



A Study on Women Involvement in Entrepreneurship

(A Case Study of Zambia With Specific Reference to Chipata Eastern Province)

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ABSTRACT

Eastern province particularly Chipata has enormous young women and productive workforce that will get an opportunity to involve in any form of entrepreneurship but they remain underutilized despite representing a capable pool of talent. In the developing world, women work hard at a variety of tasks with little control over productive resources. This study therefore will examine motivating factors of women involvement in entrepreneurship, identify the sources of venture capital and analyze the factors that hinder women entrepreneurship. Both primary and secondary data will be collected. Simple random technique will be used in selecting 100 women participants both from formal and informal business sectors. The study will employ questionnaires and extensive field survey interviews for data collection, graphs, charts and percentages including tables will be used for data analysis. Findings will be made during the course of the study and recommendations will be made thereafter.

Keywords

- ✓ Women Entrepreneurship
- ✓ Enormous Young Women
- ✓ Simple Random Technique
- ✓ Confidence Interval

INTRODUCTION

Increasing the number of women entrepreneurs involved in starting new businesses is critical for a country's long-term economic growth (GEM 2000). In addition to their economic and income-generating activities, women assume multi-faceted roles in society, i.e. as breadwinner of a family, unpaid family workers, service providers in the communities and mother/care-taker of the family. In spite of their important contributions to socio-economic development; women suffer from various constraints, which inhibit them from fully realizing their potential for development (UNIDO 2003).

Women entrepreneurs have demonstrated the ability to build and maintain long-term relationships and networks, to communicate effectively, to organize efficiently, to be fiscally conservative, to be aware of the needs of their environment, and to promote sensitivity to cultural differences.

The idea and practice of women entrepreneurship is a recent phenomenon in Zambia until the 1980's, little was known about women entrepreneurship both in practice and research, which made its focus entirely on men. Scientific discourse about women's entrepreneurship and women owned and run organizations is just the development of 1980s (ILO, 2006). Recent studies show that most of women entrepreneurs are found in Micro and Small Enterprises (MSMEs), particularly in small scale farming, hotel accommodation (lodges) fashion and beauty industries. According to the Zambia Central Statistics Office (2004), almost 50% of all new jobs created in Zambia are attributable to small business enterprises and roughly 49% of new businesses that were operational between 1991 and 2003 were owned by women.

Eastern province is one of Zambia's ten provinces. The province lies between the Luangwa River and borders with Malawi to the east. The province capital is Chipata which is the 3rd largest district in the country with significant amount of trade which occurs between Zambia and Malawi via Chipata. The district is highly characterized by different cultural norms which identifies its people by tribe.

As per 2010 Zambian census, eastern province had a population of 1,592,661, accounting for 12.6% of the total Zambian population and it is divided into eleven districts.

That is the more reason the district has been chosen to study the involvement of women in entrepreneurship to see how it can contribute to economic development of the district to reduce poverty.

METHODOLOGY

Research methodology is a way to systematically solve the research problems. It may be understood as a science of studying how research is done systematically. In it we are studying the various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them (Kumar 2008).

The field based primary research work looked at women running registered enterprises. The data collection methods were survey questions and in-depth interview guides for case study.

Research design

The study was conducted on the basis of percentage analysis understanding the extent to which women are involved in entrepreneurship through tables.

Area of Study

The research was conducted within the central business place of Chipata City

Population

The population of study was every woman entrepreneur running a registered business; the sample size was taken to be 50 women entrepreneurs which were determined using the formula of Slovin (1960).

Determining the Sample Size

Sampling is the process which involves taking a part of the population, making observation on these representative groups and then generalizing the findings to the bigger population (aryl 1991).

To determine the ideal sample size for a population, Slovin's formula is used which is

$$n = N / (1 + (N * e^2))$$

Where:

n = number of samples

N = total population

e = margin of error

N= 100 women entrepreneurs

E=margin error of 10% or 0.1.

