Effect of Start-Up Capital on the Sustainable Growth of Igbo Businesses in Anambra State, Nigeria

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Abstract

In this study, a start-up capital is referred to as a fund given to an apprentice by a mentor (Oga) during “settlement”, and it was acclaimed by many to be the nucleus of Igbo business model. It has also proved to be one of the pillars that aided the pervasiveness and growth of Igbo businesses across Nigeria, and equally contributed to the robust economic and even development of Igbo nation. This idea is fast waning due to the unwillingness of some mentors denying or offering an apprentice that diligently served him with little or no start-up capital after graduation. This attitude by some Igbo businessmen has engendered the awakened interest for empirical investigation to probe and ascertain the effect of start-up capital on the sustainable growth of Igbo businesses in Anambra state, Nigeria. Related conceptual, theoretical and empirical literatures were reviewed. The study was built on Resource based theory. The questionnaire was used for data collection on a sample size of 327 respondents drawn from commercial cities in Anambra, Nigeria State using Borg and Gall sampling technique. Data collected were analyzed using descriptive and inferential statistics. Findings revealed that seed capital has a significant positive influence on the sustainable growth of Igbo businesses in Anambra state, Nigeria. The study recommend that, government should support Igbo businesses in raising capital by giving them low or interest free loans and business advice that will aid their survival.

Keywords: Start-up Capital, Sustainable growth, Igbo Businesses.

1. INTRODUCTION

Start-up capital is what the newly started entrepreneurs use to pay for all of the required expenses involved in creating a new venture. This involves paying the initial bills and renting a place for the firm, among other things. In many circumstances, a new firm need more than one round of start-up capital investment to get off the ground (Verheul and Thurik, 2020).

Numerous pieces of evidence suggest that 96% of businesses in Nigeria are small and medium-sized enterprises (SMEs), compared to 53% in the United States and 65% in Europe. In terms of the number of businesses, SMEs account for around 90% of the manufacturing/industrial sector (Oyeyinka, 2020). The intent of establishing small and medium enterprises (SMEs) is majorly to contribute positively to economic growth and development across the globe (Anifowose and Onileowo, 2020). SMEs are major drivers of innovation and sustainable development world over since government cannot create enough employment opportunities that could absorb all her citizens. So, to keep the pace of sustainable development, serious attention should be given to the financial needs of SMEs. This is because, availability of adequate capital is very essential for the survival of any business enterprise, whether new or old.

Consequently, starting up a new business is largely associated with numerous challenges ranging from sourcing of initial capital and other required resources that will be of immense help to the growth and its survival (Dugguh, 2015). Financing small businesses remains one of the foremost important factors in determining the survival and growth of small businesses especially in Africa’s economy. It will not be out of point to say that, accessing capital for new or old entrepreneurial venture has not always been an easy task in Nigeria. This is why some entrepreneurial
dreams are aborted at conception because of financing constraints even though Small businesses have been widely acknowledged as the engine for sustainable economic development in Nigeria (Anifowose and Onileowo, 2020).

Despite the above bottlenecks associated with raising of capital for newly established businesses, Igbo youths who successfully passed through the Igbo apprenticeship model of business mentoring were seemed to be indifferent to the problem. This is because, the core ingredients of the Igbo Apprenticeship is for the master (Oga) to provide a start-up capital for the mentee on successful completion of his apprenticeship.

Igbo people of southeast Nigeria, with a population of more than 40 million people (Obunike, 2016), are the aborigines of only five states (Anambra, Abia, Ebonyi, Enugu and Imo state) out of thirty-six states in Nigeria, and they are the third predominant ethnic groups Nigeria. Though, there are Igbo people living outside the shores of the five mentioned states, mostly in the south-south region (some part of Delta and Rivers States) of Nigeria. Igbo people are generally known for their entrepreneurial zeal and high business acumen. Their entrepreneurial zeal may be the reason why Orugun and Nafiu (2014) opine that, the Igbo entrepreneurial abilities have been believed by many to be one of the pillars of Nigeria economy, and have contributed to the improved standard of living of people in the region.

