

Challenges and Prospects of Women Empowerment in Small Scale Enterprises in Yobe State of Nigeria

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Abstract: The emphasis of many researches on women empowerment in Nigeria is on education and their marginalization in the work place but not many has looked into the entrepreneurship as a form of empowerment and the current situation of women in business in terms of empowerment. This research work tries to identify the prospects and challenges of women empowerment in small businesses, and this is achieved by identifying various empowerment factors available to them and how entrepreneurship is affective their role as a woman. A quantitative research approach that uses enquiry method to collect data from target respondent (Business women in Damaturu local government, Yobe state of Nigeria) was used. Regression analysis was applied to the 50 questionnaire collected using the Statistical packages for Social Sciences (SPSS). The result showed that women entrepreneurs are not aware of government programs available to help their businesses and they lack support from financial institutions as their support is mainly from informal sources. We also conclude that entrepreneurship has a negative effect on women private lives as most of them work round the clock without taking any break but the good news is that a sizeable proportion of the respondents claimed to vote regularly indicating a form of empowerment as it allows them to have their say in national development. This study therefore recommended government support in the form of finance, awareness programmes, infrastructural development, better security for businesses and enabling environment to help the women achieve their full potentials.

Keywords: Empowerment, Entrepreneurship, Statistical Package for Social Science, Regression Analysis

1. Introduction

It has been realised globally that failure to give proper consideration to the discriminated positions of women and men in society (rights, and opportunities) in formulating policies and designing projects can have negative effects on development. Most African countries are found to be lacking behind in meeting the target of the 3rd Millennium Development Goal (i.e. Equality and Empowerment of Women). Women are highly represented among the poor in Africa and the number of people living in extreme poverty (on US 1 a day or less in sub-Sahara Africa) increased from 217 million in 1990 to 290 million in 2000, the majority of whom are women. Also it has been found that in countries where poverty has been noticeably reduced such as Brazil, China and Vietnam, substantial regional and ethnic disparities and inequities is still widespread across

geographical location and income groups (IDRC and CRDI, 2010). Small and Medium Enterprises (SME) have been said to play the role of a catalyst for economic growth and development in most countries. For example, in many of the newly industrialized nations, more than 98 per cent of all industrial enterprises belong to the SMEs sector and account for the bulk of the labour force (Sanusi, 2003). SME in Nigeria are said to account for 70% of industrial employment with a GDP contribution of 50% (Odeyemi, 2003, Adebusi, 1997).

For Nigeria to achieve the Millennium Development Goals for 2015 there is a need to strongly focus on the development of its SMEs (Beck, et al 2005, Yelwa and Emanuel, 2013). A study of the socio-economic characteristics, motivation factors, and challenges will help policy maker properly target the problems faced by women in business. This is confirmed by World Bank 2001, that said that investing in more women businesses rather than men leads to greater development of a

nation while empowering women in entrepreneurship helps to break inequalities and reduces overall level of poverty. There is a need therefore more research to be done so as to identify the challenges faced by women in small scale businesses in our journey towards poverty reduction.

The main objective of this paper is to identify the prospects and challenges of entrepreneurship among women in the selected state. Other objectives includes

- Identify the challenges facing the women entrepreneurs.
- Analyse the major strength and weakness of selected women entrepreneurs.
- Make recommendation about future empowerment for women in business.

2. Literature Review

2.1. Small and Medium Scale Enterprise (SMEs) in Nigeria

The National Council of Industries in Nigeria defined small and Medium Enterprises (SMEs) as enterprises whose start-up costs is not more than two hundred million naira (N200, 000,000.00) excluding land. Many small-scale industries are said to be labour intensive and a good tool to boost the employment status of countries going through hard times. SMEs have been defined as the major means of achieving reasonable and viable industrial growth and dispersal (Ekpenyong and Nyong, 1992). In some developed part of the world such as USA, UK, SMEs are responsible for more than half of the total employment, tax sales, and total GDP. But in the Nigeria situation, with about 170 million people, huge productive and arable farmland, and natural resources, the potentials of SMEs are yet to be realised and this had led to some researchers expressing fear over the ability of small scale enterprises to drive growth (Mazumdar, 1997) especially in the developing countries.

