

Women Entrepreneurship as an Economic Force in Rural Development in Nigeria: Challenges and Prospects

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1. Rural entrepreneurship
2. Women Entrepreneurs
3. Naira (N)
4. Culture
5. Tradition
6. Tribes
7. Rural
8. Urban
9. Micro

Abstract

This article examines women entrepreneurship in rural areas and impact of rural entrepreneurship in the economic development of rural communities. This article is a research into the concept of rural entrepreneurship given the misconception that rural areas are synonymous with agricultural food production which is far from reality in rural communities in Nigeria. The article explains the role of women entrepreneurs in their rural communities using women entrepreneurs involved in the tie and dye micro businesses in rural communities in Ogun State as a case study. This paper deals with the following four issues: firstly, it sets out the reasons why promoting women entrepreneurship in rural areas of Nigeria is vital to enhance economic development and survival of rural communities which is rift with rural – urban migration; secondly, it states the regulatory policies by Nigerian Government to create a conducive environment for women entrepreneurs in rural areas of Nigeria; and thirdly, it considers successes and challenges of women entrepreneurs in rural areas of Nigeria. Fourthly, this article deals with the global implications of women entrepreneurs in rural areas of Nigeria

INTRODUCTION

Women entrepreneurship in the rural areas of Nigeria is viewed as a new concept especially in traditional African Societies where men are dominant in the family and the woman's role according to the culture of many tribes in Nigeria is to cater for the children at home, cook meals and do the laundry. Despite laws to curb gender discrimination in Nigeria, women entrepreneurs face challenges because of their gender since traditionally, Nigeria remains a male dominated country (Babalola, 2014). In a male dominated society in underdeveloped and developed countries, issue of women empowerment is of interest. Apart from the traditional roles ascribed to women by various cultures in Nigeria, women entrepreneurs are stereotyped by other women as ambitious and rebellious for stepping out of their traditional roles.

Rural development is a burning issue in Nigeria given the trend of rural – urban migration by the productive work force especially youths in search for greener pastures including better live in urban areas of Nigeria. The value for rural population in Nigeria was 81, 860, 550 as of 2011 and total population in Nigeria is 162, 470,737 according to World Bank Report (2011).

Omonigho T.O. & Olaniyan Z. O. (2013) defines rural – urban migration as the movement of people from rural

areas to cities. Todaro and Smith, 2009 states that reports from both developed and developing countries indicate increase in rural –urban migration which has put pressure on social amenities and infrastructure of cities including housing, health care and employment.

According to Index Mundi (2011), rural population refers to people living in rural areas. It is calculated as the difference between total population and urban population. Aggregation of urban population and rural population may not add up to total population because of different country coverages.

Research in Nigeria shows that women in rural areas start new businesses due to lack of career advancement; financial autonomy; passion; power and determination to succeed. Most of the rural women provide for their families through subsistence farming and other agricultural practices such as fish farming, poultry supplemented by petty trading (Onyenechere E.C., 2011).

Women entrepreneur either in rural or urban areas faces high business failure rate in Nigeria than male entrepreneurs. This is not different from statistics from other countries. For example, Watson, (2003) has examined the failure rates among women entrepreneurs in Australia. The analysis of the research shows that the business failure rate of women entrepreneurs is higher than male entrepreneurs.

RURAL ENTREPRENEURSHIP

According to Onyenechere (2011) women are engaged in various activities in the informal sector rural areas such as

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petty trading, vocational enterprises, handicraft, farming to agro processing. There are many examples of rural entrepreneurship in Nigeria despite the misconceptions that rural areas in Nigeria are synonymous with agricultural food and animal production. In Nigeria, there is enormous diversification in rural areas into non-agricultural micro business ventures such as wood and furniture, blacksmithing, fashion design, petty trading, carpentry, tie and dye, cyber cafe, business centres, restaurants, hotels, transportation, mechanic workshops, fish and meat mongers, GSM recharge card/service, metal fabrication, hair dressing/barbing salon, local juice and 'akara' (bean cake) production etc. (Osunde, C., 2014).

