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The strategic role of entrepreneurship in wealth creation among selected emerging economies: overemphasized or underemphasized

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Abstract

Purpose – This study examines the strategic role of entrepreneurship in wealth creation across selected emerging economies, with a specific focus on whether its contribution is overemphasized or underemphasized. While prior studies often treat emerging economies as homogeneous, this study argues that differences in institutional environments lead to varying entrepreneurial outcomes.

Design/methodology/approach – A cross-sectional survey design was adopted, with data collected from 335 respondents across selected emerging economies. The sample comprised businesses that have operated for over five years. Data were analyzed using Structural Equation Modeling (SEM) to test the hypothesized relationships.

Findings – The results show that entrepreneurship has a significant relationship with wealth creation, job creation, poverty reduction, and community and regional development, while its relationship with the standard of living is not significant. The findings also indicate that inconsistent entrepreneurship policies and unclear business regulations constrain entrepreneurial effectiveness across the sampled economies.

Research limitations/implications – The cross-sectional design limits causal interpretation. However, the study highlights the need to account for institutional differences when evaluating entrepreneurial outcomes and provides a basis for further research on context-specific drivers of entrepreneurship in emerging economies.

Practical implications – The findings suggest that entrepreneurship policies should be context-specific rather than uniform. Policymakers and practitioners must align policy design with the institutional realities and developmental priorities of each economy to achieve desired outcomes.

Originality/value – This study contributes to the literature by critically assessing whether the role of entrepreneurship in wealth creation is overstated or understated in emerging economies, offering a comparative and context-sensitive perspective rather than assuming uniform effects.

Keywords Entrepreneurship, Wealth creation, Standard of living, Job creation, Regional development

Paper type Research article

Introduction

Entrepreneurship and its relationship with wealth creation across different economies continue to attract sustained scholarly attention, as researchers examine the phenomenon from diverse perspectives (Gamede, 2020). While a considerable body of empirical and theoretical work

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exists, the conclusions often vary between developed and emerging economies, thereby reinforcing the need for continuous re-examination across contexts (Hitt *et al*., 2001; Ibraheem and Alshuraym, 2021). Globally, economic priorities are largely centered on wealth creation, with governments implementing policies and institutional mechanisms to stimulate entrepreneurial activities and enhance productive capacity (Doran *et al*., 2018; Mohamad *et al*., 2021). Despite these efforts, a significant disparity persists between the wealth generated in developed economies and that in emerging and developing economies (Morgenthaler, 2007).

Existing literature has extensively linked entrepreneurship with economic growth, job creation, and wealth generation, particularly within developed economies where institutional support systems are relatively strong (Decker *et al*., 2014; Mohamad *et al*., 2021; Wright, 2001). However, the extent to which these established relationships hold in emerging economies remains less conclusively determined. This creates an important gap, not necessarily in recognizing the role of entrepreneurship, but in assessing whether its contribution to wealth creation in such contexts is overstated or understated relative to structural and institutional realities. Entrepreneurs inherently seek to create new ventures and exploit opportunities, yet their success is strongly conditioned by the presence of an enabling business environment (Baron and Markman, 2003). The comparatively supportive environments in developed economies may explain the stronger empirical evidence linking entrepreneurship to wealth creation in those contexts (Yu and Huarng, 2013; Olaore *et al*., 2021).

Wealth creation typically occurs through the mobilization of resources into productive ventures that generate returns beyond initial investments (Wright, 2001). This process is reinforced by efficient allocation of resources and the ability of entrepreneurs to identify and exploit profitable opportunities (Yu and Huarng, 2013). However, wealth creation cannot be examined in isolation from institutional constraints, as weak regulatory frameworks and unfavorable business environments can undermine entrepreneurial outcomes and even lead to capital loss (Raja *et al*., 2021). Empirical studies from advanced economies consistently demonstrate a strong and positive relationship between entrepreneurial activity and economic growth, largely due to factors such as flexibility, opportunity recognition, and supportive entrepreneurial ecosystems (Decker *et al*., 2014; Doran *et al*., 2018; Gamede, 2020). In contrast, these enabling conditions are often less developed in emerging economies, raising questions about the transferability of such conclusions.

Against this backdrop, this study moves beyond simply reaffirming the established link between entrepreneurship and wealth creation by interrogating the extent of its relevance in emerging economies. Specifically, it conceptualizes the "overemphasized versus underemphasized" debate as a question of whether the measurable contribution of entrepreneurship to wealth creation aligns with the level of policy and academic attention it receives in these contexts. By adopting a cross-country perspective involving Nigeria, Turkey, South Africa, and Malaysia, this study provides a comparative empirical basis for evaluating this alignment. In doing so, it contributes to the literature by offering a more context-sensitive assessment of entrepreneurship's role in wealth creation, rather than assuming uniform effects across different economic environments.

