

## **Economic Environment and Entrepreneurial Development in Lagos and Ogun States, Nigeria**

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**Abstract :** The study empirically examines the relationship that exists between the economic environment and entrepreneurial development in Nigeria. A structured questionnaire is administered on the study and data collected are analysed using Analysis of Variance and Regression. The following variables are indices of determination; Interest Rate (IR); Income Tax (IT). The results of the study show that there is a significant relationship between IR and ED in Nigeria ( $p < 0.5$ ) with a positive correlation ( $r=0.526$ ,  $r^2=0.276$ ). Also, there is a significant relationship between IT and ED in Nigeria ( $p < 0.05$ ), with a positive association ( $r=0.546$ ;  $r^2=0.299$ ). The study concludes that the emergence of the higher level of the stable economic environment is critical to entrepreneurial development in Nigeria. Therefore, government involvement in public private partnership for infrastructural development, enlargement of productive, judicious and transparent use of funds collected from income tax and affordable interest rate will galvanise the inward sourcing of raw materials that boost entrepreneurial development in Nigeria.

**Keywords :** interest rate, income tax, business environment and entrepreneurial development

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