The idea of the Igbo apprenticeship model is to prevent poverty by mass scaling opportunities for everyone ( Ekekwe, 2022). Igbo people believe that when a child is born, he or she belongs to the community. That is why Igbo people name their male child ‘Nwaoarh’ meaning "a child of all". Children are born into this world by their parents; his/her immediate community ensures the child succeeds. It has always been a communal effort, especially if the biological parents of the child are incapable of raising him or her. Someone else from the neighborhood community can step in, takes him to the city where he will undergo through the tutelage of Igbo apprenticeship model. The child goes through the process of settling in with the new family, and after a few years, he would be established in business. The master voluntarily gives up market share by providing clients, funding to an obvious future rival, and other things required for the "settled" apprentice to have a successful venture, with the master having no equity in the new business. With this entrepreneurial mindset, anchored on the Igbo apprenticeship model, the Igbo people were able to build business empires across Nigeria. To buttress my point, Maliga (2013) avers that, 74% of investments in Lagos are owned by Igbo people, 5% by Hausa-Fulani, 15% by non-Nigerian and 1% by Yoruba.

However, start-up capital which was the nucleus of Igbo apprenticeship model, and which was acknowledged by all and sundry as one of the pillars that aided the pervasiveness and growth of Igbo businesses across Nigeria and contributed to the robust economic and even development of Igbo nation is fast waning. Evidence abound suggest that some Igbo businessmen no longer provide the apprentice that are due for “settlement” with the mandatory start-up capital. Some businessmen, on getting to the end of an apprentice graduation period, will come up with all manner of allegation against the apprentice, thereby denying the apprentice his entitlement. It is in the light of the above that the study probes to ascertain the effect of start-up capital on the sustainable growth of Igbo businesses in Anambra state, Nigeria.

The study limited its scope to Anambra state because, the state is the third state with highest number of SMEs after Lagos and Kano states in Nigeria. The broad objective of this study was to investigate the linkage between start-up capital and sustainable growth of Igbo businesses in Anambra State, Nigeria. Specifically, the study tend to ascertain the impact of seed capital on the sustainable growth of Igbo businesses in Anambra State, Nigeria.

2. REVIEW OF RELATED LITERATURE

2.1 Start-up capital
Start-up funding or start-up capital, is money that an entrepreneur uses to launch a new business. The money can come from several sources and can be used for hiring employees, renting space, buying inventory or other operating expenses that help a business get started. This is what entrepreneurs use to pay for any or all of the required expenses involved in creating a new business. This include hiring new employees, paying for office space, permits, licensing, inventory, market research, manufacturing products, marketing, and any other operational costs. Getting a new business off the ground frequently requires more than one round of startup capital investment. Investors like venture capitalists or financial institutions provide startup funding to new enterprises. Friends and relatives can also be used as starting money. There is no doubt that there are many unknowns when investing in freshly founded

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businesses; as a result, these investors frequently want a strong business plan in return for their capital. Lampadarios (2016) avers that, the success of small businesses is anchored on age and size of the business, its network, consumer relations, financial capabilities, human resources, market and product, and growth variables. Thus, financing small business has become one of the key worries that deny small business development in Nigeria. The capital to invest is significant to the growth of small businesses sustenance and growth. This is why small and medium businesses are incapacitated when it comes to growth and access to long-term financing which when shot in supply, contributes immensely to business failure in Nigeria and globally (Gbandi and Amissah, 2014)

2.2 Start-up Business

Funding a start-up business can be challenging, particularly, when sourcing it from an unorganized lender. Organized financial institutions such as banks do not give loan or lend money to small-businesses without growth indicators such as: high sales volume and strong credit. It is quite challenging for many new to meet a bank’s strict borrowing requirements. Meanwhile, Start-up capital can come in these forms: self-funding, investors and loans.

