

The Role of Women Entrepreneurs in Socio-Economic Development of Small and Medium Enterprises in Niger State

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Abstract

Entrepreneurship literatures have increasingly acknowledged the desire by women to be economically independent with their roles and contributions as women entrepreneurs in shaping labour market is continuously increasing. The study investigated the roles of women entrepreneurs in socio-economic development of Small and Medium Enterprises in Niger State. This was achieved through examining the effect of the activities of women entrepreneurs on the poverty level, determine the impact created by women entrepreneurs on employment opportunities and establish the influence of women entrepreneur activities on the standard of living of the people of Niger State. The Methodology used for data collection was survey design. The target population comprised all registered businesses owned by women in Niger State. Based on purposive sampling 75 women entrepreneurs were engaged. A structured questionnaire using summated rating scale 1-5 were administered face to face on the chosen sample. However, only 60 questionnaires were returned and deemed usable representing 80% response rate. The data analysis was carried out with the aid of Statistical Package for Social Sciences (SPSS). The product correlation and multiple regressions were employed for the data analysis. The study concluded that women entrepreneurs play a major role in poverty reduction and employment opportunities in Niger State. The study recommends that Niger State government should aggressively pursue provision of infrastructures such as water, electricity, roads and security to life and properties to reduce cost of doing business in the state.

Keywords: Development, Entrepreneurial Activities, Growth, Small and Medium Enterprises (SMEs) and Women Entrepreneur

Background to the Study

Women all over the world play important roles in the social, economy and political life of any nation. Women entrepreneurs in both developed and developing nations of the world stimulates the economy and create new jobs. Entrepreneurship literatures have increasingly acknowledge the

desire by women to be economically independent, their roles and contributions as women entrepreneurs in shaping labour market is continuously increasing (Mordi, Simpson, Satwinder and Okafor, 2010). Therefore, the involvement and ability of women entrepreneurs in organizing and combining the factors of production cannot be overemphasized. Generally, women are known to be strong and confidence, resourceful and talented, creative and innovative, all these have made them to succeed despite daunting obstacles confronting them as entrepreneurs.

People have different motives and intentions of going into entrepreneurship. The economic reform introduced by the various government in the developing countries that begins in 1980s leading to loss of employment and reduction in income pushed many people to become entrepreneurs in developing countries. Eijdenberg and Masurel (2013) stated that people in developing countries are more driven by poverty, survival, and lack of job to become entrepreneur while in the developed economy entrepreneurial activities stem out of desire to seize an opportunity and innovation to start a business. The prevailing harsh environmental factors couple with high poverty rate and unemployment propels a high rate of entrepreneurial activities in developing countries of the world. Gender and culture beliefs have indeed continued to hamper development and growth of women entrepreneurs in developing nations. Halkias, Nwajiuba, Harkiolakis and Cavacatsanis (2011) assumed that gender and cultural beliefs impede the economic potential of women as entrepreneurs and impact negatively on enterprise development, productivity, competitiveness and reduce the growth of the economy.

Women in traditional African economy from the primary producers especially in agriculture, food processing including both the preservation and the storage of products and that of marketing and trading surpluses of other vital household items. Women are also involved in other activities such as weaving, spinning and several handicrafts while the predominant role of men in the corresponding period was hunting (Kpehi, 2013). These roles played by women were more entrepreneurial oriented. However, the advent of modern development has relegated the role of women in entrepreneurship to the background while portraying their counterpart to limelight. Women according to Jerniniwa (1995), are at the heart of development and economic growth, as they control most of the non-monetary economy/subsistence agriculture, raising children, domestic labour, and so on and play an important role in the monetary economy as well. (trading, wage labour, employment among others)

The Abuja Declaration on Participatory Development holds that Sustainable Development can only be achieved with the full participation of women who constitutes approximately 50% of the population (Iheduru,2002). Since women form a great percentage of the Nigerian population, (FGN Census, 2006), they are expected to contribute their quota to the growth of the nation. The neglect of women in the development process constitutes a waste of human resources. Therefore, for any meaningful economic growth to take place, the role of women entrepreneurs must be constructively engaged. Thus, the study investigated the roles of women entrepreneurs as in the socio-economic development of Small and Medium enterprises in Niger State.