Literature review

Theoretical framework

Opportunity-based entrepreneurship theory. The theory is premised on the fact that entrepreneurs are not usually considered or seen to cause changes, but are seen to exploit available opportunities in such a given environment occasioned by changes in consumption preferences, technologies, government policies regarding ease of doing business, and availability of market for a particular product or service (Kuratko, 2011). Entrepreneurs are always in search of available opportunities within an environment that, if explored, can yield more profit. This makes it logical when opportunity-based entrepreneurship theory describes

entrepreneurs as people or individuals who are keen on exploring and exploiting available changes in the environment to make a profit and not necessarily creating initial changes (Phan, 2004). The theory further indicates that entrepreneurs are constantly in search of opportunities; they respond to those seen changes by moving further to explore the changes using available resources at their disposal. Although entrepreneurs are seen to only exploit changes, the theory also gives a clearer view by stating that entrepreneurs have an eye for possibilities and also search for identity, explore, and make the changes become profitable ventures (Hitt *et al*., 2001; Gur *et al*., 2020). Exploring this theory further gives explanations as to where entrepreneurs all over the world are seen as people with "eagle eyes" searching for available venture opportunities that can be explored with available resources to create profitable businesses. The theory of opportunity-based entrepreneurship is a valid theory that can be used to provide a valid theoretical framework for research studies on entrepreneurship, especially as the theory explains the reasons behind the desire by entrepreneurs to explore available changes.

Resource-based entrepreneurship theory. The theory states that access to resources or possession of resources must be available to entrepreneurs to fully explore and take up available opportunities in the environment (Alvarez and Busenitz, 2001). The theory believes that, if there are no resources or access to resources for entrepreneurs, it will be difficult to take up available opportunities or explore such opportunities. The theory further states that exploring available opportunities in an environment for entrepreneurs is premised on having financial, social, and human resources that can help propel the entrepreneurs to explore available opportunities (Khanin *et al*., 2022). The theory emphasizes access to resources and how the availability of the resources can help propel the entrepreneur's intuition to pursue and explore the available discovered opportunities (Foss *et al*., 2008). The financial aspect of the resource-based entrepreneurship theory states that entrepreneurs can easily establish new ventures when there is access to financial capital that can help to establish such ventures, the social aspect of the theory indicates that individuals with social capital have better chances and opportunities for using their social connections and networks to see and explore opportunities in the environment compared to individuals without social capital, while the aspect of the human resource capital of the theory states that the education acquired and the experience of the entrepreneurs becomes an important factor propelling the ability of the entrepreneur to see and explore available opportunities (Shane and Venkataraman, 2000; Simpeh, 2011). The two entrepreneurship theories used in this research work have been used as the basis to give this study a valid theoretical backing, as the theory resonates with how entrepreneurs see and explore opportunities and factors that make some entrepreneurs able to tap into available opportunities faster compared to other individuals.

Conceptual framework

The strategic role of entrepreneurship. Entrepreneurship as a concept involves a process of seeking opportunities by individuals or groups of people and putting available resources in place to take advantage of such opportunities in a profitable way (Decker *et al*., 2014; Olaore *et al*., 2021). Entrepreneurship can also involve the process of conceiving and transforming a business idea and raw materials into finished goods to make the venture more profitable (Peng, 2001). Entrepreneurship also involves innovativeness as entrepreneurs strive to add innovation to an idea or existing business enterprise to make it more profitable (Raja *et al*., 2021). While an entrepreneur is classified as someone who identifies a business idea and creates such business as entrepreneurs are seen to also be innovative in their drive to create a new enterprise, while entrepreneurship, on the other hand, is classified as the entire process of setting up a business venture offering goods or services to its customer base (Sajjad *et al*., 2020). The strategic role of entrepreneurship and its overall impact over the years have continued to vary from one economy to another, especially when considering the developed, emerging, and developing economies (Schröder *et al*., 2020; Zahra and Wright, 2016). The

developed economies seem to have a friendlier business environment and much more friendly business laws that encourage and drive entrepreneurs and entrepreneurship development compared to the business situations in emerging and developing economies where entrepreneurs are likely to go through a more rigorous process to establish any intended business enterprise (Zayadin *et al*., 2022; Martens *et al*., 2007).

