

Chapter 5

Transformative Entrepreneurs and Urban Development Deficit in Africa: The Case of Dangote Group of Companies

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ABSTRACT

The share of urban Africans is projected to increase 50 percent between 2010 and 2030; making Africa urbanization rate the world's highest. Either such a rate can trigger economic growth, social transformation, and poverty reduction; or alternatively, it can generate more inequality, urban poverty, and the proliferation of slums. The right choice will be shaped by the effectiveness of urban development actors, the efficacy of their industrial and urban policies, the efficiency of implementation tools designed to achieve integrated urban Africa. The reality has been a decline in the public-sector efforts to tackle the problems of industrialization and urban development deficit. However, hope is rising as some transformational entrepreneurs are creating jobs in urban and rural areas to tackle Africa's urban development deficit. This chapter explores the role of Dangote Group as an example of the rising transformative enterprise that is changing African development landscape.

1. INTRODUCTION

The proportion of the African urban residents, which was about 36% in 2010, is projected to grow to 50% by 2030 and to 60% 2050 (World Bank, 2015; UNDESA, 2014). This growth is making Africa urbanization rate the highest among the world's regions. The lessons of history suggest either such a rate can trigger rapid economic growth, social transformation, and poverty reduction, under sound planning and effective implementation. Alternatively, if the present conditions of misdirected urban development goals, choices and actions by the entrenched actors, it can only accelerate levels inequality, urban poverty, long-term and the proliferation of slums (Cities Alliance, 2016; Sow, 2015; Bello-Schünemann

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& Aucoin, 2016). Despite the decline of public investments in the cutting-edge areas of urban development, however, hope is rising as some transformational entrepreneurs (Schoar, 2010; James, 2014) are emerging and are creating jobs in urban and rural areas to tackle Africa's urban development deficit. This chapter seeks to explore the role of Dangote Group (DG) as a case study of the rising transformative enterprise that is changing African industrial, socio-economic, and spatial development landscape. It is advocated that the DG could serve as an example to thousands of rising enterprises and startups to utilize the immense opportunities Africa offers and to solve the continent's challenges of development deficit.

This chapter uses intensive desktop study, during which secondary data were collected from Dangote website, official reports, websites of various African institutions and government agencies; scientific conference papers, journal articles, collaborated newspaper reports. The collected data were analyzed using qualitative content analysis where themes related to the objectives of the chapter. The chapter is organized into six sections. Following the introduction in section one, section 2 reviews the key analytical concepts used in the analysis, namely transformative entrepreneurs (TE) and urban development deficit (UDD); exploring their definitions, scope, and roles in national and continental development. In section 3, the focus is in the identification of the conceptual framework for the case study analysis. DG as TE is analyzed in Section 4 in terms of its rising profile, its goals, key actors and development deficit reduction activities. Section 5 analyzes DG's Impact on UDD at national (in this case Nigerian) and African levels. The future research directions and conclusion on the analysis are presented in Section 6.

2. REVIEW OF KEY CONCEPTS

This section reviews of the key the concepts of transformative entrepreneurs and urban development deficit; exploring their definitions, scope, and roles in national and continental development. This seeks to set the stage for the formulation of a suitable conceptual framework for the analysis of the role of DG as an example of how the private sector can take up developmental roles at the national and African levels, and possibly become active global challenger.

2.1. Transformative Entrepreneurship

2.1.1. Definitions and Significance

- **Definitions:** Since the 19th Century, the concept of “entrepreneur” has been defined and refined by many authors, most prominent among whom is Joseph Schumpeter (1954). Among other characteristics, the concept of entrepreneurship is the process of creating, launching and running a new business. Although most definitions of entrepreneurship generally emphasis the launching and running of businesses because of the high-level risks involved at the start-up stage, however even at a later stage a significant proportion of businesses have to close because of financial difficulties, general economic crisis, or lack of market demand Belicove (2012).

2.1.2. Typology of Entrepreneurs

To help us understand the wide variety of entrepreneurs, the following are some of the classifications of entrepreneur types relevant to this chapter. This is intended to identify those entrepreneurs that are

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