**Self-Funding**

This, mostly comes from personal savings, you may decide to self-fund your newly established business all alone without going through the rough roads of bank borrowing. Self-funding your start-up business makes you retain absolute control of your establishment and avoid paying interest which is associated with bank loans. The only regret that is associated with self-funding is the propensity of losing your savings if the business crumbles.

**Investors**

These are individuals or organizations who commit capital with the expectation to eventually receive financial returns. There are two types of investor: **Angel investors and venture capital firms:**

*An Angel Investor*

This is a known private investor, seed investor or angel funder is a high-net worth person who provides financial assistance for newly star-up small and medium businesses for exchange of ownership equity in the business. This angel investors are mainly the members of families or friends of the business owner.

*Venture Capital Firm:*

This is a private equity financing firm that provides funds to start-up businesses that show signs of growth potential. Investor look to invest in newly established businesses with high growth potential. You just have to give up a portion of your business investment in exchange for this type of funding, which doesn't include monthly payments. If your business idea is funded, some investors will want to participate actively in the decision-making process, while others will take a more hands-off approach.

*Loans:*

This is a sum of money that an individual or more or a business borrow from banks or other financial houses in order to financially manage a business, and this loan must be paid back within a time frame and with interest. So, Small-business loans allow a business to retain full ownership. Anyways, it has been in the character of financial institutions such as banks to lend only to established businesses with strong financial muscle. It is therefore advised, as a start-up, you might need to explore elsewhere in order to raise fund.

**Loan Options Available To Start-Ups:**

i. SBA microloan: SBA stands for Small Business Administration. The US offers several microloan programs for start-ups.

ii. Private and nonprofit lenders known as "micro lenders" provide microloans to start-up companies that might not be eligible for conventional business loans. These microlenders frequently provide modestly funded support for small firms. Microloans typically have favorable conditions, and timely payments increase your chances of receiving additional loans.
iii. If alternative loan providers are not a possibility, friends and relatives may be able to help you finance your business. Even while these loans may have low or no interest, they can be expensive if they start to interfere with your personal issues.

iv. Personal business loans: For individuals who have sound personal resources, personal business loans can be a good option. Compared to typical business loans, loan amounts may be smaller and periods may be shorter, but most are financed within a week of approval and, depending on your credit score, may have cheaper interest rates than other financing options. Just be sure there are no limitations placed on using a personal loan for business reasons by your lender.

v. Venture capital: Due to the high level of risk, venture capitalists often only invest in high-growth businesses. Investors won't receive a return on their money if the firm fails. For whatever firm they invest in, the majority of venture capitalists demand at the very least a seat on the board of directors. Some people could want even more ownership, though.

vi. Small company grants: Startup business grants might be challenging to obtain because of the high level of competition from individuals and companies, but if you are successful, you will receive free capital for your business. Grants are not subject to repayment or interest requirements.

vii. Crowdfunding: This lets business owners raise capital for their ventures, particularly through an internet campaign. This encourages giving thank-you gifts to supporters of your own cause. The campaign should make every attempt to accommodate your requirements and financial situation.

2.3 Top Lending Platforms in Nigeria at the Moment

Commercial Banks in Nigeria are disrupting the lending industry which provides offer quick, easy and cheap loans with no collateral. Unlike the commercial banks that offer loans with high interest rates and indefinite paperwork or requirements as well as provision of guarantors among others, these lending platforms, provide loans in easy and effective ways.

i Kwikmoney: This is the most popular among them. In association with banks and tech firms, it provides loans via the USSD platform. In Nigeria, kwikmoney is among the most practical and efficient ways to obtain rapid loans. They provide up to N15,000 in loans with 15 days and 15% interest (half a month).

ii Paylater: This is a rapid internet lending platform that provides short-term loans without collateral for urgent demands and expenses. You can borrow between N500,000 and N1,000,000 with Paylater at varying interest rates ranging from 5 to 12.6%. The risk involved and cash activities via your Bank verification number determine the loan (BVN).