The desire to examine the strategic role of entrepreneurship in relation to wealth creation and economic growth has continued to generate interest not only from economists, scholars, and researchers but also from policymakers who are eager to ascertain the effect of entrepreneurship promotion on the growth of the economy and also to know whether their entrepreneurship policies are yielding the expected outcomes (Mohamad *et al*., 2021). While the debate on the strategic role of entrepreneurship ranges among scholars and researchers, some schools of thought believe entrepreneurship and wealth creation have a direct relationship in any economy, and other schools of thought believe that the relationship is indirect (Kuratko and Morris, 2018). The role played by entrepreneurship is also said to be an agent of economic change and comprises a vehicle by which economic growth can be stimulated through the creation of new venture offerings and adding innovations to existing products or services to create more profitable ventures capable of stimulating economic growth. In emerging economies and the developing economies of the world, the process of economic growth and contributions to economic growth over the years is heavily based primarily on the drive and entrepreneurial spirit of the people in such economies, if the population in the economy has strong entrepreneurial spirit coupled with enabling business environment, entrepreneurship development, and economic growth is likely going to be high compared to economies where the drive and support for entrepreneurship are low (Martens *et al*., 2007; Mohamad *et al*., 2021; Olaore *et al*., 2020). While maintaining and justifying the strategic role entrepreneurship plays and can play in any economy, the disparity in entrepreneurship role in both the advanced economies and other classified economies (emerging and developing) is still at variance as the results and empirical evidence available in literature seems to support that advanced countries have used entrepreneurship to drive their economies to an enviable stage that is been admired by many compared to the other classified economies who are still faced with a myriad of problems bedeviling their quest and desire to achieve same tangible results in their entrepreneurship promotion drive like the advanced economies of the world (Schindehutte *et al*., 2008; Peng, 2001; Morgenthaler, 2007).

Role of entrepreneurship in wealth creation. Entrepreneurship conditions and situations differ across various economies, giving room for differences in outcomes, as the role of entrepreneurs is also not identical across various economies, as the political system, material availability, and industrial climates, etc., differ in these economies (Khanin *et al*., 2022). Wealth creation in entrepreneurship usually occurs when the number of resources put into any business venture is multiplied to produce even more resources/profit from such entrepreneurial activities. Entrepreneurship is also said to produce and gain more resources/profit if the country's economy is more favourable for business and entrepreneurship growth compared to countries where entrepreneurship policies are yet to be properly shaped to support entrepreneurship growth (Dowin, 2021; Gamede, 2020).

The strong institutional and policy frameworks supporting entrepreneurship in developed economies have been widely associated with sustained wealth creation through new venture development (Kirby *et al*., 2022; Maritz *et al*., 2020). This observed success has influenced policymakers in emerging and developing economies to adopt similar entrepreneurship-driven strategies in pursuit of comparable wealth outcomes. However, this policy transfer often assumes that the relationship between entrepreneurship and wealth creation is universally consistent, an assumption that may overlook contextual differences in institutional quality and resource availability. While the promotion of entrepreneurship is frequently justified on its perceived strategic importance, the extent to which such emphasis translates into actual wealth creation in less-developed contexts remains debatable (Morgenthaler, 2007).

Entrepreneurship is often positioned as a necessary condition for economic development, particularly through its role in improving the capital-output ratio and enabling the effective utilization of opportunities and resources (Raja *et al*., 2021; Wright, 2001). Nevertheless, these arguments tend to be framed in general terms, with limited critical attention to variations in outcomes across different economic environments. For instance, while entrepreneurial activity is associated with capital formation and productive resource mobilization (Olaore *et al*., 2021), the efficiency of such processes may depend heavily on the surrounding institutional and market conditions. Similarly, claims that entrepreneurship promotes regional balance and inclusive development (Schindehutte *et al*., 2008) are not consistently supported in contexts where structural inequalities and uneven access to resources persist.

A substantial body of literature further links entrepreneurship to macroeconomic and social outcomes, including GDP growth, innovation, improved living standards, export expansion, and broader structural transformation (Yu and Huarng, 2013; Sajjad *et al*., 2020; Dowin, 2021; Gamede, 2020). While these contributions are well documented, they are often presented as broadly applicable, with insufficient differentiation between developed and emerging economies. In practice, the strength and direction of these relationships may vary significantly depending on the level of economic development and institutional support. Likewise, entrepreneurship is frequently credited with employment generation and poverty reduction (Decker *et al*., 2014; Dzingirai, 2021), yet such outcomes are not automatic and may be constrained by issues such as informality, low productivity, and limited scalability in emerging markets.

