

CHALLENGES AND PROSPECTS OF WOMEN ENTREPRENEURS TOWARD THE DEVELOPMENT OF SMALL – SCALE ENTERPRISES IN SOKOTO METROPOLIS

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ABSTRACT

This paper seeks to determine the challenges and prospects of women entrepreneurs in the development of small-scale enterprises in Sokoto metropolis. The research sample consists of sixty female entrepreneurs that were selected using stratified random sampling method. The major source of primary data for the study is structured interview schedule, prepared and conducted on three groups of women in Sokoto metropolis. Descriptive statistical techniques were employed in the data analyses. The findings show that women are involved in small scale enterprises but are facing a lot of challenges like lack of basic education, access to affordable credit and an enabling environment that can allow them participate fully in productive ventures on equal footing with their male counterparts. This paper recommends that if the aforementioned challenges are judiciously addressed, women have great potentials to contribute to the development of small-scale enterprises in particular and the economy in general.

Keywords: Entrepreneurship, Small-scale Enterprises, Women entrepreneurs.

1. INTRODUCTION

The fall in people's standard of living and the economic situation in the country generally forced women out of their traditional role as mere housewives to now take up a variety of economic activities. In a study on the Nigerian informal sector (Soatan, 2009), it is estimated that women traditionally play an important role in the small scale enterprise as owners, managers, and workers. Women play a very important role in many important sub-sectors, making up for over 80% of employees in textile, clothing and leather production and 75% in food, beverages and tobacco production; and over 60% in processing (Soatan, 2009). The global impact of women entrepreneurs begins to gain momentum worldwide; the number of female business owners continued to increase steadily. For example, women produce more than 80 percent of the food for sub-Saharan Africa, 50-60 percent for Asia, 26 percent for the Caribbean, 34 percent for North Africa and the Middle East and more than 30 percent for Latin America. Female entrepreneurs are active at all levels domestically, regionally and globally (Soatan, 2009).

Political and economic opportunities for female entrepreneurs have been limited. Although progress has been achieved in opening doors to education and health protection of women, concrete efforts have to be made to ensure that female entrepreneurs make economic choices and transform their businesses into competitive enterprises, generate income and employment through improved production (Kitching & Woldie, 2011).

Small-scale enterprise is doubtless one of the main stay of the informal economy in Sokoto State and some are owned or managed by women entrepreneurs, alongside their male counterparts. Thus, this study is aimed at providing an understanding as to how women participation and management in small-scale enterprises in the state has been faring, and how best to organize their participation for optimum results and productivity.

2. LITERATURE REVIEW

There is no universally accepted definition of small scale enterprise because the classification of enterprises into small and large scale is subjective depending on the country and needs of public policy overtime. For instance a fairly large firm in Nigeria would be regarded as a small firm in the United States because it is economically advanced country characterized by a high level of capital intensity and advanced technology. However, according to Oshagbemi (2012), there exist an identifiable criteria often used in the definition of small scale enterprises, and these include number of employees, relative size, initial capital outlay, sales volume, financial strength, independent ownership, and type of enterprise. Therefore, small scale enterprises (SSE) have been defined differently by different people and at different situations. At a meeting of National Council on Industry (NCI-13) in Makurdi, Benue state, in July 2001, a definition of small scale enterprise was adopted as, an enterprise with total capital

employment of over ₦1.5 million but not more than ₦50 million, including working capital but excluding cost of land and a labor size of 11 – 100 workers.

Teriba and Kayode (1977) are of the opinion that, the search for modern means of producing local needs started in earnest during the 1958 to 1967 period. This does not mean that industrial activity was non-existent prior to this period, but it became significant from that period. Schatzi in Mensah (2006) claimed that modern industry played scarcely any role in Nigerian economic life before 1946. However, he conceded that the reasons for the low degree of industrialization were not that of raw materials, markets or labor, but institutional obstacles which the colonial government had erected to protect the interests of British industries and trading enterprises. The colonial government was then said to have promoted the incipient process of industrialization by fiscal incentives, direct government investment in industry and general measures of economic policy.