Rural entrepreneurship is similar to entrepreneurship in the urban areas. A rural entrepreneur is an individual who resides in the rural area and establishes a business venture in the community that contributes to the economic development of his or her rural area. Thus, rural entrepreneurship is community based and since Nigerians are collectivists, rural entrepreneurship is tied to ones extended family, friends, relatives (Hui & Triandis, 1986; Triandis et al., 1990) and it has a huge positive impact on local or rural communities.

WOMEN ENTREPRENEURS

In the recent times, Nigerian Government has established numerous programs including health care, micro finance credits, training to boost the quality of life of rural women and women entrepreneurs. Such initiatives by the Federal Government of Nigeria includes granting of licences to individuals or groups to operate community banks, Better live for Rural Women established in September, 1987 under the General Ibrahim Babangida Administration. (Sule J.G. et al, 2013).

According to Hisrich and Brush (1984), there is no significant difference in characteristics between women entrepreneurs and male entrepreneurs. Both male entrepreneurs and women entrepreneurs exhibit traits such as fear of failure, aggression, independence, benevolence, appreciation and are eager to succeed.

Women entrepreneurs, as research demonstrates due to traditional conceptions concerning the roles of a female child are less educated than their male counterparts in rural areas (Sule J.G. et al, 2013).

Apart from discrimination that confronts women entrepreneurs in traditional African settings, there are numerous challenges that confront women entrepreneurs in rural areas of Nigeria such as poor road network, high

cost of borrowing, epileptic power supply, low levels of education, inadequate family planning methods characterised by high birth rates and poor health facilities.

Umebali and Akubuilu (2006) research found out problems in rural communities includes: poverty, poor infrastructure, high population density, high level of illiteracy, rural – urban migration, low social interaction and local politics.

Harinarayana, (1991) in his study on 'Promotion of Women Entrepreneurship' states that women entrepreneurs are confronted with lack of support from their families and are discriminated by the community which is similar to challenges that women entrepreneurs face in rural areas of Nigeria. According to Harinarayana (1991) other factors that hinder women entrepreneurs in Nigeria includes lack of motivation, poverty, insufficient knowledge about opportunities and preference for white collar jobs.

Women entrepreneurs in rural areas of Nigeria find it difficult to obtain loans from financial institutions such as community banks and commercial banks; and when they are able to access such funds, women entrepreneurs just like their male counterparts are faced with high interest rates and short term loans from commercial banks. Constraints in aspects of financial, marketing production, work place facility and health problems. There is the problem of poor road networks and high cost of transportation in Nigeria to convey their finished products to urban areas. Nayar, Pooja et. al., 2007 identifies finance problems including marketing difficulties owing to transportation cost and poor road networks as problems that confronts women entrepreneurs in rural areas.

Caputo and Dolins (1998) have examined the role of financial and human capital of

household member to pursue self-employment among females. The analysis revealed that business knowledge and cooperation of husband in family matters contribute a lot to pursue the business. Findings further suggested that government should provide necessary skill through training programmes to women to ensure rapid growth of entrepreneurship in rural communities.

PREVIOUS RESEARCHES

Punitha et. al. (1999) research examined the challenges faced by women entrepreneurs. Using a population of women entrepreneurs, a sample of 120 women entrepreneurs were interviewed from June to July 1999 out

of which 42 women entrepreneurs operated in rural communities and 78 women entrepreneurs resided in urban areas. The study found that the major challenges faced by rural women entrepreneurs are competition from better quality products finding its way to rural communities from cities and foreign countries and marketing problems owing to poor infrastructure in rural areas. In addition, problems faced by rural women entrepreneurs are ignorance and high levels of illiteracy, distance from market and ignorance about governmental agencies that are established to support their micro business ventures.

SCOPE OF THIS CURRENT STUDY

This paper deals with the following four issues: firstly, it sets out the reasons why promoting women entrepreneurship in rural areas of Nigeria is vital to enhance development and survival of rural communities which is rift with rural – urban migration; secondly, it deals with the regulatory policies in Nigeria to create a conducive environment for women entrepreneurs in rural areas of Nigeria; and thirdly, it considers successes and challenges of women entrepreneurs in rural areas of Nigeria. Fourthly, this article deals with the global implications of women entrepreneurs in rural areas of Nigeria.