Nigeria, a country with many potential natural resources such as agricultural, petroleum, gas, and solid mineral is still struggling with poverty since its independence in 1960 despite government spending on many small business development programmes leaving the majority of existing small businesses to self-fund. Small and Medium (SMEs) in Nigeria is said to have performed poorly over the decades as a result of poor government policy formations and hence not living up to their role as a growth facilitator of the economy (Onuorah, 2010). The situation was made worst when their performance is compared with how other developing and developed countries have been able to grow their small business sectors significantly. Onuorah, 2010 concluded in his study that small businesses in Nigeria has enough potentials to promote economic growth, reduce poverty and generate wealth if government is ready to provide necessary support to remove their challenges if Nigeria is to achieve its goal of becoming one of the world's 20 largest economies by 2020. He identifies problems such as; policy inconsistency, poor amenities, and lack of financial support as the major problems of small businesses in Nigeria and therefore recommended provision of easy access to finance, better

infrastructure and stable government policies to eradicate the problems. The study also confirms existing belief that small businesses could definitely be tools for economic growth in Nigeria.

2.2. Small and Medium Scale Enterprise (SMEs) and Poverty Alleviation

There have been several arguments amongst researchers about the definition and measurement of poverty and what constitute the poor. According to Aluko, (1975), 'poverty is the inability to participate in a dignify manner in societal activities due to lack of certain competences'. Ravallion and Bidani, B. (1994) in their own work defined poverty as the lack of control over basic necessities of life resulting in insufficient food, clothing and shelter. Meyer, (2001) expresses poverty as an instance of receiving too little income, consuming too little food and possessing very few properties to attain the general social standard of living and protect themselves from future problems. All these confirms the fact that different definition of poverty depends on the researcher's perspective of what is important for human existence but the bottom line is when you lack basic necessity required for survival, you are said to be poor. The World Bank report (2001) also estimated that 70.2% of Nigerians live on less than \$1 per day. This shows that poverty is a serious menace in developing countries that needs the utmost attention of policy makers. The figure below shows the world population living in poverty;

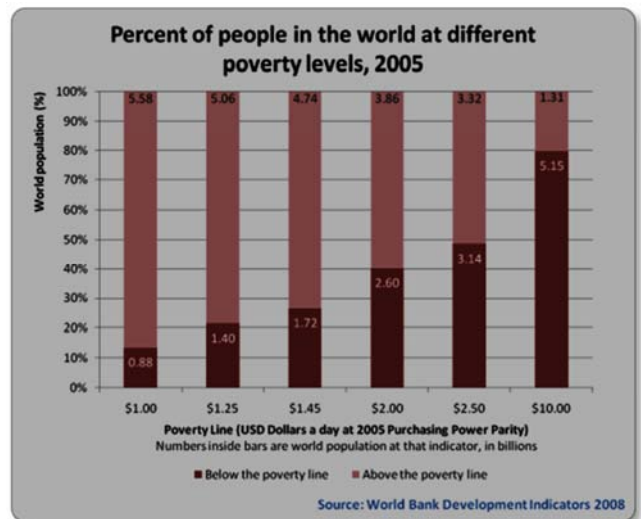


Figure 1. Percentage of people in the world at different level of poverty.

Oregwu and Chima (2013) in their study confirms that SMEs' through their contributions to GDP are very important in explaining the level of employment and hence poverty reduction. They think financial assistance to SMEs by Government will go a long way to help them fully achieve their potentials. Beck et al. (2005) also found a strong and positive association between SMEs and GDP per capita growth but find no evidence that SMEs alleviate poverty or decrease income inequality. Onugu (2005), reveals that

SMEs in Nigeria have performed below expectation compared to the developed world due to problems such as attitude and habits of SMEs themselves, environmental related factors, instability of governments and frequent government policy changes.

2.3. Women Empowerment

World Bank 2001 defines empowerment “as the expansion of freedom of choice and actions and increasing one’s authority and control over the resources and decisions that affects one’s life. Women empowerment therefore refers to the means by which women acquire the capacity to take control and ownership of their lives. The study of past literature has shown that women in business are faced with many challenges compared to their male equal. Issues such as support, challenges and motivation for women are raised in the papers below; Harinarayana, (1991) in his study on “Promotion of Women Entrepreneurship” the factors preventing the growth of entrepreneurship among women in the rural areas includes; inhibitions due to child care, economic backwardness, lack of family support, lack of opportunities and motivation, seeking job security from permanent employment to make ends meet.