According to Cochran (1977), 90% confidence interval is more reliable

Sample size = $100 / (1 + 100 * 0.01) = 50$ women entrepreneurs and 50 questionnaires were distributed to women SMEs.

Types and Sources of Data

1 Primary Data

This is raw data which was collected through questionnaires and interviews both face to face and online with key stakeholders.

2 Secondary Data

The already processed data was collected through the review of journals and published literatures relevant to the subject of the research. The electronic search site: www.google.com was employed extensively for updated materials on the topic

Data Processing.

Data processing was done through the use of excel sheets to sort, summarise and convert data into usable information.

Data Analysis

Descriptive statistics were used, bar chart, cross tabulation table and frequencies tables were used to present the findings.

Recommendations were done based on the findings to try and suggest solutions to the problem

Thereafter the conclusion was given.

DATA ANALYSIS

The research yielded the following data:

Table 1: personal information of respondents

	Variables	Frequency	percentage
AGE	(20-30)	6	12
	(31-40)	27	54
	(41-50)	12	24
	(above 50)	5	10
	Total	50	100
EDUCATION	Illiterate	5	10
	Primary	15	30
	Secondary	23	46
	Tertiary	7	14
	Total	50	100
MARITAL STATUS	Single	10	20
	Married	31	62
	Divorced	4	8
	Widowed	5	10
	Total	50	100

Source: Primary data

The Table 1 shows that 6% of the respondents are 20- 30 years old, 54% are between 31-40 years old, 24% are between 41-50 years old, 10% are above 50years old. The table depicts a high concentration of women entrepreneurs in the age range of 31-40.

Table 1 show that the interviewed women entrepreneurs having completed primary school represent 30% of the sample. Secondary education has been completed by 46% and tertiary education was completed by only 14. % of the sample then 10% are illiterate.

Table 1 also indicates that 4% of women entrepreneurs are divorced, 10% are widowed, 20% are single, and 62% are married.

It is evident that a greatest number of women entrepreneurs are married and the smallest number of them is divorced.

Table 2: showing the type of business women engage in

Variable	Frequency	Percentage
Manufacturing	10	20
Trading	25	50
Hospitality	15	30
TOTAL	50	100

Primary data

Table 2 shows that 80% of the respondents are in trading and hospitality businesses respectively while 20% of the respondents are in manufacturing business.

Table 3: Startup sources of finance

Source of funds	Frequency	percentage
Own savings	29	58
Commercial bank loans	1	2
Co-operatives	2	4
Micro finance institutions	3	6
Friends and relatives	15	30
TOTAL	50	100

Primary source

Table 3 shows that 58% of the source funds were from the own savings and 30% from friends and relatives very little came from financial institutions.

Table 4: showing reasons why women involve in business

Variables	Frequency	Percentage
Not educated	4	8%
Need income	12	24%
Self-boss	23	46%
Unemployment	11	22%
TOTAL	50	100

Primary Source

Table 4 above indicates 46% of the respondents stating that they needed to be independent and self-employee as the government encourages people to become entrepreneurs, second highest stated was 24% that they had too little income and needed more income to improve their life standards, the third highest number indicated represented a 22% that they were unemployed or lost their jobs then the least 8% stated that they have no education background enough to search for jobs so they decided to become self-employed.

Table 5: women contribution towards household expenses as a result of doing business

variable	frequency	percentage
Yes	49.5	99
No	0.5	1
TOTAL	50	100

Primary data

Figure 5 shows that 99% of women entrepreneurs contribute towards household expenses **Interpretation.**

As part of the development, development starts at home and expands to other after raising the well-being of the family. Women entrepreneurs contribute to the development of their families since they provide nutrition, school fees, good health, and sometimes they had a big family but able to manage as a result of doing business.

Table 6: changes in the quality of life as a result of doing business

Variable	Frequency	percentage
Financial independence	15	30
Construct a house	7	14
Buy a car	4	8
Education expenses for my family	24	48
Total	50	100

Primary data

Table 6 above shows how being entrepreneurs has helped women entrepreneurs improve their life standards. Results show that entrepreneurship enabled 14% of the sampled women to construct a house, 8% bought a car or a motorbike, 48% managed to pay school fees for their children or dependents in primary, secondary school and for some at university level, it help 30% of them to become financial independent and were able to pay their family health mutual funds, recreation and leisure in parks, it helped become land owners etc.

