the village was considered as disappointing and, a missed opportunity, from the visitors' perspective. Moreover, the visitors' continuous requests for reports on the development contradict the idea of creating local ownership.

There are success stories travelling around the world that have a context dependency embedded in both culture and social structures. The most common and known example comes from Silicon Valley and although it has been shown that previous attempts to imitate the success stories failed, the pattern is repeated (Sahlin-Andersson, 1996). For the politicians who have invested in a business incubator it becomes important to create a success story (Hackett and Dilts, 2004b), which has less to do with the actual outcome than 'how success is produced' (Mosse, 2004). Previous research has suggested that defining a development project as successful sustains policy models, and failure of such projects is only a symptom of lack of support and interpretation of the policy (Mosse, 2004). Development projects are dependent on financing and consequently, the control of the agenda, priorities and resources are what generates power (Zapata Campos and Zapata, 2013). Success is obviously difficult to define and is probably mostly constructed socially. Consequently, the actors with the power to interpret, are the ones who define success (Mosse, 2006). The fact that business incubators are embedded in such political structures and objectives is something that may be recognised in contexts around the world (Honig and Karlsson, 2010).

When global actors, in compliance with global pressures, influence the local political agenda or produce organisational structures in a context where there is a power imbalance, there is a risk that neo-colonialism emerges (Zapata Campos and Zapata, 2013, Jackson, 2011). In addition, based on the significant difference between institutions in developed and developing countries, theoretical approaches from developed economies need to be contextualised and used with care (Julian and Ofori-dankwa, 2013, Zoogah, 2008). There is a risk that projects, ideas and propagation of organisations are all influenced by the view that the culture they originate in are the norm. This risks the reason for propagation being to introduce more of the same. Paper IV emphasises the importance of a local needs assessment before implementation of a project. Furthermore, Paper IV discusses how the entrepreneurs are most interested in the fact that they have found a cheap office space. This shows that there are certainly different objectives behind the establishments of business incubators. This issue is also identified by many of the staff members interviewed, as in this example from Paper IV:

“People they don't really understand the whole idea behind incubation, when they hear there is a room, people will be looking for somewhere to put their business not really the services provided by the incubator.”

Business incubator manager #31, Dar es-Salaam

In conclusion, institutional theory complemented with ANT and Lillrank's transfer model have been shown to facilitate the understanding of business incubator propagation. This thesis has also elucidated the need for including power asymmetries in the analysis to actually describe why business incubators propagate. Coercive, mimetic and normative change illustrate how the organisation becomes similar when it is propagated. This perspective is complemented by a deeper analysis of how the actual transfer looks and where it may lack detail, as this may result in a less suitable organisation in the new context. However, the translation process by ANT complements that picture by adding the explanation of how

humans and physical places interact and change in an adjustment process. This has also been exemplified.

Furthermore, reflections on power imbalances are required at many levels including at the levels of setting the agenda, making priorities and defining success. Adding power imbalances and the historical background to the theoretical analysis is one of the contributions from this thesis that may influence decisions of business incubator propagation. A deeper analysis of power imbalances is beyond the scope of this thesis but it can be concluded, however, that for politicians, policy makers and others, it is recommended that the first step towards initiating an establishment of a business incubator is by asking the question: Why?

7 Conclusions and future research

The travelling is over for the moment and this chapter makes some concluding reflections on the findings of this thesis, ending with areas for future research. Three main research questions have been discussed and the conclusions from these questions will be summarised below. The three research questions are:

RQ1: What expectations and embodiments of entrepreneurship are found in and around business incubators?

RQ2: What is the role of context, as explored through the embeddedness perspective, in understanding the establishment of business incubators?

RQ3: How should business incubation theories, and theories of propagation, be adjusted in light of business incubation practices in the selected African settings?

From the discussion in the previous chapter around these questions, it has been shown that question one and two are closely related. Hence, the conclusion from these research questions will be presented together in the next section. The answer to research question three concludes that the theories of propagation in this thesis may illustrate the travels of business incubators. The conclusions from the three questions are then presented as implications for research and practice, including how the theories of propagation may be sensitised as an adjustment to the African settings studied.

7.1 Embedded embodiments

The question about whether business incubation is the right tool for economic development arose at the beginning of this research process. During the continuous research and work on papers, this question has been further elaborated on by creating a better understanding for the variety of entrepreneurs and how certain characteristics from the studied contexts influence business incubator establishment. The conclusion is that a business incubator could be seen as a complement to other entrepreneurship support but the analysis reveals a need for an increased awareness of prerequisites, limitations and consequences before establishment.