iii. Renmoney: Customers of this network can borrow up to N4,000,000 with a nine-month repayment period without providing collateral or a guarantor. You must be between the ages of 22 and 59, have a reliable source of income, a functional current or savings bank account, and a legitimate form of identification in order to apply for a loan on our platform. The applicant must present proof of their monthly income and a credit report from a credit bureau upon request, and you must submit these to any Renmoney office for verification.

iv Aella Credit: is an easy and rapid loan platform available only through apps. With an interest rate ranging from 4% to 29% per month, it is made to enable employees access additional money, between 1,500 and 700,000. It is offered in the Philippines, Ghana, and Nigeria.

V Rosabon Finance Quick Loan: This is one of the quickest and simplest ways to obtain a personal loan in Nigeria without putting up any collateral. It has a monthly interest rate that ranges from 4 to 6%.

Some prerequisites for obtaining a rapid cash loan from Rosabon Finance include having a paid job, being between the ages of 21 and 58, having a salary account, having a pension account or tax ID, having a valid Proof of Identification, and having a recent utility bill.

V Zedvance: Zedvance Limited is a consumer finance firm that offers a simple, quick loan at a very reasonable rate. Your ability to negotiate and the degree of risk associated with your loan will both affect the interest rate. It is for
those who earn salaries in the nation. Your net salary has a significant impact on the loan amount and the interest rate, which ranges from 4.0% to 4.5%.

Vii Financials: This retail financial company is cutting edge and offers a variety of quick personal and salary advance loans to satisfy customers' financial needs. Inputting your BVN information is the first of six steps in the loan request process. Page Financials, a company that issues debit cards and goes by the name Pledge Finance, offers a daily rate for its loan of 0.5%. Depending on your net monthly income, the Pledge Finance debit card has up to N500,000 preloaded. A one-time cost of N1,500 is additionally charged by the business for the card, which is good for three years. On a lending card, the daily interest rate is 0.5%, or around 15% monthly.

Viii Fint Loan: This lending platform assists in matching lenders (individuals looking to lend) with creditworthy borrowers for a competitive return and at an alluring interest rate. The rapid loan platform offers interest rates based on the amount of risk anticipated in the industry using a numerical expression based on a level analysis of an individual's information. In addition, FINT charges the borrower two one-time fees, like other lending platforms in Nigeria. The first is a verification cost of NGN 3000, and the second is a closure fee of 8%. Prior to the fully financed loan being disbursed, the closing fee must be paid. In addition, a transfer fee of 1.8% plus NGN100 is charged to the borrower. Depending on the borrower's risk score, interest rates can range from 3% to 5% monthly.

2.4 Start-Up Capital: The Nucleus of Igbo Apprenticeship System

Every businessperson, early in his or her career, needs the sponsorship of a mentor (V, 1997). Start-up capitals are funds injected into a new/dying business by an investor with a financial interest in the company. It has to do with injecting cash from a profitable unit of a business to another unit that is not doing well with the aim of pumping a new life into the dying business. However, it is a different ball game in Igbo apprenticeship context. It is a capital or credit facilities given to an apprentice (Nwa boi) by his master (Oga) at the conclusion of the apprentice’s apprenticeship tenure. This cash infusion is to enable the apprentice start up his own business and become as influential as his in master in business. The master, after setting the apprentice up in business as the Igbo apprenticeship norm demands, has no any equity share in the apprentice’s business. Most young people who could not afford a start-up capital opted for apprenticeship instead of learning a trade which requires less number of service years. Cash or capital infusion has being the strongest pillars of Igbo apprenticeship model because, most families could afford the needed capital required to start-up a business for the newly graduated apprentice.