Interpretation

Women are able to contribute to economic development at household and community level by improving the standards of living.

Table 7: contribution to economic development of the District

Variables	Frequency	percentage
Payment of taxes	46	92
Co-operate social responsibility	3	6
Participation in decision making	1	2
Total	50	100

Primary data

Figure 7 shows that 92% pays tax to government, then 6% contributes to the well-being of the society then 2% take part in decision making.

Interpretation

For any government to function it needs money and it is very evident that women entrepreneurship has been able to contribute to the economic development of the nation through the payment of taxes.

Table 8: shows how long women entrepreneurs have been in business

variables	Frequency	percentage
0-1 year	13	26
1-3 years	12	24
3-5 Years	7	14
Above 5 years	18	36
TOTAL	50	100

Primary Data

Table 8 indicates 36% of the respondents have been in business for more than 5 years and 26% have been in business between 0 to 1 years and 14% have been in business between 1 to 3 years and 14% between 3-5 years.

Interpretation

Women entrepreneurship has been well established in all the suggested years given by the researcher.

Table 9: Number of employees from women entrepreneurship business

Business type	Number of employees	percentage
Trading	213	8.7%
Hospitality	2130	87.3%
manufacturing	96	3.93%
	2439	100

Primary data.

Table 9 shows that 87.3% has been employed from the hospitality business, 8.7% from trading services and 3.9% from manufacturing business

Interpretation

Women entrepreneurs are able to provide employment to the local people thereby improving their living standards and contributing to the government's mandate of alleviating poverty in the country.

Table 10: showing the women entrepreneurship monthly turnover.

Variables (k)	Frequency	percentage
Less than 10,000	14	28
10,000-20,000	19	38
20,000-30,000	10	20
Above 30,000	7	14
TOTAL	50	100

Primary data

Table 10 shows that 28% makes monthly returns of less than 10,000 ,38% makes between k10,000 and k20,000 ,20% between k20,000 and k30,000 and 14% goes above k30,000.

Interpretation

This shows that despite facing challenges women entrepreneurs are able to manage their businesses well and there is an indication of positive growth from the returns made.

Table 11: showing the challenges faced by women entrepreneurs

Variables	Frequency	Percentage
Lack of capital	22	44
Lack of access to finance	8	16
Lack of training	5	10
Discrimination in accessing resources like land	15	30
TOTAL	50	100

Primary Data

Table 11 indicates that 44% of the respondents face challenges in raising capital, 16% lack access to finance, 10% stated lack of training and 30% said they are discriminated against in accessing resources such as land.

Table 12: enabling environment to support women entrepreneurship

Variables	frequency	Agree	Disagree	percentage
Access to markets	18		✓	36
Low rate taxes	5		✓	10
Favorable loan conditions	20		✓	40
infrastructure	7		✓	14
Total	50			100

Primary data

Table 12 shows 36% disagree that they have access to markets, low rate taxes was disagreed by 10%, 40% did not agree to having favorable loan conditions and 14% stated not having the infrastructure to do business and this clearly indicates that women entrepreneurs face a lot of challenges.

Table 13: Clear government policies on women entrepreneurship

Variables	frequency	Clear	Not clear	percentage
government policies	5	✓		10
	45		✓	90
Total	50			100

Primary data

Table 13 shows that 10% stated that government policies on women entrepreneurship are clear and 90% stated that there are not clear for instance the lengthy registration procedures.

Interpretation

Government policies should be clear so that women will be able to know the channels to follow when in need of support and the rules and laws that govern them as entrepreneurs.