Prerequisites are connected to the first research question: *What expectations and embodiments of entrepreneurship are found in and around business incubators?* Prerequisites include how these organisations are originally developed in the US. Thus, there is an additional need for adaptation of the business incubator idea to the local cultural and social environment in the studied settings. Moreover, this thesis has shown that the variety of entrepreneurs in the studied context is broad and includes additional nuances of entrepreneurs to those usually discussed, such as highly educated necessity entrepreneurs and portfolio entrepreneurs who run more than one start-up concurrently.

Increased awareness relates to the second question: *What is the role of context, as explored through the embeddedness perspective, in understanding the establishment of business incubators?* It includes the understanding of limitations of the business incubator, such as its only partial ability to compensate for the weak institutional framework in which the entrepreneurs operate. Embeddedness is here expressed as, for instance, a reliance on and mobilisation of family ties, trust and networks. Constraints that business incubators are not able to remedy fully are *inter alia* financing, infrastructure and availability of skilled labour. Every country is unique and local knowledge of activities that have worked previously also needs to be included. An analysis of the context would give input to the organisation in terms of activities that are more suitable to support entrepreneurs. In addition, business incubators have a limited capacity, they are sometimes regarded as excluding, and this should be part of an informed decision to

establish such organisation. A large problem in many countries (including the US and Europe) is high unemployment. Because of the excluding nature of business incubators, this thesis recognises that it is a true challenge to make business incubators effective job creators. Again, it is relevant to ask which actors are intended to receive the support and consequently, what expectations there are on both these entrepreneurial actors and the business incubator.

The consequences of an incompatible business incubator establishment may not seem to be a large issue. Nevertheless, because business incubators are often financed by public funding there should be a general interest in the outcome and how that may be improved. Such funding could otherwise be spent on other entrepreneurship support structures or elsewhere in society. The consequence of the prerequisites and limitations could, for example, be connected to the financing that is spent on supporting an increased establishment of business incubators in Africa. The investments from only infoDev, to the 24 business incubators that it supports, total US\$ 6.5 million per year. Moreover, this is only a small portion of the total investments including private, governmental and other types of international organisations' investments in African business incubation per year.

7.2 Sensitising theories

Through the work with this thesis, there is one aspect of business incubators that has become increasingly interesting. The rationale of business incubators, the 'why' behind the travels. If the purpose is job creation and economic growth, it has been shown that the connection between entrepreneurship and economic growth is much more complex than simply adding more entrepreneurs to the equation. Moreover, this thesis points at how success stories about business incubators are created and upheld, based on how some countries provide ideas and success stories, and other countries receive them. Furthermore, power asymmetries were identified in the process of defining success. For a better understanding of how business incubators are propagated, three theories have been used in this thesis. Institutional theory, as the main theory has been complemented with Lillrank's transfer model, and also with ANT.

The third research question delves deeper into the theories: *How should business incubation theories, and theories of propagation, be adjusted in light of business incubation practices in the selected African settings?* The conclusion is that these theories are able to illustrate the propagation of business incubation, especially when combined. Nevertheless, this thesis argues that these theories need to be sensitised through an additional dimension of the analysis, including power asymmetries. The question of why business incubators are propagated should be reflected on before establishment and is important for politicians, policy makers, and others working with such initiatives.

Based on the findings from the studied project in Uganda, it was suggested that despite attempts to avoid ethnocentrism in the project, the result showed that such patterns were easily repeated. In addition, the analysis reveals the need for, and suggests, a deeper understanding of the propagation and establishment of business incubators. Hence, this lack of reflection in both theories and practice, indicate that the propagation of business incubation is influenced by an ethnocentric perspective. Lastly, there has been an ambition behind this research process to avoid an ethnocentric approach. Achieving this ambition is not easy given that the current literature in the field is primarily authored in the US and Europe. Hence, deeper analysis and reflection are also necessary tools to minimise ethnocentrism in the research process.

7.3 Implications for research and practice

The summarised conclusions above have particular implications for research and practice. The issue for theory development is that there is a large variety of research with mixed results and no single theory

on business incubation. Thus, the thesis contributes to the portfolio of theories illustrating business incubation. The suggested implications for theory on business incubation are that theories are sensitised by an added contextualisation as a significant component to enable a better understanding of possible establishments in new contexts. However, the question *why* should be added to further describe the propagation of business incubation around the world. What is lacking in the included theories of propagation is a deeper reflection on the larger picture of why the ideas travel and what influences the diffusion or translation in terms of historical and current power imbalances. This thesis therefore suggests an increased awareness and sensibility towards such power aspects behind the propagation of business incubators.