Taken together, the literature provides strong support for the potential of entrepreneurship to drive wealth creation but tends to emphasize its positive outcomes without adequately addressing contextual limitations or inconsistencies. This creates a gap in understanding whether the role of entrepreneurship in emerging economies is overstated in policy and academic discourse or insufficiently recognized given existing constraints. Addressing this gap requires a more critical and context-sensitive examination of the entrepreneurship-wealth creation nexus, which this study undertakes by comparatively analyzing selected emerging economies.

Hypotheses development

Wealth creation and job creation. When entrepreneurs invest their resources, capital, and time into creating an enterprise, the intention is usually geared toward wealth creation and growing such a venture (Funken *et al*., 2020). While entrepreneurship drive and promotion are also geared towards creating enabling business environment for the creation of business to thrive to enhance job creation within the economy, the level of expected job creation is still minimal in emerging and developing economies compared to the number of jobs that needs to be created to reduce the number of unemployment geometrically, especially in the emerging and developing economies (Ibraheem and Alshuraym, 2021). While this process of investing in ventures to make a profit may be the general assumption behind the intention of many entrepreneurs, entrepreneurs in emerging and developing economies usually have more institutional challenges to tackle to keep their enterprises floating (Morgenthaler, 2007), same way the job generation capacity of entrepreneurship and entrepreneurs is more enhanced in the developed economies compared to their counterparts in the emerging economies. This discussion leads to the formulation of the study's first two hypotheses.

H1. The promotion of entrepreneurship in emerging and developing economies has contributed holistically to wealth creation.

H2. The promotion of entrepreneurship in emerging and developing economies has contributed to increased job creation.

Standard of living and government policies. The question of whether the standard of living of the citizens has improved over the years as a result of promoting entrepreneurship by

successive governments in emerging and developing economies remains debatable, especially as literature and empirical studies continue to show the deteriorating standard of living in some of these economies (Olaore *et al*., 2021). The notion of continuous changes in government policies as it relates to entrepreneurship promotion, especially when the implementation of the policies is mostly on paper and not practically implemented as expected, indicates that the entrepreneurship policies are sometimes not constant as expected, making it difficult for entrepreneurs to fully explore available opportunities (Gamede, 2020). This leads the discussion in this study to the formulation of the third and fourth hypotheses.

H3. Promoting entrepreneurship in emerging and developing economies has relevance to improving the standard of living.

H4. The promotion of entrepreneurship in emerging and developing economies has been hampered by the constant changes in government policies

Poverty level and community and regional development. The promotion of entrepreneurship in emerging and developing economies is expected to reduce poverty, bridge the gaps between the haves and the have-nots, open communities for business opportunities and create regional integration and national development across these economies, alas, the same effect has not been achieved even after years of pushing and promoting entrepreneurship by government and agencies created by the government to support entrepreneurship growth (Lyons, 2015; Dowin, 2021). The level of poverty in some emerging and developing economies has continued to deteriorate with the living conditions of citizens not improving as expected, also, the drive for people to move from rural areas to urban areas continues to rise on a daily because the community and regional development envisaged that entrepreneurship promotion will solve has not yielded the needed output in these areas (Olaore *et al*., 2020). This discussion leads to the formulation of the fifth and sixth hypotheses for this study.

H5. The promotion of entrepreneurship in emerging and developing economies has reduced the level of poverty among citizens.

H6. The promotion of entrepreneurship in emerging and developing economies has led to community and regional development as expected.

Figure 1 shows a conceptual model illustrating the relationships among entrepreneurship, wealth creation, job creation, standard of living, government policies, poverty levels, and community and regional development. The model suggests that entrepreneurship stimulates job creation, which in turn improves the standard of living of individuals and households.

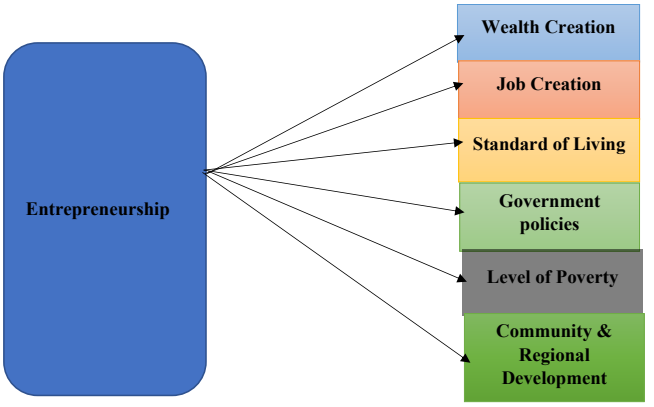

Figure 1. Conceptual model. Source: Researchers (2025) as advanced by the literature

Supportive government policies further enhance entrepreneurial activities and economic opportunities. As employment opportunities and living standards improve, the level of poverty decreases. Consequently, reduced poverty contributes to community and regional development, ultimately leading to sustainable wealth creation. The model emphasizes the interconnected role of entrepreneurship in promoting development and improving societal welfare.