The apprenticeship program in Igbo is a domiciled entrepreneurship training system that is native to Igbo people. It is a business training model that operates on formal and informal arrangement between a mentor and a mentee. The family of the trade trainee allows their son to go and “serve” the trade mentor for an agreed period of years. At the end of the agreed years, the apprentice graduates and get cash infusion or reward from his master, and then establishes his own business.

The last stage of the Igbo apprenticeship model is the settlement stage. When an apprentice makes it to the last day of service graduation under his trade mentor, he qualifies for a “settlement” from his trade master with a cash reward to start his own business, but there’s an alternative for settling in kind depending on agreements entered into by the both parties. Cash infusion is a start-up fund that the trade mentor gives his to mentee to start his own business after serving him for an agreed number of years without any allegation of theft or disobedience to his master in the cause of his apprenticeship. When a master settles a mentee in kind, it is a common practice that the trade mentor helps the mentee get a shop, and fills it with goods or offer credit facilities for the mentee to start his business life. One of the problems with starting a business is paucity of fund. So, owing to that, many people do not engage in businesses although, they have a passion for it. With the Igbo apprenticeship system, you get cash award from your master once you are able to complete to said period. At the end of the apprenticeship, the master (Oga) gives the apprentice a takeoff fund for the hiring or purchase of a shop, goods, equipment where necessary and in some cases, accommodation for a given period of time. This take-off fund does not in any way mean that the mentor will not collaborate with the apprentice; the master still assists him with goods procurement to reduce overhead, importation cost, knowing fully well that the newly-settled apprentice has a weak finances. In what seems like a tough time, the
mentor exposes the apprentice to a future reality through the multiple responsibilities that the master engages the apprentice. After completing his training and settling down, the apprentice must repay his instructor by doing the same for people at home. Young people loitering in the streets are frowned upon in Igbo culture. The Igbo apprentice system ensures that a boy would be enrolled in a trade or vocational apprenticeship if he is unable to attend school and not remain at home.

Start-up are usually giving by Igbo business mentor to assist the newly “settled” apprentice starts a new business of his own. It is simply a cash reward offered to a “settled” or graduated apprentice to start his own line of business without his master having hands or equity shares in the business (except they agreed to go into partnership). It is a known fact that without this cash reward given to mentees by their mentor, Igbo apprenticeship model would not have gotten its global recognition and acceptance.

2.5 Seed Capital
The term seed capital refers to the type of funding needed in the formation of a startup. This sort of financing typically comes from private investors, typically in exchange for an ownership stake in the company or a cut of the product's profits (in the context of an Igbo apprenticeship, the seed capital giver has no equity in the company). An apprentice who has recently "settled" was given money to launch his own business. Family, friends, and other acquaintances of the business's founders may provide a large portion of the seed money raised by the company. The first of four funding tiers needed for a company to grow into a successful enterprise is seed capital acquisition. To start establishing a new firm or product, seed capital is money that is raised. Startups may contact venture capitalists for further funding after getting seed funding. Because a new business may have restricted access to finance, seed capital is necessary. Due to the lack of a past, a track record, or any indications of potential, traditional lenders may be hesitant to invest. The business owner frequently asks for assistance from family members and well-wishers. This is what is meant by the terms "seed capital," "seed money," and "seed finance." Due to the fact that it comes from personal resources, this sort of financing need not be very substantial.

2.6 Business Sustainability
The term business sustainability as used in this context is the unending commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce, their families, the local and outside world as well as future generations (Crasl and Vereeck, 2014). Sustainable development is when current requirements are met without compromising the ability of future generations to meet their own needs. It leads to creation of true and, real value to systems and resources upon which that value depends on. Business sustainability involves analyses and decision making across business functions obtained through a committed and clear understanding of transactions that may occur both in the present and future. The interest of small and medium owners should extend beyond profit-making. Efforts should be geared towards making business growth and expansion their key concern. This is due to the finding that more than 70% of SMEs fail within five years of operation, meaning that fewer than 30% of SMEs are able to withstand a variety of business obstacles. 2012’s (Idemobi, 2012). So, business sustainability is the concept that explains the ability of the firm to exist over a long period and be resistant to factors that can affect its growth, performance, and strategies (Meflinda, Mahyarni, Indrayani, and Wulandari, 2018).