Implications for local actors then become that a business incubator could possibly be seen as a complement to other entrepreneurial support structures, but the establishment of an incubator needs to be done with the awareness of both necessary prerequisites, limitations and what potential output may be expected from such an organisation. It should be emphasised that it is not possible to expect the same outcome from all entrepreneurial actors and especially not the same outcome as from entrepreneurs in other countries with completely different backgrounds and preconditions.

The implications for managerial practices and policy of business incubators are to include a broader analysis of purpose, contextualisation and local needs. Depending on the purpose of the business incubator, it needs to be emphasised how important the managerial role is, as management is responsible for admission of entrepreneurs to a limited support structure. Furthermore, there is a need to analyse the context and make sure that the business incubator is organised to compensate for constraints relating to the informal and formal institutional environment where the business incubator is established. Lastly, it is important for managers to analyse the local needs that could be met by the business incubator.

Finally, this thesis confirms that it is possible that the business incubator concept needs to be developed and reformed to suit business environments such as the studied settings. A first step would be to adapt the organisation to local conditions and varieties of entrepreneurial actors but, to make a real difference, the concept should probably not be encouraged to propagate as it is. Instead, motivated by Lillrank (1995), the best organisational transfer is when examples from abroad inspire solutions based on local ideas and thoughts, which was also suggested in the interviews. If the support for entrepreneurs is based on local needs, it could develop into something truly valuable, without being locked in to the ideas and expectations connected to the concept of business incubation. As mentioned previously in this thesis, there are a broad range of solutions for economic growth and development. Business incubators are just a small part of such transformation work. Moreover, the scope of this thesis has not been to find alternative solutions to business incubators and will therefore not delve into such discussions.

7.4 Future research

It lies in the nature of a thesis to delimit the scope and focus on certain research questions. However, there are interesting questions and areas that have been decided to be saved for future research and these will be briefly introduced in this section.

This thesis has focused on contributing specifically to the business incubator research field and not the field of entrepreneurship research. However, the discussion on expectations and embodiments of entrepreneurs inspired further thoughts on the variety of entrepreneurs, how the entrepreneur is tied to its cultural context and how the identified nuances may facilitate a better understanding of entrepreneurs globally. The findings from this thesis relating to entrepreneurs could possibly be further explored and developed.

During the work for this thesis it has become apparent that similar findings are possible in other contexts, such as in Sweden. This reflection confirms previous research arguing that it becomes easier to understand the importance of context when studying examples from contexts that we are not familiar with (Welter, 2011). Thus, it is suggested that similar problems as identified in this thesis would be possible to find and discuss in developed countries. Cross-cultural studies have previously facilitated an increased understanding of behaviour and contexts based on the opportunity to compare and contrast two environments. Hence, such studies may reveal both similarities and differences that enable a better understanding of support for entrepreneurial activities internationally.

This thesis discusses how the idea of business incubation has been propagated and touches upon a similar process, but for development aid policies. Processes describing how ideas and trends like micro-finance or living labs propagate, where they originate from and what they are based on, within the field of development, would be interesting to explore further.

Finally, influences from historical events and structures such as colonialism have been briefly mentioned in this thesis. A call in a recent literature review on research in Africa emphasise the importance of history to understand organisations and environments of today (Kolk and Rivera-Santos, 2016) and this would be a topic highly relevant in which to delve deeper.

8 References

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9 Appendix I

TABLE 4. INTERVIEWS IN UGANDA.

Number #	Interviewee	Description	Sex
1	Local politician	Politician on a high position in the local society.	M
2	Local entrepreneur communication	Branch manager in an ICT company, supported by the government.	M
3	Solar expert	Educated solar panel expert.	M
4	IT-guy	Local entrepreneur within IT and related services. Member of the management group.	M
5	Local entrepreneur clothing	One of the entrepreneurs on the main street of the village.	F
6	Local entrepreneur	Local entrepreneur within secretarial services who has run his business for three years.	M
7	Marketing representative	Responsible for the marketing and member of the management group.	F
8	Local entrepreneur CD and video, partner 1	Student and local entrepreneur on the main street burning CDs and running a video library.	M
9	Local entrepreneur CD and video, partner 2	Student and local entrepreneur on the main street burning CDs and running a video library.	M
10	Coffee entrepreneur	Member of the coffee project working with Group 2 in Figure 1.	M
11	Water works manager	Participating in the water works project, working with Group 2 and 3 in Figure 1.	M
12	Water works engineer	Participating in the water works project, working with Group 2 and 3 in Figure 1.	F
13	Red Cross representative	Chairman of the Red Cross organisation in the village. Member of the management group.	M
14	Treasurer	Teacher who is the treasurer in the management group. Runs a small hotel.	M
15	Contact person	The contact person to the Swedish students and member of the management group. Local politician.	M
16	Project leader	Swedish project leader who was one of the students in the student group.	M