Methodology

The study adopted a cross-sectional survey design to collect data from entrepreneurs and directors of entrepreneurship-related agencies across selected emerging economies. The choice of Nigeria, Turkey, South Africa, and Malaysia was guided by their active policy engagement in entrepreneurship development and their representation of diverse emerging market contexts. A total of 450 questionnaires were distributed across these countries, out of which 335 valid responses were received and used for analysis. Data collection was conducted over five months. A stratified sampling technique was employed to ensure representation across the selected countries and categories of respondents (entrepreneurs and agency directors). Within each country, participants were selected based on their active involvement in entrepreneurial activities or policy implementation related to entrepreneurship. The questionnaire was administered using Google Forms, and the survey link was shared with respondents following prior contact to explain the purpose and relevance of the study. This approach facilitated access across geographically dispersed locations, although it also reflects the inherent limitations of non-probability elements in survey-based research. To analyze the data, Confirmatory Factor Analysis (CFA) was first conducted to assess the measurement model and establish construct validity. Subsequently, Structural Equation Modeling (SEM) was employed to test the hypothesized relationships among the study variables. The use of SEM is appropriate as it allows for the simultaneous examination of relationships between latent constructs and observed variables. Model fit was evaluated using standard fit indices, and results were interpreted in line with established threshold guidelines to ensure consistency and rigor in reporting. Given the cross-sectional nature of the study, causal inferences are interpreted with caution, as the design captures relationships at a single point in time. In addition, although procedural steps such as questionnaire design and respondent briefing were adopted to reduce common method bias, the possibility of such bias cannot be entirely ruled out.

Measures

The measurement items used in this study were adapted from established literature to ensure content validity and alignment with prior empirical work. Specifically, entrepreneurship promotion was adapted from Al Mamun *et al*. (2017), standard of living from Manolova *et al*. (2008), wealth creation from Olaore *et al*. (2021), government policies from Akinyemi and Adejumo (2018), and poverty level, community, and regional development from Dana *et al*. (2014). Each construct was operationalized using multiple items measured on a structured scale to capture the underlying latent variables. To enhance clarity, the constructs were defined in line with their operational context: entrepreneurship promotion reflects policy and institutional support mechanisms; wealth creation captures perceived economic gains from entrepreneurial activities; standard of living relates to improvements in individual and household welfare; government policies refer to regulatory and institutional frameworks; while poverty reduction and community development capture broader socio-economic outcomes. The instrument was initially subjected to face validity, and feedback from reviewers and experts informed revisions to improve clarity and relevance. A pilot study was conducted to assess the reliability and internal consistency of the measurement items, yielding a Cronbach's alpha of 0.79, which exceeds the recommended threshold of 0.70 (Nunnally, 1978;

Maravelakis, 2019). This provided initial evidence of reliability before full-scale data collection. Furthermore, CFA results were used to confirm construct validity, including the assessment of factor loadings and internal consistency. Attention was given to ensuring that reported thresholds for reliability and validity were consistently applied and interpreted, thereby addressing potential inconsistencies in measurement reporting.

Data analysis

Confirmatory factor analysis

To test for model fitness and hypotheses using confirmatory factor analysis and structural equation model, some essential assumptions need to first be confirmed or checked. These assumptions include checking to ensure that sample size, multicollinearity, normality, reliability, validity, and common method bias are not violated for model fitness and hypothesis testing (Kline, 2005). The study has a sample size of 335, and this exceeds the recommended threshold of 200 for conducting a structural equation model (Iacobucci, 2010). We tested for normality by checking for skewness and kurtosis from all the instrument items, and all the values were within the suggested values of −1 to +1 (Bagozzi and Yi, 2012). Also, in testing for multicollinearity, we used correlation analysis. According to Field (2005), a value above 0.5 is considered good, and all our constructs have a value above 0.5. We also checked our scales for reliability and validity, and all our measurement scales exceeded the recommended threshold of 0.7 for Cronbach's alpha, composite reliability exceeded 0.7, while the average variance extracted exceeded 0.5 for all our scales (Bagozzi and Yi, 2012). Lastly, we followed the three criteria of Podsakoff *et al*. (2012) to check for common method bias. First, the data was collected through online distribution, while the construction of the instruments ensured that independent and dependent variables were designed for easy understanding, thereby ensuring respondent data anonymity. Secondly, the data collection was from multiple sources, as we understand that collecting data from a single source will result in common method bias. Thirdly, we adopted Harman's single-factor test to test for variances, and our results show (chi-square = 31.347, IFI = 0.65, CFI = 0.62, TLI = 0.53, NFI = 0.67, and RMSEA = 0.28) that a single factor was not responsible for the majority of the variances in our data. Hence, common method bias poses no problem to this study.