Objective of the Study

The study seeks to investigate the roles of women entrepreneurs in socio-economic development of Small and Medium Enterprises in Niger State.

Specific Objectives

1. To examine the effect of the activities of women entrepreneur on the poverty level in Niger state.
2. To determine the impact created by women entrepreneurs on employment opportunities in Niger State.
3. To establish the influence of women entrepreneurs activities on the standard of living of the people in Niger State.

Research Hypotheses

Ho: Activities of women entrepreneurs has no significant relationship with the poverty level in Niger State.

Ho: Creativity of women entrepreneurs has no significant relationship on employment opportunities available in Niger State.

Ho: Activities of women entrepreneurs has no significant relationship with the standard of living of the people in Niger State.

Literature Review

Entrepreneurship

Entrepreneurship is a process of owning and managing a new venture or improving on an existing products or services that create value, assuming the accompanied risks and receiving the resulting rewards and independence. To Schumpeter's (1934) entrepreneurship is the process that results

into new products, new methods, new markets or form of organization. Entrepreneurship helps to create wealth by creating demand in the market from a newly introduced innovation. Entrepreneurship increases earnings and mobilizes savings for investment. Thus, it enhances institutional capital formation, investments and improved standard of living.

Entrepreneurship development is one of the most effective tools for ending poverty and achieving sustainable development as observed by Mordi, Simpson, Singh and Okafor (2010) the traditional roles played by a woman in a typical Nigerian family setting are changing as a result of changes in the family configuration and functional setting which has allowed women to undertake more practical and functional roles within the society. Despite the number of changes that have emerged, recognition of the potential of women and their contribution to the economy still remains unacknowledged. Scholars have researched the roles of SMEs and considered it as one of the major engine driving national economic growth and women involvement in Micro, Small and Medium Scale Enterprises (SMEs) which contribute more than 97% of all enterprises, 60% of the nations GDP and 94% of the total employment (Mayoux, 2001, Udechukwu, 2003, Ndubisi, 2004).

Women as Entrepreneurs

Pareek (1992) defined woman entrepreneur as a female who plays a captivating part by repeatedly interacting and keenly adjusting herself with financial, socio-economic, and support spheres in society. Globally the impact of women entrepreneurs is gaining recognition intensely; worldwide as the number of female business owners continue to increase steadily as women entrepreneurs and are making positive impact in the global economy. Women entrepreneurs around the world are major contributors to the economy, as they are making a difference in the socio-economic arena. They contribute numerous ideas and a great deal of energy and capital resources to their communities, and generate jobs as well as create additional work for suppliers and other spin-off business linkages.

Despite these there are major factors that constrained women from business venture, mostly gender-based discrimination, lack of shared support, limited or no access to information, not enough education and training facilities, lack of trust in one's capabilities and access to resources (Afiza, Hassan and Rashid, 2010).

Women Entrepreneurs and Job Creation

According to Global Entrepreneurship Monitor (2004), women entrepreneurs create jobs, wealth and innovation to their enterprises (Ndemo and Maina, 2007). Entrepreneurship is the key to job creation and income generation which in turn reduces irregularities among men and women. Women are now able to create employment for the society through engaging in various activities. Studies by development of Micro and Small Enterprises (Stevenson & Onge, 2005) indicated that women are now starting business at a faster rate, which enables them to make significant contributions to job creation and economy growth. In patriarchal societies, poverty has gender dimensions where men are expected to play a critical role as providers. This is however changing as more and more women are engaging in business activities due to economic empowerment education support, feminist movements and political support by the government (Onsongo,2006) Women employees enhance productivity in the work place given the right employment conditions. In a study done by Ngonze (2006), women make up to 40% of the worlds work force as they help run the economy in vital and key areas of the society such as production, agriculture, hospitality industry and the service industry.