RESEARCH METHOD

This study focused on female entrepreneurs in Ogun State, Nigeria operating in the tie and dye of clothing traditionally referred to as 'Adire' in Yoruba Language which is the local language in Ogun State, Nigeria. The 'Adire' is mainly clothing material consisting of cotton dyed into various attractive designs worn by people within and outside Nigeria (Olabisi S.Y. & Olagbemi A.A., 2012). The primary aim was to examine the growth of the tie and dye business in Ogun State which contributed to the development of their host communities in rural areas and to look for possible reasons as to why the tie and dye micro businesses owned by women entrepreneurs tend to be small and why some of the tie and dye micro businesses do not seem to grow since their businesses have been operated for many years. Using a research model developed by Reijonen H. and Komppula R. (2004), the author identifies five main factors or key indicators in this research to determine the growth in the tie and dye micro business of women entrepreneurs in Ogun State, Nigeria which were:

1. Motivation and personal expectations

2. A desire to be independent

3. Education and managerial experience

4. An ability to spot market opportunities, innovation and risk-taking

5. Attitudes towards change

The population of the study is based from rural communities in Ogun State. Consequently, the population used for this study consisted of 54 female-owned craft enterprises operating tie and dye micro business ventures. 30 women entrepreneurs involved in the tie and dye micro business ventures responded to the questionnaire.

It is evident that only 56% of women entrepreneurs responded to the questionnaire which is inherent limitation of the study. 65% of women entrepreneurs who were surveyed wanted to succeed in their business. This is a positive outcome of the study.

RESULTS

The age of the respondents varied from 23 to 57. However, 73% of the respondents were over the age of 35. The level of education among the respondents was fairly low. 43% had attended primary school which is a basic form of education in Nigeria. 50% stated that they had no basic form of education but received vocational training from peers and non governmental organisations (NGOs). 5% of the respondents had completed their secondary school education while 2% of the women entrepreneurs who responded to the questionnaire had completed their university education.

The women entrepreneurs involved in the tie and dye micro businesses were at very different stages if one considers the time they had been conducting their businesses. They were, however, fairly evenly segregated between those who had commenced their micro businesses less than 4 years ago and those whose entrepreneurial micro business ventures had lasted longer than 4 years.

All of these business ventures engaged by women entrepreneurs in the selected population in rural communities of Ogun State, Nigeria can be referred to as micro-enterprises considering the size, number of

Table 1 : Factors for women entrepreneurs

	Mean	Standard Deviation
The product and services are of high quality.	1.65	1.285
One can work in a field equal to one's education and /or know-how.	1.79	1.338
One can do what he likes best.	2.85	1.688
One can supervise and control the activities in the business.	2.70	1.673
One has enough time for family and leisure.	2.45	1.565
The independence and freedom of the entrepreneur: one can be one's own boss.	2.60	1.613
The business supports the entrepreneur and her family.	2.80	1.673
The business makes high profits.	3.50	1.871

employees and turnover of their enterprises. 80% had only one employee (the entrepreneur herself) and the largest firm, in terms of employment, had 5 employees. During the last 3 years, there been no development in these figures. It was difficult to convince the women entrepreneurs involved in this present research to divulge details of their annual turnover. There were differences in the levels of annual income ranging between N500,000 or 3000 United States dollars to N1, 560, 000 or 10 000 United States dollars. In only 4 firms was the turnover N7, 800,000 or 50 000 United States dollars.

The respondents were asked to mark (on a scale: 1- extremely important to 5-fairly insignificant) how important they felt the given factors to be as women entrepreneurs (Reijonen H. and Komppula R., 2004). These factors are listed in order or scale of importance, according to their means (see Table 1).

The two most important factors were quite distinctive. 87% of the respondents felt that it was extremely or very important for an entrepreneur to be able to produce high quality products and services and at the same time work in

the field of her education. Most of the other factors were also considered to be at least fairly important. The "high profit" factor seemed, however, to be somewhat less significant than the others. Only 20% regarded this factor as extremely or very important.