According to Bagozzi and Yi (2012), a good fit is measured through several indicators such as the goodness of fit index (GFI), comparative fit index (CFI), normed fit index (NFI), Tucker-Lewis's index (TLI), and root mean square error of approximation (RMSEA). The results (i.e. χ^2 = 2.953; GFI = 0.785; TLI = 0.756; CFI = 0.784; NFI = 0.709; and RMSEA = 0.076) show that the theoretical fitness of the model is good based on the recommended values of acceptance by Bayram (2013).

Table 1 shows the measurement model results, including reliability, validity, and descriptive statistics for the study constructs. The Cronbach's alpha values ranged from 0.712 to 0.848, indicating acceptable internal consistency reliability for all constructs, as the values exceeded the recommended threshold of 0.70. Similarly, the Composite Reliability (CR) values ranged from 0.703 to 0.823, confirming satisfactory construct reliability.

Table 1 shows that the Average Variance Extracted (AVE) values were generally above the acceptable benchmark of 0.50, demonstrating adequate convergent validity among the constructs. The factor loadings (R^2 values/items loadings) were mostly moderate to high, suggesting that the indicators adequately represented their respective latent constructs. The descriptive statistics further showed that the mean scores of most constructs were above the midpoint, indicating that respondents generally agreed with the statements relating to entrepreneurship, government policies, community and regional development, job creation, and poverty reduction. Standard deviation values indicated moderate variability in respondents' perceptions across the constructs.

Table 1. Measurement model results: reliability, validity, and descriptive statistics

Measurement constructs		Cronbach's alpha	Mean	Standard deviation	CR	R^2	AVE
Entrepreneurship	ENT5	0.819	4.03	1.082	0.823	0.445	0.585
	ENT4		4.05	0.980		0.545	
	ENT3		4.04	0.981		0.583	
	ENT2		3.98	0.951		0.506	
	ENT1		4.03	0.902		0.315	
Wealth Creation	WC4	0.712	3.21	0.811	0.713	0.573	0.543
	WC3		3.11	1.104		0.601	
	WC2		3.80	0.801		0.572	
	WC1		3.29	0.810		0.487	
Government Policies	GP5	0.726	4.18	0.811	0.771	0.304	0.547
	GP4		4.30	0.891		0.482	
	GP3		4.44	0.863		0.755	
	GP2		4.53	0.840		0.676	
Level of Poverty	LP4	0.730	4.13	0.777	0.741	0.506	0.500
	LP3		4.34	0.744		0.635	
	LP2		3.99	0.802		0.642	
	LP1		4.08	0.785		0.503	
Community and Regional Development	CRD5	0.817	4.05	0.858	0.817	0.347	0.675
	CRD4		3.99	0.929		0.417	
	CRD3		4.09	0.903		0.599	
	CRD2		3.97	0.954		0.548	
	CRD1		3.94	0.910		0.464	
Job Creation	JC6	0.848	4.23	0.792	0.714	0.427	0.598
	JC5		4.25	0.805		0.522	
	JC4		4.14	0.845		0.740	
	JC3		4.12	0.903		0.655	
Standard of Living	SL3	0.806	3.23	1.136	0.703	0.422	0.669
	SL2		3.92	0.957		1.191	
	SL1		4.17	0.860		0.579	

Hypotheses testing (Path model)

Six hypotheses were designed for this study, and the literature affirms that when the measured and latent variables of a hypothesis are significant at $p < 0.05$, then that shows a good fit leading to either accepting or rejecting the hypothesis (Chinomona *et al*., 2010).

Table 2 above describes the hypothesized model as shown in Figure 2. Furthermore, the table also describes the regression indicators obtained from the structural equation model, such as the R^2 representing the squared multiple correlations, *R* representing the correlation, *Beta* representing the standardized coefficients, *t* representing the *t*-statistics, and *P* representing the *p*-value at 0.05.