From this modest beginning, industrialization became of primary importance to the various post-independence Nigerian governments as reflected in the National Development Plans and Budget statements since independence. This explains the already mentioned rapid growth in the contribution of the industrial sector to the country's GDP between 1958/59 and 1971/72. Interest in industrialization has not waned, and yet the industrial sector in Nigeria has not become a force to reckon with respect to the national development process. This is industrialization process of the late 1940s and 1950s has been maintained to the present; an industrialization process which was not integrated with, and has still not been integrated with the rest of the national economy (Mensah, 2006; Toyo, 1990).

Development is what is required to enable the country's industrial sector meet contemporary challenges of globalization, economic reconstruction and poverty eradication. Therefore, the role of small scale enterprise towards achieving this goal cannot be over emphasized. They help in industrial import – dependence. Their presence brings about industrial competitiveness thereby expanding industrial export and facilitating the development of indigenous entrepreneurship and economic dependence. Small scale enterprises help to reduce rural – urban migration and its attendant anti – social consequences. They mobilize small savings for productive investment and serves as a means of enhancing industrial capital formation. This in the long run will go along way towards enhancing economic development (World Bank, 2001).

In addition, it has been recognized that small enterprises can respond flexibly under difficult and changing conditions as they depend less on infrastructure in relation to large enterprises and their typically low capital intensity allow product lines and inputs to be changed at relatively low cost (Anyanwu, 2001).

Female entrepreneurs have been identified by organization for economic cooperation and development (OECD 1997) as a major force for innovation, job creation and economic growth (Kitching and Woldie, 2011).

3. METHODOLOGY

The source of data for the study is primary source and the data was obtained directly from the responses to interview conducted. Interviews were conducted for women entrepreneurs who were selected randomly. The women sampled were interviewed with the use of prepared structured interview schedule. The questions were designed based on the objectives of the study. The use of interview method was because most of the respondents were not educated and cannot therefore read and write very well. The target groups for the study are three groups of women entrepreneurs consisting leather women cooperative consisting of forty (40) members, women carpenter cooperative consisting of forty (40) members and Alheri women group consisting of forty (40) members. A total of one hundred and twenty (120) women entrepreneurs served as the population size for this study.

A subset of the population was drawn from the entire population which served as a representative of the population from which result obtained would be generalized. In this case, care was taken to ensure that the subjects were represented in the sample as they occur in the population.

Stratified random sampling method was employed. The target groups for the study were grouped into three strata which are leather women cooperative, women carpenter cooperative and Alheri Women Group. In each stratum, a sample size of twenty (20) respondents were selected randomly using shuffling cards method. A total sample size of sixty (60) respondents were selected from the population. The data obtained from the study was analyzed using both descriptive statistics like frequencies, percentages and chi-square.

4. DATA PRESENTATION AND ANALYSIS

Thirty four (34) of the respondents which represents 56.7 percent are married, 5 of the respondents which represents 8.3 percent are single. Also, 9 of the respondents which represent 15 percent are

divorced while 12 respondents are widows which represent 20 percent of the population considered in this study, majority of the respondents are married.

Thirty six (36) of the respondents have passed through Qur’anic school, this represents 60 percent of the respondents. 9 of the respondents are first school leavers (primary) this represent 15 percent of the population. On the other hand, 6 of the respondents had secondary education, this represents 10 percent. Also, 3 of the respondents which represent 5 percent have been through tertiary education. Furthermore, 6 or 10 percent of the respondents have undergone adult education programs.

The response here shows clearly that majority of the women do not have the basic education they require. The implication of majority of the respondents not having the basic education is that adoption of new innovations may not be forthcoming since education plays a vital role in adoption of new improved technology.

On the reasons for the establishment of enterprises by women in the state. Twenty six (26) or 43.3 percent of the respondents established their enterprises due to domestic responsibilities. 10 or 16.7 percent of the respondents established their enterprise in order to gain social recognition. In order to be empowered (that is, enhance empowerment) 12 or 20 percent of the respondents established enterprises. Also 5 or 8.3 percent of the respondents established their enterprises in order to widen their horizon, while 7 or 11.7 percent of the respondents had in mind all the reasons mentioned earlier before they set up their enterprises.

The responses show that majority of the enterprises were set up due to “domestic challenges” faced by the women. The implication of majority of women establishing their enterprises because of domestic challenge faced by the women is that enterprises owned by women are established to meet domestic needs instead of been establish to make profit that can lead to expansion of business.