According to the root meaning of the word sustainability, a basic definition of business sustainability must include longevity and retaining of core principles or purposes, regardless of internal and external changes over time (Ajibola, 2020). This definition states that the effectiveness of any business organization's sustainable development strategy has a significant impact on the organization's long-term success. Brundtland commission as cited in Raatsch (2012) defines sustainability as the process of development that satisfies the needs of today’s generation without short changing the aspirations of later generations. With regards to business and organizational activities, players of these business organizations are expected to use scarce resources to satisfy their needs in such a way that will enable future generations to satisfy these needs without over stretching their limit.
2.7 Theoretical Framework

The study is built on Resource based theory of Barney: This theory has it that, the availability of resources is valuable, difficult to imitate, rare, and cannot be substituted. The theory further stresses that, businesses should look inward to find the sources of competitive advantage through the use of their resources. Competitive advantage is an edge that a firm has over other businesses in the same industry which allows it to make more sales or satisfy their customers than the others. A firm’s competitive edge emanates from the resources that the business has. Resource-based theory prescribes that organizations position themselves strategically based on their resources (the 3 Ms of Management- Man, Material and Money) and what they can do rather than their products and services. Resource-based theory is built on the tripod of: tangible resources, intangible resources, and capabilities and this marks the link between the theory and the study. This is because; the financial capability (capital) of a business gives it an edge over their rivals.

2.8 Empirical Review

Entrepreneurs 'Does Gender Matter?' The study examined how female and male entrepreneurs differ in the way they finance their businesses.2000 Dutch first-time business owners were the Verheul and Thurik, (2020). In their study, Start-up capital: differences between Male and Female subject of the study, of whom 500 were women and 1500 were men. The questionnaire was used to gather data. It was discovered that although female entrepreneurs start out with less money, there are no major differences between them in terms of the sort of capital. In general, female company owners have the same amount of debt (bank loans) and equity capital in their companies as do their male counterparts. Female entrepreneurs have a different profile than male entrepreneurs; they are more likely to work part-time, to work in the service industry, to be risk-averse, to have less experience with financial management, and to spend less time networking.

A study by Yan, Wang, Tsai and Zhou (2018), selected crowd funding as a breakthrough point to explore the relationships between the backgrounds of initiators, experiences, and financing effects. The study, through data mining technology, introduces a database including 423 entrepreneurial financing projects and entrepreneurs’ information, and entrepreneurs’ locations covering 10 countries and regions. The study comes to the conclusion that the entrepreneurs’ technical educational backgrounds, offline entrepreneurial experiences, and online entrepreneurial experiences all have favorable effects on internet funding by applying the multivariate least square model. The promotion of internet finance is facilitated and supported more by offline and online entrepreneurial experiences than it is by the value of avoiding uncertainty in the entrepreneurs' host countries.

Using empirical research, Miloud, Aspelund, and Cabrol (2012) examined how venture capitalists value startups. The core hypothesis that venture capitalists do evaluate those elements that are critical to company performance in their valuation of new enterprises is supported by findings from the research of 184 rounds of recently began venture capital investments in 102 new initiatives. According to the research, when a new business seeks venture capital investment in its early phases of development, the attractiveness of the industry, the caliber of the founder and senior management, as well as outside relationships, positively affect their valuation by venture capitalists.

3. METHODOLOGY

Descriptive survey research design was used because the study required data collection from the respondents. This method was adopted because field research of the study was conducted and data collated were analyzed using largely descriptive statistics. Data were collected through questionnaire which was tested for validity using face and content method. While its reliability was assessed using Cronbach Alpha reliability test for internal consistency, where an alpha level of 0.773 was obtained signaling a good consistency level. Data were collected from registered SMEs owners in state understudy with a total of 1,737, and sample size of 339. A total of 339 copies of questionnaire were distributed in line with sample size, 327 copies were retrieved and used for the analysis. The data generated from study were analyzed utilizing both descriptive and inferential statistics. Simple percentage was used
to answer the research questions, while hypothesis was tested using Pearson Product Moment Correlation Coefficient and multiple Linear Regression. The test was performed at 0.05 level of significance.