Women Entrepreneurs and Poverty Reduction

Woldie and Adesua (2004) established that many women are entrepreneurs worldwide though the global impact of female entrepreneurs is just beginning to gain intensity. They further note that the number of female business owners continues to increase steadily worldwide and today women in advanced market economies own more than 25% of all business.

Women's activities, particularly in business empower them economically and enable them to contribute more to over development. (Brindley, 2005). The author says that whether women are involved in Small Scale production activities in the informal or formal sectors, women entrepreneurial activities are not only a means for economic development but also have positive social impacts for the individual, family and their social environment.

Involvement in these entrepreneurial activities helps in the poverty reduction efforts. The Nigerian woman can work towards this mission of poverty reduction by carrying out various measures such as encouraging the education of the children; reduce overreliance on subsistence farming, having access to medical and health care.

Theoretical Framework

Entrepreneurship Theory

Schumpeter (1934) defines an entrepreneur as an innovator who is the prime mover of economic development. Economic development occurs in industrial and commercial life. Since economic progress comes from innovations, the innovator who is a monopolist at this point is beginning a new idea should be protected from exploitation by people who would take over his/her ideas and product counterfeit products of economic development by carrying out new combination to production.

Development Theory of Poverty Reduction

This holds that most countries progress through similar stages of development in an effort to curb poverty (Potterovich & Popov, n.d). There are four stages of development. Stage one, which is the pre-industrial stage is characterized by high death and birth rates but not much of economic development. The country begins to develop in stage two where the death rates decline and there is improved food supply and proper sanitation. Birth rates begin to fall in stage three because people are now able to practice family planning. There is also urban development, increase in education, and parents begin to invest. This has made it possible for developed countries to assist the underdeveloped countries so as to free them from persistence donor dependence. Stage four is characterized by low birth and death rates. There is increased development at this stage.

The development stage theory is equated to the stages the woman entrepreneur undergoes in her business from a low level of setting a few items such as necklaces and bangles, which require minimal capital to stock. She eventually gets to sell clothing, eventually progressing to sell in bulk or wholesale market and exporting the products. The woman entrepreneur can be assisted through various methods to reduce poverty such as availing credit facilities for business, investment opportunities, creating markets for their products, use of modern technology and offspring training.

Research Method

According to Niger State Ministry of Commerce and Industries, the state has 244 registered businesses of which 91 were owned by women which is the focus of this study. Based on purposive sampling, 75 women entrepreneurs engaged mostly in agricultural/agro allied activities, crafts/artisans, trading and services in Niger State was chosen. The choice of the four sectors is deduced by the fact that a very significant number (82.41%) of the registered businesses owner/managed by women in Niger State falls within these four major entrepreneurial activities. A structured questionnaire using summated rating scale 1-5 were administered face to face on the chosen sample. However, only 60 questionnaires were returned and deemed useable to carry out this

research. The data analysis was carried out with the aid of the Statistical Package for Social Science (SPSS). The Pearson's product correlation method and multiple regressions were employed in data analysis.

Data Analysis

Regression analysis was used to test all the hypotheses.

Ho: Activities of women entrepreneurs do not have significant relationship on the poverty level in Niger State.

The result from table 1 revealed that the extent to which the variance in poverty level can be explained by the activities of women entrepreneur is 31.6% i.e ($R^2 = .316$) at p-value of 0.002 which is less than α (0.05). Thus, the decision would be to reject Ho and accept H_1 . This informed that women involved in entrepreneurship have improved the level of comfort of their families, enjoy better health care and skill acquisition. Encouraging women to start businesses would increase the level of educated children.

Ho: Women entrepreneurs do not have significant relationship on the level of employment opportunities in Niger State.

The results from table 1 revealed that the extent to which the variance in employment rate can be explained by the activities of women entrepreneurs is 52.3% i.e ($R^2 = .523$) at p-value 0.000 which is less than α (0.05).