Twenty-eight (28) of the respondents representing 46.7% having problem of inadequate capital that can lead to expansion of business 09 or 15% of the respondents are having education as the major problems, 09 or 15% of the respondents are facing the problem of buying on credit as the major problem that is people buy on credit sometime they will not even pay or feel reluctant to pay. While 14 or 23.3% of respondents believed that their product are not fully in the market because production and sells all take place within their homes because of seclusion.

Twenty (21) of the respondents which represents 35 percent responded that they had received assistance from state government while No was the response of 39 of the respondents which is 65 percent. This shows clearly that majority of the women entrepreneurs have not received any form of assistance from the state government. This partly accounts for the short duration businesses set up by women are able to survive.

Fifty (50) percent or 30 of the respondents answered Yes to the question on receiving assistance from non-governmental organisations while 50 percent or 30 of the respondents responses were No. This implies that averagely women had received one form of assistance or the other from Non- Governmental Organisations.

On the extent to which the assistance from Government and NGOs increase the productivity of women entrepreneurs, the table above shows that, 24 or 40 percent of the respondents believe that the assistance they received has increased their productivity to a large extent, while 18 or 30 percent of the respondents says the assistance they received has increased their productivity to an extent. About 10 or 16.7 percent says the assistance has no impact on their productivity. 8 or 13.3 percent of the respondents believed that the assistance did not increase but rather reduced their productivity. The response therefore implies that assistance by government or NGO’s usually brings about greater or improved productivity.

4.1 Statistical Analysis

Table1: Observed and Expected Frequencies

Factors/Level of Education	Domestic	Recognition	Empowerment	Horizon	All	Total
Qur’anic	20 (15.6)	04 (6.0)	07 (7.2)	02 (3.0)	03 (4.2)	36
Primary	02 (3.9)	01 (1.5)	03 (1.8)	01 (0.75)	02 (1.05)	09
Secondary	01 (2.6)	01 (1.0)	01 (1.2)	02 (0.5)	01 (0.7)	06
Tertiary	01 (1.3)	01 (0.5)	0 (0.6)	0 (0.25)	01 (0.35)	03
Adult	02 (2.6)	03 (1.0)	01 (1.2)	0 (0.5)	0 (0.7)	06
Total	26	10	12	05	07	60

Source: Field Survey, 2013

The expected frequencies are calculated using the formula;

$$E_{ij} = \frac{R^i C^j}{G^T}$$

Where: R^T is the row total;

C^T is the column total; and

G^T is the grand total.

On comparing the observed frequencies (O) and expected frequencies (E), we will be able to calculate the chi-square values using the relation:

$$X^2_{ij} = \frac{(O-E)^2}{E}$$

Table 2: Chi-Square Values

Factors/ Education	Domestic responsibility	Social Recognition	Empowerment	Widen Horizon	All	Total
Qur’anic	1.24	0.67	0.01	0.33	0.34	
Primary	0.93	0.17	0.80	0.08	0.86	
Secondary	0.98	0.00	0.03	4.50	0.13	
Tertiary	0.07	0.50	0.60	0.25	1.21	
Adult	0.14	4.00	0.03	0.50	0.70	19.07

Source: Field Survey, 2013.

Since our contingency table above has 5 rows and 5 columns, the appropriate number of degrees of freedom is (r-1) (c-1).

$$\begin{aligned} \text{Degrees of freedom} &= (r-1) (c-1) \\ &= (5-1) (5-1) = 4 \times 4 \\ &= 16 \end{aligned}$$

At the 0.05 level of significance, the chi-square table value is

$$X^2_{\alpha, df} = X^2_{0.05, 16} = 26.30$$

Since $X^2_{\alpha, df} > X^2$ that is $26.30 > 19.07$, it can be inferred that women level of education has greater impact on their ability to set-up and expand enterprises in Sokoto metropolis. By implication the more women are enlightened the more they set-up and expand small business to compliment efforts of their husbands.