Table 2. Structural model and hypotheses testing results

Hypothesized model	*R*	R^2	Beta	*t*	*P*
Ho1 Entrepreneurship → Wealth Creation	−0.351	0.225	−0.474	−3.733	***
Ho2 Entrepreneurship → Job Creation	0.334	0.154	0.392	5.360	***
Ho3 Entrepreneurship → Government Policies	0.414	0.192	0.439	6.110	***
Ho4 Entrepreneurship → Standard of Living	0.246	0.038	0.194	2.722	0.006
Ho5 Entrepreneurship → Level of Poverty	0.881	0.132	0.363	3.700	***
Ho6 Entrepreneurship → Community and Regional Development	0.656	0.481	0.694	7.709	***

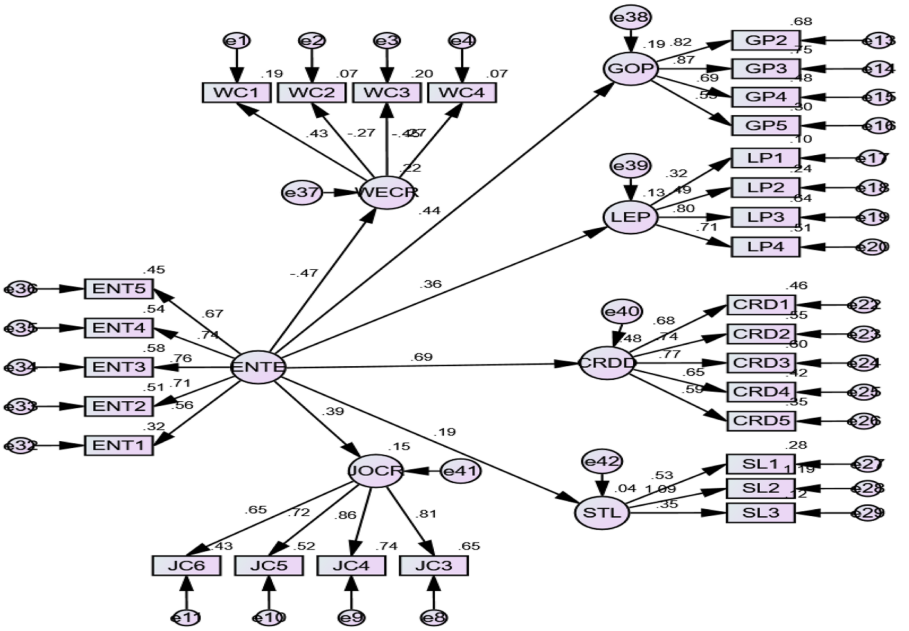

Figure 2. Path model

Hypothesis one: The first hypothesis examined the effect of entrepreneurship promotion on wealth creation in emerging and developing economies. As presented in Table 2, the structural equation model results indicate $t = -3.733$ ($p < 0.05$) and Beta $= -0.474$. This suggests that entrepreneurship promotion has a statistically significant negative effect on wealth creation in the sampled economies. Therefore, while the relationship is significant, the direction of the effect indicates that increased entrepreneurship promotion is associated with a decrease in measured wealth creation within the context of this study. This finding contrasts with the commonly held assumption that entrepreneurship promotion directly leads to improved wealth outcomes. A possible explanation is that the effectiveness of such promotion may be constrained by structural and institutional factors within emerging economies, thereby limiting its positive impact. In this regard, the result only partially aligns with prior studies such as McCarthy and Nicholls-Nixon (2001) and Hitt *et al*. (2001), which generally report positive contributions of entrepreneurship to wealth creation, but often within more supportive economic environments. Consequently, the present finding suggests that the relationship between entrepreneurship promotion and wealth creation is more context-dependent than previously established.

Hypothesis two: The second hypothesis examined how entrepreneurship promotion has contributed to job creation in emerging and developing economies, and as stated in Table 2, the result of the structural equation model shows $t = 5.360$ ($p < 0.05$) and Beta $= 0.392$; hence, the result shows acceptance. This means that entrepreneurship promotion significantly contributes to job creation in emerging and developing economies. The data collected and analyzed showed that entrepreneurship promotion and development have significantly contributed to the volume of jobs created in the emerging and developing economies sampled. This finding is in congruence with the studies done by Morgenthaler (2007) and the study done by Gamede (2020), all reported similar findings to this study.

Hypothesis three: The fourth hypothesis examined how entrepreneurship in emerging and developing economies has been hampered by constant changes in government policies, and given the result in Table 2, which shows $t = 6.110$ ($p < 0.05$) and Beta = 0.439, hence, the result shows significant acceptance. This means that entrepreneurship in emerging and developing economies has been hampered by constant changes in government policies. Change of government and continuous changes in entrepreneurship policies is a major index hampering and slowing the level entrepreneurship is expected to attain in many emerging and developing economies, this result is in agreement with the study done by Akinyemi and Adejumo (2018), Mohamad *et al*. (2021), Peng (2001), and the study done by Raja *et al*. (2021), all had findings that were in parity with this study findings.