The significant level of 0.000 implies a statistical confidence of above 99%. This implies that women entrepreneurs have a significant effect on the level of employment opportunities in Niger state. Thus, the decision would be to reject the Null hypothesis (Ho) and accept the alternative (H_1)

Ho: The activities of women entrepreneur do not have significant relationship with the living standard of the people in Niger State.

The results from table 1 revealed that the extent to which the variance in the living standard of the people in Niger State can be explained by the activities of women entrepreneurs is 20.1% i.e ($R^2 = .201$) at p-value 0.002 which is less than α (0.05). Thus, the decision would be to reject the Null hypothesis (Ho) and accept the alternative hypothesis (H_1).

Table 1: Summary of Findings

Hypothesis	Sum of Squares	df	Mean Square	F-value	R ²	Sig-Value
1.	8.304	3	8.304	6.606	.316	.002

2.	11.531	3	11.531	8.156	.523	.000
3.	19.021	3	19.021	10.405	.201	.002

Source: from the Analysis Results of Field Survey 2017

Table 1: Showing the Summary of the Findings

Discussion of Results and Findings

From the findings of the research work, the test for the hypothesis on using regression indicates that the activities of women entrepreneurs affect poverty level at 31.6% of variance and 0.002 significant level. Therefore we accept the alternative hypothesis (H_1) and reject the null hypothesis (H_0). This means that the more women engage in entrepreneurial activities the greater the decrease in poverty level. This answers the research question one and is in line with the first objective of the study. This implies that the effect of poverty have to be dealt with so as to prevent a destitute state and more suffering on citizens of Niger State.

This finding corroborate with Brindley (2004). The author say that whether women are involved in Small Scale Production activities in the informal or formal sectors, Women’s entrepreneurial activities are not only a means for economic development but also have positive social impacts for the individual, family and their social environment.

From the finding of the research work, the test for the hypothesis on using regression indicates that the activities of women entrepreneur affect employment rate at 52.3% of variance and 0.00 significant levels. Therefore we accept the alternative hypothesis (H_1) and reject the null hypothesis (H_0). This means the more women engaged in entrepreneurial activities the greater the level of employment available to the people of Niger State. This answers the research question two and is in line with the second objective of the study.

The finding corroborate with Ndemo and Maina (2007) that women entrepreneurs create jobs, wealth and innovation in their enterprises. Women are now able to create employment for the society through engaging in various business activities

From the findings of the research work, the test for the hypothesis on using regression indicates that the activities of women entrepreneurs affect living standards of the people at 20.1% of variance and 0.002 significant level. Therefore, we accept the alternative hypothesis (H_1) and reject the null hypothesis (H_0). This means the more women engaged in entrepreneurial activities the greater the living standard of the people of Niger State. This answers the research question three and in line with the third objective of the study.

The finding corroborate with Schumpeters theory of entrepreneurship that entrepreneurship increases earnings and mobilizes savings for investment. Thus, its enhances institutional capital formation, investment and improved standard of living.

Conclusion

The objective of this research is to critically examine women entrepreneurship as an incentive approach to ensure a sustainable development in the economy of Niger State. Therefore, based on the data analyzed and results obtained, the study concludes that women entrepreneurs play a major role in poverty reduction in Niger State. The research revealed that there was significant improvement in socio-economic status of women who were engaged in Small and Micro Enterprises activities.

Women entrepreneurs in Niger State are the rising star of Niger State economy, more and more women are starting new business, whether micro, medium or large scale, motivated by pure survival, self-fulfillment, and they are creating employment and generating income.

Recommendations

1. Women entrepreneurs should be exposed to entrepreneurship orientation and training, modern technology and effort should be made to encourage entrepreneurial activities especially where it is restricted through religious and ethnic practices.
2. Niger State government should aggressively pursue provision of infrastructures such as water, electricity, roads and security to reduce costs of doing business in the State.
3. Niger State and its Local Governments should provide tax relieve to women entrepreneurs in form of tax cut or tax rebate to help lessen multiple tax burden
4. Cooperation between relevant women entrepreneurs will be essential to fight for some necessary rights and privileges and help women who aspire to be entrepreneurs to keep them afloat.

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