4. DATA PRESENTATION AND ANALYSIS

The hypothesis formulated in this study was tested using t-statistics and significance value of the individual variables in the regression result. The essence of this is to ascertain how significant are the effect of individual independent or explanatory variable on the dependent variable. The summary of the result is presented in the table below.

Ho: seed capital has no significant influence on the sustainable growth of Igbo businesses in Anambra state, Nigeria.

Multiple Regression Analysis

Multiple regression result was employed to test the effect of independent or explanatory variables on the dependent variables. The result of the multiple regression analysis is presented in the tables below:

Table 4.1 Summary of the Regression Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>312.052</td>
<td>5</td>
<td>62.410</td>
<td>6.151</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>3307.502</td>
<td>322</td>
<td>10.146</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3619.554</td>
<td>327</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Sustainable growth
b. Predictors: (Constant), Seed capital.

Source: SPSS 21.0

Table 4.1 shows that $R^2$ which measures the strength of the effect of independent variable on the dependent variable have the value of 0.686. This implies that 69% of the disparity in sustaining the growth of Igbo businesses is explained by variations in seed capital variables. This was supported by adjusted $R^2$ of 0.572. In order to check for autocorrelation in the model, Durbin-Watson statistics was employed. Durbin-Watson statistics of 1.875 in table 4.1 shows that the variables in the model are not auto correlated and that the model is reliable for predications.

Table 4.2 Analysis of Variance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.828</td>
<td>.686</td>
<td>.572</td>
<td>3.185</td>
<td>.086</td>
<td>6.076</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5</td>
<td>326</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.000</td>
<td>1.875</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant) Seed Capital.
b. Dependent Variable: Sustainable growth

Source: SPSS 21.0

The f-statistics value of 6.151 in table 4.2 with f-statistics probability of 0.000 shows that the independent variables has significant effect on dependent. This shows seed capital explains the variations in sustainable growth of Igbo businesses in Anambra state.
Table 4.3: T-Statistics and Probability Value from the Regression Result.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>18.916</td>
<td>1.918</td>
<td>9.863</td>
<td>.000</td>
</tr>
<tr>
<td>Seed capital</td>
<td>.076</td>
<td>.049</td>
<td>2.562</td>
<td>.009</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Sustainable growth  
b. Predictors: (Constant), Seed capital  
Source: SPSS 21.0

5. SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATION:

Summary of findings

Start-up capital has a significant positive influence on sustainability of small and medium enterprises in Anambra state. Start-up capital has a t-statistics of 2.562 and a probability value of 0.09 which is statistically significant at 0.05 level of significance. The findings of start-up capital and sustainability of small and medium enterprises showed that majority of the respondents were in agreement that start-up capital has a significant positive influence on sustainability of small and medium enterprises in Anambra state, Nigeria. This finding supports the findings by Long and Lei (2020) which show that start-up capital help SMEs to kick-start their business without waiting for bank loans.

Conclusion

The study investigated the influence of start-up capital and sustainable growth of Igbo businesses in Anambra state, Nigeria. Data generated from the selected businesses were tested using descriptive statistics and inferential statistics. The study found that start-up capital has a significant positive influence on the sustainable growth of Igbo businesses in Anambra State, Nigeria. So, based on the foregoing, the study concludes that start-up capital has a significant positive effect on sustainable growth of Igbo businesses in Anambra state, Nigeria.

Recommendation

Government should support Igbo businesses in raising capital by giving them low or interest free loans and business advice that will aid their survival and sustainability.

REFERENCES