It has therefore been realised globally that failure to give proper consideration to the discriminated positions of women and men in society (rights, and opportunities) in formulating policies and designing projects can have negative effects on development. Most African countries are found to be lacking behind in meeting the target of the 3rd Millennium Development Goal (Equality and Empowerment of Women). Women are highly represented among the poor in Africa and the number of people living in extreme poverty (on US 1 a day or less in sub-Sahara Africa) increased from 217 million in 1990 to 290 million in 2000, the majority of whom are women. Also it has been found that in countries where poverty has been noticeably reduced such as Brazil, China and Vietnam, substantial regional and ethnic disparities and inequities is still widespread across geographical location and income groups (IDRC and CRDI, 2010).

There is a need therefore more research to be done so as to identify the challenges faced by women in small scale businesses in our journey towards poverty reduction

2.4. Prospects and Challenges of Women Empowerment

The participation of women in entrepreneurship and other economic activities is said to be on the increase but development activities have benefited only a small section of the women.

Several literatures on women empowerment have identified some common problems that is preventing women entrepreneur from acting as a driver of economic growth. For example, Singh and Belwal (2008) in their own study reveals

lack of finance, lack of management competence, exposure, lack of markets and distribution networks, limited opportunities for promotion and participation, limited amount of government and institutional support; absence of technological know-how as major problems of women entrepreneurs. Dejene, (2007) identified labour burden, weak infrastructures, and limited enabling environment as some of the problems preventing women from reaching their growth potential. Palaniappan et al, 2012 highlighted factors such as the type and mode of business and lack of training programmes as the common problems facing women entrepreneurs in Erode District. Singh (2012) in his research on “Women Entrepreneurship Issues, Challenges and Empowerment through Self Help Groups: An Overview of Himachal Pradesh” identify government policies exempting women as a problem and therefore concluded that women participation in economic activities is essential as an indicator of a society’s stage of development and therefore imperative for government to consider women’s social, economic and political activities in policy decisions.

ADFID report (2010) also confirmed that some programmes targeted at empowering women economically were quite effective but still have a long way to go in eradication common problems such as lack of entrepreneurial capacity and access to credit which are limiting the growth of women businesses. This study will therefore focus on understanding the prospect of women empowerment as a possible solution to SMEs growth and Nigeria and poverty reduction in general. Common problems faced by women entrepreneurs in the case study area will also be identified and recommended for inclusion into government poverty reduction policies.

3. Research Methodology

3.1. Study Area

The study area will be Yobe state of Nigeria and effort will be made to get the list of small scale business in the state, and the female entrepreneur will be selected.

3.2. Data Collection Method

Primary data will be collected from female small scale entrepreneurs in Yobe state of Nigeria through the use of well-structured questionnaire and interview. Participant entrepreneur will be selected using an appropriate sampling technique so we can generalise the result to the whole population.

3.3. Analytical Technique

Data collected will be analysed using SPSS (Statistical Packages for Social Scientist). Tables and graphs will be used to explain the information in the data.

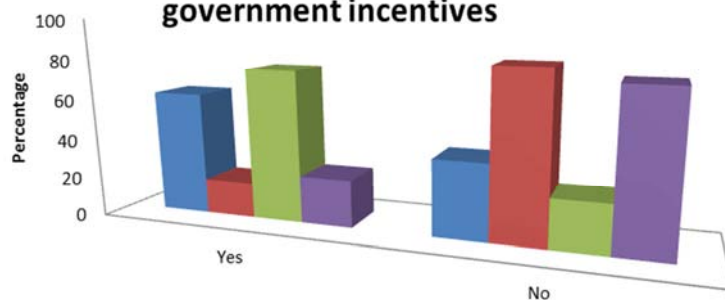
4. Result

Access to External Help

Table 1. Access to external Support continues.