TABLE 5. INTERVIEWS IN TANZANIA.

Number	Position	Sex
1	University representative	M
2	Government support organisation official	M
3	Entrepreneur/Food	F
4	Embassy	M
5	Entrepreneur/Food production	M
6	Business incubator	M
7	Business incubator	M
8	Entrepreneur/Food production	F
9	Development aid agency	M
10	Entrepreneur/ Printing and Radio station	M
11	Government support organisation official	M
12	Entrepreneur/Microfinance	M
13	Business incubator manager	M
14	Entrepreneur/IT	M
15	Entrepreneur/IT	M
16	Entrepreneur/Café	F
17	Entrepreneur/IT and electronics	M
18	Entrepreneur/Fashion	F
19	Development aid agency	1F + 1M
20	Business incubator	F
21	Business development services	M
22	Business incubator	M
23	Financial support	Mixed group
24	Private business incubator/business coaching	M
25	National support organisation	Group M
26	Development aid agency	M
27	Entrepreneur/Agriculture	M
28	Business advisor consultant	M
29	Entrepreneur/Transport	M
30	Entrepreneur/Consultant	M
31	Business incubator manager	F
32	Entrepreneur/IT	M
33	Entrepreneur/Marketing	M
34	Entrepreneur/Mobile technology	M
35	Entrepreneur/ Business development consultant	M
36	Entrepreneur/ Business development consultant	M
37	Entrepreneur/Service	F
38	Entrepreneur/Service and delivery	M
39	Entrepreneur/IT	M
40	Entrepreneur/Research consultant	M
41	Entrepreneur/ Recruitment	F
42	Business incubator manager	F
43	Business advisor consultant	M

10 Appendix II

Interview guide, Uganda

- a. Project Lighthouse + workshops in entrepreneurship
- b. Project Bubuya water works, coffee workshops
- c. Project Bubuya sand filter, coffee workshops, expert field study

Which projects have you been involved in?

Phase 1, before

1. When did you first hear about the project?
2. Do you know whose idea it was?
3. What has been your role?
4. Do you feel that you have been a part of the project?
5. Who have you worked together with?
6. What did happen more than the Lighthouse?
7. What were your expectations on the students and the project?
8. Did the project meet your expectations?
9. Who took the decisions?
10. What was the biggest challenge in this phase?

Phase 2, delivery

1. What was your impression of the students?
2. The impression of their work?
3. What was the biggest challenge in this phase?
4. What could have been done differently (now, when you know more)?
5. What do you think was the most important lesson for the visiting students?
6. What has been the most important lesson for the people in Bubulo?

Phase 3, after

1. What has happened since the students left?
2. Has it worked according to plan? (Why not?)
3. Who is responsible for the project now?
4. Is the project handed over to the village? Why, why not?
5. Do you believe that the project needs to be controlled by Sweden?

General questions

1. What could have been done differently?
2. How would you have planned a project like this?
3. What have you learnt?
4. What has been the main improvement for the region?
5. Has the project affected entrepreneurship/inspiration/creativity in the village/region? How? For who?
6. Have the ideas spread to any other region?
7. Has the entrepreneurship spirit inspired anyone to start up their own business? Where and what?
8. Do you believe that a group of students could have come and only hold workshops on different topics like entrepreneurship, planning library and similar things?
9. Why, why not?
10. What would be important topics to talk about in that case?
11. Do you think your village needs projects like this? Why, why not?
12. What do you need to be able to perform the same thing yourselves?
13. How many projects have you had in the region? When did it all started?
14. What would be the next project as you see it?
15. What is your view of the future and your involvement in the projects?
16. If there is another project, would you like to work with that?
17. How do you look upon your future? Manafwa region? Clean water?
18. Where can you see the future market for the Manafwa region, coffee export for example?

Interview guide, Tanzania

There are 2 parts of the interview; 1 your background and 2 facts and attitudes within this field.