Table 14: shows the main challenges faced.

variables	Frequency	percentage
Economic challenges	32	64
Technological challenges	2	4
Social and cultural challenges	12	24
Family factors	4	8
Total	50	100

Primary data

Table 14 shows that 64% face economic challenges followed by 24% of social and cultural factors, family factors is the least with 8% and technological factors stated by 4%.

Interpretation

Economic factors are the main challenges face by women entrepreneurs such as discrimination against obtaining business resources such as owning land, difficulties in accessing finance, lack of training to obtain the required skills and difficulties in raising capital.

FINDINGS

Women entrepreneurs has made a lot of progress in Chipata and in the developing world women entrepreneurs work hard with a variety of tasks coupled with little time and little control over productive resources due to prevailing social norms affecting the ability of women owned businesses to function as male dominated businesses.

The study reviewed that women entrepreneurs are relatively young with a fast growing group of highly educated and professionally experienced women who attained their education up to tertiary level. The predominance of women in small businesses setup is in the following sectors: Manufacturing, Trading and hospitality.

The study further reviewed that woman entrepreneurship are providing employment to local people thereby contributing to the objectives and implementations of the Poverty Reduction Strategy Paper (PRSP).

The research showed that women as a result of involving in entrepreneurship has helped them to be financially independent and to become their own boss and their standards of living has been raised thereby contributing to economic development of Chipata through tax payments, monthly turnover savings and job creation.

The research reviewed that the main source of finance to startup their businesses was from own savings and from friends and family, very few stated from bank loans mainly because of lack of collateral needed for acquisition and short repayment periods required for a loan.

Women entrepreneurs highlighted the lack of capital to startup businesses, lack of access to finance, lack of training, high taxes, unclear government policies such as bureaucratic registration procedures, lack of access to markets and the main challenges being economic, social and cultural norms.

SUGGESTIONS

To encourage and stimulate women entrepreneurship, the following has been recommended:

- ❖ **The government should provide Capacity building** in business management (e.g. Negotiation skills, human resource management, financial management, assertiveness, planning, etc.) for those women entrepreneurs working within their professional areas, and in technical skills for the continuous improvement of their sector-specific competencies.

- ❖ **The government to harmonize Access to Finance**

It should consider setting up a special bank or special scheme to specifically target women entrepreneurs, funded by multilateral agencies e.g. World Bank, IMF and to provide an Advocacy for banks and other lending institutions to introduce and implement a quota system for lending to women entrepreneurs with conditions that address problems and constraints faced by women entrepreneurs (e.g. collateral, consent of husband, etc.).

- ❖ **Women's Business Associations in collaboration with other business support providers** should more actively advocate and lobby for a review of: (i) Group -lending practices; (ii) High interest rates; (iii) Short loan repayment periods.

- ❖ **Marketing Support.**

The government should Identify a local partner to organize an exhibition of women entrepreneurs' products/services, which should combine with training in specific areas

- ❖ **Support to enabling environment institutions:**

IMFI business support providers to ensure their services recognize and respond to the actual needs of women entrepreneurs and government should consider providing infrastructure for women to do business

- ❖ **Unclear government policies e.g. Registration Processes**

One way of addressing the frustration and delays surrounding the registration process could be the introduction of a decentralized "One Stop Shop Facility", which would enable entrepreneurs to obtain various certificates and licenses from one location. Government should consider making other policies that support women entrepreneurship clear for easy understanding.

CONCLUSION

The research was conducted to investigate the motivating factors for women to involve in entrepreneurship, the challenges faced and give suggestions on how the challenges can be addressed to develop and grow the women entrepreneurship. An extensive literature review was done on the factors that motivate them and some of the challenges that they face.

From the survey, it can be concluded that there are a lot of challenges affecting the growth and profitability of women businesses, the main challenges pointed out were economic challenges such as no access to finance, high tax rates and among them were unclear government policies e.g bureaucratic registration procedures and strong social and cultural norms in the district.

Lastly the research has helped in understanding the performance of women involvement in entrepreneurship and it has increased to the existence knowledge on women entrepreneurship and with the suggestions given it is hopeful that some of the challenges will be adhered to.

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