Hypothesis four: The third hypothesis examined how entrepreneurship promotion has improved the standard of living in emerging and developing economies, and as stated in Table 2, the result of the structural equation model shows $t = 2.722$ ($p < 0.05$) and Beta = 0.194; hence, the result shows rejection. This means that entrepreneurship promotion does not improve the standard of living in emerging and developing economies. This finding is in contrast with many other studies that have stated that entrepreneurship has a positive effect on the standard of living (Ranjan, 2019; Luke *et al*., 2007), further indicating that in the emerging and developing economies sampled, majority of the participants don't see entrepreneurship as a means of improving the standard of living; the study done by Dowin (2021) has similar findings reported in this regard.

Hypothesis five: The fifth hypothesis examined how entrepreneurship promotion has reduced the level of poverty in emerging and developing economies. The results in Table 2 show $t = 3.700$ ($p < 0.05$) and Beta = 0.363; hence, the result shows acceptance. This means that entrepreneurship promotion has helped to reduce the level of poverty in emerging and developing economies. The level of poverty in many emerging and developing economies is witnessing continuous reduction as more people in these economies continue to embrace and found entrepreneurial enterprises that can help change their economic situation. This study's findings have significance to the study done by Dzingirai (2021), and Mohamad *et al*. (2021), further indicating the importance of entrepreneurship contribution in reducing the level of poverty among the emerging and developing economies sampled for this study.

Hypothesis six: Hypothesis six examined how entrepreneurship promotion in emerging and developing economies has led to community and regional development, and the result of the structural equation model in Table 2 shows $t = 7.709$ ($p < 0.05$) and Beta = 0.694; hence, the result shows acceptance. This means that entrepreneurship promotion has led to community and regional development in emerging and developing economies. The need to drive development and ensure the development of the regional areas to reduce rural-urban migration necessitated the promotion and development of entrepreneurship among the emerging and developing economies. This finding is in affinity with the studies done by Dana *et al*. (2014), Lyons (2015), and Dowin (2021).

Conclusion

This study examined the strategic role of entrepreneurship in wealth creation across selected emerging economies, with a specific focus on whether its role is overemphasized or underemphasized. While emerging economies share certain structural characteristics, the findings reinforce that important contextual differences exist, which shape how entrepreneurial activities translate into economic outcomes. This makes cross-country comparison both necessary and insightful in understanding the variability in wealth creation outcomes. The results provide partial support for existing empirical literature that highlights the importance of entrepreneurship in driving economic outcomes such as wealth creation and productive capacity (Dowin, 2021; Dzingirai, 2021). At the same time, the findings suggest that these outcomes are not uniform across contexts. This reinforces the relevance of opportunity-based and resource-based entrepreneurship theories, which emphasize the role of

opportunity recognition and resource mobilization in wealth generation. However, the extent to which these mechanisms lead to tangible outcomes appears to depend on the broader institutional and policy environment within each economy.

Specifically, the study finds that entrepreneurship is significantly associated with job creation, poverty reduction, and community and regional development, while its impact on other outcomes may vary depending on contextual conditions. This indicates that entrepreneurship promotion alone is not sufficient; rather, its effectiveness is contingent on how well it is aligned with the economic and institutional realities of each country. As such, the study moves beyond the conventional assumption of uniformly positive effects and instead highlights a more context-dependent relationship. In terms of contribution, this study advances the literature by examining entrepreneurship from an emphasis perspective, questioning whether its role in wealth creation is overstated or understated in emerging economies. Unlike many prior studies that treat emerging economies as homogeneous, this study demonstrates that similar policy orientations can yield different outcomes due to underlying structural differences. It also integrates multiple outcome variables within a single framework, providing a more comprehensive assessment of entrepreneurship's role.

From a practical standpoint, the findings underscore that a one-size-fits-all approach to entrepreneurship policy is unlikely to yield optimal results. Policymakers and practitioners must design and implement context-specific policies that reflect local institutional realities and development priorities. As noted by Kirby *et al.* (2022) and Wright (2001), economies that adopt tailored entrepreneurship strategies tend to achieve more meaningful improvements in economic performance than those that replicate policies without adaptation.

This study is not without limitations. The analysis is based on four emerging economies, which may limit the generalizability of the findings. In addition, the cross-sectional design restricts the ability to draw causal inferences. Future studies may explore entrepreneurial internationalization efforts within emerging economies to deepen the understanding of how external market engagement influences wealth creation.

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