How would you define: entrepreneur, business incubator?

A. Entrepreneurs

Background – ask about a general background story

(Necessity or opportunity based entrepreneurship?)

1. What are you working with? Profession, occupation?
2. Where do you live?
3. Family?
4. When are you born?
5. Where did you grow up?
6. Which level of education do you have?
7. Have you been engaged in any associations like non-profit or other?
8. Have you studied entrepreneurship? A course/lecture or something else.

Entrepreneurship

9. Are you an entrepreneur?
10. *If not – why are you not an entrepreneur?*
11. Who identified you as an entrepreneur?
12. When?
13. What are you doing as an entrepreneur?
14. *If not – what are you doing?*
15. Is entrepreneurship important? Why?
16. What is a successful entrepreneur to you?
17. What are success factors in the local society?
18. What expectations do you have on this project/ your business?
19. What do you hope to accomplish?
20. What kind of support do you need for your business?
21. What are the main challenges today?
22. Have the challenges been the same since the start?

Business incubation/ other support organisation

23. How were you informed about this business incubator/organisation?
24. Why did you apply to participate with your business idea?
25. How have you been supported in your own business?
26. What has been asked from you for this support?
27. How have you experienced the incubator?
28. What has been most helpful?
29. Did you get enough information before you decided to participate?
30. How would you do to improve the business incubator?
31. Is this concept commonly known and used [in Dar/Tanzania]?
32. What do people think about it? What do they say when they talk about it?
33. Do you know about other support structures for entrepreneurs in Dar?

Future

34. What kind of future do you hope to create?
35. How do the ideal situation look like/what are you dreaming of?

A. Questions for people working with business incubators

1. Who took the initiative to this incubator?
2. Why did you/that person take this initiative?
3. What was the decision based on?
4. How long has the business incubator been established?
5. How has the incubator changed through the years?
6. What has been the main learning?

7. Is entrepreneurship important? Why?
8. How do you find and admit people to your incubator?
9. Which characteristics of an entrepreneur do you base your decision on?
10. What is successful entrepreneurship?
11. Do you have any examples of a successful project to support entrepreneurship?
12. *If not – why do you think that you don't have any examples?*
13. Can you describe it?
14. What made it successful?

15. What kind of businesses do you support and why? Tech, low-tech, service, other?
16. Is it scalable business ideas?
17. Are they supposed to be scalable?
18. What kind of incubator is this? (accelerator, tech-start up, slow...)
19. Do people know about you in this city?
20. What do they say about the incubator?
21. What is the goal with the incubator?
22. What is the long-time planning?
23. Is this business incubation idea meant to spread? In what way? How? Contagion? (entrepreneurial mindset, businesses, start-up companies, eco-system etc?)
24. What do you ask from your entrepreneurs? Why?
25. How much work do you ask from them (compare the idea of work in Sweden)
26. What are the main challenges today?
27. Have the challenges been the same since the start?
28. How many companies have been started?
29. How many companies have survived?
30. What is the most important part of this business?
31. Is it important for the society?
32. Is it economically sustainable?
33. Do you know any other support structures for entrepreneurs in Dar?
34. What are success factors in the local community?
35. Is the economic or the social support more important? Why?
36. What do you hope to accomplish in the future?

B. Other (embassies, academia, Business Sweden, experts etc)

1. Is entrepreneurship important? Why?
2. What is successful entrepreneurship?
3. Do you work with entrepreneurship? How?
4. Do you have any examples of a successful project to support entrepreneurship?
5. *If not – why do you think that you don't have any examples?*
6. Can you describe it?
7. What made it successful?
8. What expectations do you have on an entrepreneurship project?
9. What do you hope to accomplish?
10. Who took the initiative to that project?
11. Why did you/that person take this initiative?
12. What was that decision based on?

13. How long have you been working here?
14. What kind of projects/initiatives do you think one should support and why?
15. What has been the main learning from your time in Dar es-Salaam?
16. Do people know about your activities in this city?
17. What is the goal with your work?
18. What is the long-time planning?
19. What are the main challenges today?
20. Have the challenges been the same since the start?
21. What are success factors in this local community?
22. Is the economic or the social support more important? Why?
23. What do you hope to accomplish in the future?

A. B. C. End

1. Would you like to add anything?
2. Do you have any comments on the interview that you would like to share with me?
3. Can I contact you if I need any clarification?
4. Is there any person you think I should talk to regarding entrepreneurship in Dar es-Salaam?
5. Thank you for your time!