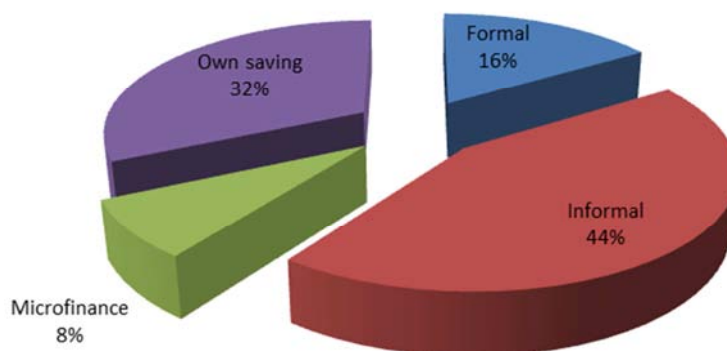
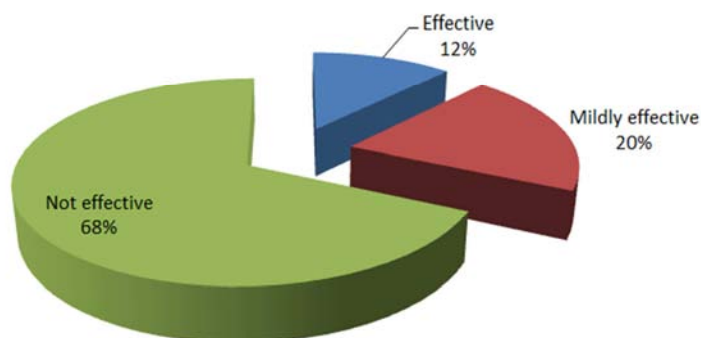
External support	%	Social media	%	voting	%	Government Incentives	%
Yes	62.0	Yes	18.0	Yes	76.0	Yes	24.0
No	38.0	No	82.0	No	24.0	No	76.0
Total	100.0		100.0		100.0		100.0

Source: Computed from Data, 2015

Access to external support, social media and government incentives*Figure 2. Access to External support, social media and Government Incentives.**Table 2. Access to external Support.*

Source of funds	%	Infrastructures	%	Large Business view	%	Government Support	%
Formal	16.0	Roads/Bus stop	86.0	Yes	76.0	Effective	12.0
Informal	44.0	Waste Disposal	14.0	No	24.0	Mildly effective	20.0
Microfinance	8.0					Not effective	68.0
Own saving	32.0						
Total	100.0		100.0		100.0		100.0

Source: Computed from Data, 2015

Sources of funds*Figure 3. Distribution of Sources of Funds.***Government support for small businesses***Figure 4. Effectiveness of Government Support for Small Businesses.*

In table 1 and 2 below the findings shows that 62% of respondent have access to external help with funds sourced mostly from friends and family (40%) and personal savings (28%). Most (76%) have never benefitted from any government incentives therefore 68% believes that government support for businesses is not effective at all. Road and bus stops were nominated by 86% of respondents

as the infrastructure commonly provided by government and 14% nominated waste disposal, almost all of them (92%) have no say in the social infrastructure introduced to the area. Most women (82%) do not have access to social amenities but 76% confirmed that they vote on a regular basis. Lastly, 76% of respondents believe that larger businesses are getting better help from the government in terms of access to loan.

Table 3. *Advantages and Challenges of Women Entrepreneurs.*

Advantages	%	Challenges	%	Advice	%
Independence, Support family, Source of Income	74.0	Low capital, Low profit, Insecurity	74.0	Better security, Better women incentives, Better credit	84.0
Time control, Sense of value,, Source of Income	16.0	Low production, Managing family, low Profit	10.0	Training, Loan, Gifts	12.0
Time control, Sources of Income,, Support family	10.0	Low customers, Low security, Stressful	16.0	Loan, training, Credit	4.0
Total	100.0		100.0		100.0

Source: Computed from Data, 2015

Table 3 above shows (74%) indicated independence, sources of income and ability to support the family as the advantages of running their own business while low capital, low profit and insecurity were the three most identified challenges (74%). Finally 82% of respondents thinks

improve infrastructure, technology and better credit services is the best way for government to make businesses more productive. On the other hand, 84% thinks improved security, better business incentives and credit provision will encourage more women to open their own business.