Table 3: Observed and Expected Frequencies

Assistance problem	To a large extent	To an extent	No impact	Reduce productivity	Total
Fund	10 (11.2)	8 (8.4)	05 (4.7)	05 (13.7)	28
Education	06 (3.6)	3 (2.7)	0 (1.5)	0 (1.2)	09
Buying on credit	04 (3.6)	03 (2.7)	1 (1.5)	1 (1.2)	09
Popularity of production	04 (5.6)	04 (4.2)	04 (2.3)	02 (1.9)	14
Total	24	18	10	08	60

Source: Field Survey, 2013

Table 4: Chi-Square Values

Assistance problem	To a large extent	To an extent	No impact	Reduce productivity	Total
Fund	0.13	0.02	0.02	0.46	28
Education	1.60	0.03	1.50	1.20	09
Buying on credit	0.04	0.03	0.17	0.03	09
Popularity	0.046	0.01	1.26	0.01	14
Total	24	18	10	08	6.97

Source: Field Survey, 2013.

Table above has 4 rows and 4 columns, the number of degrees of freedom is $(r-1)(c-1) = (4-1)(4-1) = 9$. At 0.05 level of significance, the X^2 table value is $X^2_{\alpha, df} = X^2_{0.05, 9} = 16.90$. Since $X^2_{\alpha, df} > X^2$ that is $16.90 > 6.97$, it can be inferred that the major problems militating against women participation in small business are directly proportional to assistance given by the government, that is if government increased assistance to this women their productivity will also increase.

5. DISCUSSION OF FINDINGS

The women entrepreneurs in Sokoto metropolis lack basic business and entrepreneurial education. The more women are enlightened the more they expand their businesses. Women entrepreneurs also experience poor access to credit facility. They are yet to enjoy reasonable access to credit like their male counterparts as they still depend largely on personal, family and informal sources of funds. Most of the enterprises collapse within a short period of time. Women entrepreneurs suffer different forms of discrimination with regard to access to the award of contracts, credit facility. Family commitments in terms of time, restriction from husbands, financial responsibility and domestic work have negative impact on the women entrepreneurs and management of the enterprises. Furthermore, the major problems militating against women participation in small business are directly proportional to assistance given by the government that is if government increases assistance to this women their productivity will also increase.

Women entrepreneurs in Sokoto are mostly in seclusion therefore both production and sales must take place within their environs. This condition leads to low popularity of their products because they cannot reach the market and their immediate customers are usually not buoyant enough to pay on cash and carry basis. This gives rise to selling on credit with attendant risk to such practice.

6. CONCLUSION

The expected contributions of women to small sale enterprises development and inturn national development cannot be undervalued. The government, NGOs, private establishment can help to alleviate if not eliminate the challenges and problems being faced by women entrepreneurs. Women population is significant yet their contributions and need are often not recognized or appreciated. Successful industrialization must have an educational base, unfortunately majority of the women do not have the basic education they require. The implication of this is that adoption of new innovations may not be forthcoming. Women entrepreneurs have little access to funds and credit facilities, and where credit facilities are available the interest rate and other bank charges are mostly too high. It is also difficult for women entrepreneur to provide the collateral security usually demanded by banks. Access to equity funding are difficult to raise by most women largely because of lack of trust by equity providers and access to the stock market is virtually non existent. Indeed women have barriers to overcome among them are negative socio-cultural attitudes, legal barriers, personal difficulties as well as the never-ending household chores. Unless women are helped to overcome some or all of these challenges the chances of succeeding in running an enterprise will remain a mirage.

Since women make-up a higher proportion of those involved in small – scale activities, their contribution should be acknowledged by the society as a whole and in particular the government. To acknowledge the contribution of women is to help or assist them to solve the numerous obstacles they are facing. In the face of all that, it is being suggested that the existing literacy level in the country and particularly among women can be improved by the government through education and training programs by educating more women providing them with basic education and training. These can be done by arranging scholarship and embarking on house to house training program involving female teachers who will meet with the targeted women in their various homes to educate and train them since most of them are in seclusion (purdah). The education and training should cover skill development courses, monitoring trainees and enterprises, marketing development et cetera, continuous training of entrepreneurs will help in assisting the women in becoming successful.

Therefore, in order to increase and support women's participation in small scale enterprises, both governments and donors should explore ways of developing innovative credit program using intermediary channels or institutions closer to the target groups such as co-operatives, women's group associations and other grassroots organisations. Savings and credit program should be designed in a way not to exclude women from participating. Establishing of support systems including the provision of relevant infrastructure, working materials machines, equity market, quality control, standardization, flexible rules and regulations, simplified registration and business procedures et cetera. This will help in strengthen the capacities of women.

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