The women entrepreneurs were given a list of possible business goals and they were asked to rank them in order of importance (1- the most important goal, 2- the second most important goal ... 8- the least important goal). (Reijonen H. and Komppula R., 2004).The final list of goals in order of their importance according to their means was as follows (see Table 2).

Also, 75% of the women entrepreneur respondents stated living a life and survival of their micro business ventures were among their business goals. At the same time, 60% of the women entrepreneur respondents regarded growth in employment as the least significant goal in their businesses. The importance of the growth in turnover varied from one women entrepreneur to another but it was the second least important goal for the respondents of this current study.

Table 2 : Business Goals

	Mean	Standard Deviation
The owner obtains a reasonable living and a good quality of life from the business.	1.80	1.342
Increase in the overall profitability and returns on capital.	4.78	2.186
Renewal of the product mix.	4.56	2.135
Higher quality products	4.20	2.049
Expansion of the market area of the business	4.90	2.213
Business growth through increase in turnover	5.75	2.398
Business growth through increase in the number of employees.	7.80	2.793

The respondents were also asked to review how they evaluated their own success and what were the factors that determine the success in the tie and dye micro business venture. 95% measured their own success primarily by the quality of the product and 98% stated that high quality was an important factor in the tie and dye micro business venture. Moreover, 80% believed that their products met the demand for high quality. The second most general meter of their own success was the respect of the customers. 73% of the women entrepreneurs thought this was an extremely important meter.

Women entrepreneurs involved in the tie and dye micro businesses were fairly eager to succeed in their micro business venture. About 65% agreed that they had always wanted to succeed and gain something during their lifetime. Moreover, 62% disagreed with the statement that they should be content with the things they have gained in their lives and support of their family members was important and lacked the desire to acquire more profit.

GLOBAL IMPLICATIONS

In this current study of women entrepreneurs in Ogun State, Nigeria, education did not seem to have a significant effect on attitude towards growth in the rural communities. Passion, training, previous experiences and support from agencies were significant contributing factors in the successes of women entrepreneurs in rural communities. The global implication is that of support from agencies to assist in the growth of micro business ventures established by women entrepreneurs in rural communities since the growth of the micro business ventures had a significant impact in the development of local communities.

Majority of women entrepreneurs in Ogun State, Nigeria had knowledge and skills in their tie and dye micro business venture and believed that skills coupled with innovations in their finished product was essential for sustainability of their micro business ventures. The implication for entrepreneurs whether male or female either in urban or rural areas is that innovative products are essential for the survival of business ventures given the increase in competition from competitors in local markets locally and internationally.

Successful women entrepreneurs in this current study were less likely to rush into decision making, concerned about the risk involved in their micro business ventures, prudent in allocating resources and spending income accruing to their tie and dye micro business ventures. The implication for entrepreneurs is that identifying risk of a business and managing the risks are vital to sustainability of business ventures. Managing risks entails being prudent with regard to the resources of the businesses and avoid wasteful spending which can lead to serious consequences on the finance and operations of business ventures.

Growth oriented and successful women entrepreneurs in this study had a passion for their micro businesses and a desire to succeed and experienced high level of profits. On the other hand, women entrepreneurs who had no desire for growth perhaps their business were established lacked passion for their businesses and did not experience appreciable increase in profits. The global implications for entrepreneurs is that passion and a desire to succeed are necessary for sustainability of the business venture considering the high level of business failures especially start ups.

CONCLUSION

Women entrepreneurship in rural areas is vital to enhance the economic development of rural communities. There are a number of challenges that confronts women entrepreneurs in rural areas such as poor infrastructure, poor road network, high cost of loans from financial institutions, epileptic power supply, low levels of education, inadequate family planning methods characterised by high birth rates and poor health facilities. Given the importance of rural entrepreneurship in the development of rural communities, governments especially in developing countries should address the challenges faced by women entrepreneurs through actions and initiatives. Pro-active Government support is needed or vital to women entrepreneurs in rural areas for upliftment of rural communities. This present study found out that the desire to succeed and passion exhibited by an entrepreneur were essential for the growth of the business venture. Majority of the women entrepreneurs involved in the tie and dye micro businesses that experienced increase in profit levels were eager to succeed in their micro business venture.

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