Table 4. *Logistic Regression for Access to External Help.*

Step 1 ^a	B	Std. Error	Wald	Df	Sig.	Exp(B)
Age	.056	.043	1.660	1	.198	1.057
MStatus	-1.079	1.022	1.114	1	.291	.340
Education	.929	.596	2.428	1	.119	2.533
HouseholdNo	-.169	.218	.599	1	.439	.845
BussinessDegree(1)	-.066	1.690	.002	1	.969	.937
BussinessAge	-.412	.209	3.872	1	.049**	.662
NoStaff	.302	.257	1.383	1	.240	1.352
Profitability	-.543	.624	.758	1	.384	.581
NoDaysWorked	.216	.342	.397	1	.529	1.241
Holidayperyear	-.038	.439	.008	1	.931	.962
BussinessAlone(1)	2.983	1.359	4.815	1	.028**	19.738
BussinessType	.658	.482	1.868	1	.172	1.932
Constant	-.157	4.771	.001		.974	.855

Source: Computed from Data, 2015

0.00-0.01 * Chi-square significant at 1%

0.02-0.05 * * chi-square significant at 5%

0.06-0.10 *** Chi-square significant at 10%

The analysis of access to external support with several selected variables indicated that age of the business and having just that business alone are the two variables significant for predicting the model. This simply means that, entrepreneurs who has been in business for a longer time and are running only one business have a better chance of getting access to external support for the business. The result simply means that if the age of the business was increased by one year, it will increase the log odds of accessing external support by 0.662. The Nagelkerke R Square confirms the fitness of our model to the problem, that is, 51.2% of the variation in the dependent variable (Access to external support) is explained by all the independent variables.

5. Implications of Findings Summary of Result

The findings show that most respondents have no access to external support for their business, are over 40 years of age with low level of education. Also the common sources of funds are mostly from friends and family or personal savings and majority believes that government support for small businesses in the area is not effective. Finally, a research result indicates that most respondents are regular voters indicating some level of empowerment. Access to external help is found to be influenced by two variables (Age of business, Running just

one business) in the logistic regression analysis.

The binary logistic regression was used to identify which of the variables are likely to affect access to external support. Having just one business is show to have a 19.738 chance of increasing access to external support while a one year increase in business age will increase the odd of accessing external fund by 0.662. The regression model is also shown to be statistically significant at 0.023 while a 51.2% R square confirms the fitness of the model to the problem.

6. Conclusion

The contribution of women as well as small and medium scale businesses to nation's development plans has been proved beyond any reasonable doubt as important, especially in a country like Nigeria plagued with unstable economic conditions. For Nigeria to achieve overall economic development in all sectors and also the 2020 millennium development goals (MDGs), there is a need for government to annex the potential power of women as an important tool for economic growth and also used the influence of SMEs as a catalyst for economic development to accomplish a durable economic growth. As a result of this research finding, we therefore make the following conclusions; women in Nigeria have low literacy level compared to men, while women in business tend to be older women in their forties with large family size and no business related training. The study also discovered that most women entrepreneurs are not aware of government programs available to help their businesses and they lack support from financial institutions as their support is mainly from informal sources such as family and friends. We can also conclude that entrepreneurship has a negative effect on women private lives as most of them work round the clock without taking any break; this could be linked to low profit and lack of required facilities to make their working life easier. A good proportion of the respondents are reported to vote regularly indicating a form of empowerment as it allows them to have their say in who runs the economy.

Finally, our respondents highlighted independence, supporting their family, and source of income as the benefits they derive working for themselves, while, low capital, low profit, and insecurity were the most common challenges facing women in business. They believe government can encourage more women to start their own business by providing better security, better incentives for women in business and better access to credit facilities.

Policy Recommendation

- This research shows the pressing need for government to help the small and medium scale businesses in Nigerian and support them through schemes/ programmes that provides flexible funding, social amenities, and other capacity building facility to support their business so they can easily compete with the large businesses out there.
- Government should emphasise the importance of

business education by introducing it to the curriculum in secondary schools and colleges of education to provide the required background in business training and also to get more young people interested in business as we discovered that most small business owners are illiterate with no formal business training and over 40 years of age.

- There a need for more awareness programs (TV, radio jingle, leaflets, signboards) targeted at women in business to educate them about what government incentives are available to them and where they can go for help and advice for their business as most of them have no clue if there is any program in place to support them.
- Finally Nigeria government need to focus more on infrastructure building and improving technology to help businesses (most especially petty traders) in this area to help improve their production capacity in other to increase their profitability which is shown to be quite low at the moment. Infrastructures such as good roads, tap water, sewage disposal, internet facilities etc. will go a long way to improve their business.

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