

**MPRA**

Munich Personal RePEc Archive

# **Challenges of female entrepreneurship in Nigeria**

Kenny S, Victoria

7 April 2019

Online at <https://mpra.ub.uni-muenchen.de/93166/>  
MPRA Paper No. 93166, posted 08 Apr 2019 03:57 UTC

# **Challenges of female entrepreneurship in Nigeria**

**Victoria Kenny**

## **Abstract**

Governments and Academics tend to focus on encouraging entrepreneurship due to its role in job creation, innovation, importance to large businesses and a dynamic economy. Female entrepreneurs have been identified by organization for economic cooperation and development as a major force for innovation, job creation and economic growth. The role of entrepreneurship as a bedrock to achieve sustainable growth and development in Nigeria is paramount, therefore, this paper critically examines the challenges of female entrepreneurship so as to proffer plausible solutions to further encourage female entrepreneurship.

## **1. Introduction**

The economic activities of most women are based on the informal sector of the economy both at rural and urban areas. The reason may be due to the fact that entry to informal sector is easy, and open to all categories of people. It includes hairdressers, fashion designers, beauty and skin sailors, crafts making etc. The informal sector is characterized by reliance on indigenous resources, family ownership of enterprise, labour-intensive and adapted technology, unregulated and competitive markets and skills can be acquired outside the formal educational system.

Most women are predominantly in the informal sector because it does not require any minimum level of education as in the formal sector; second, they can combine their activities with domestic responsibility and third is that it requires little capital to establish most businesses in the informal sector.

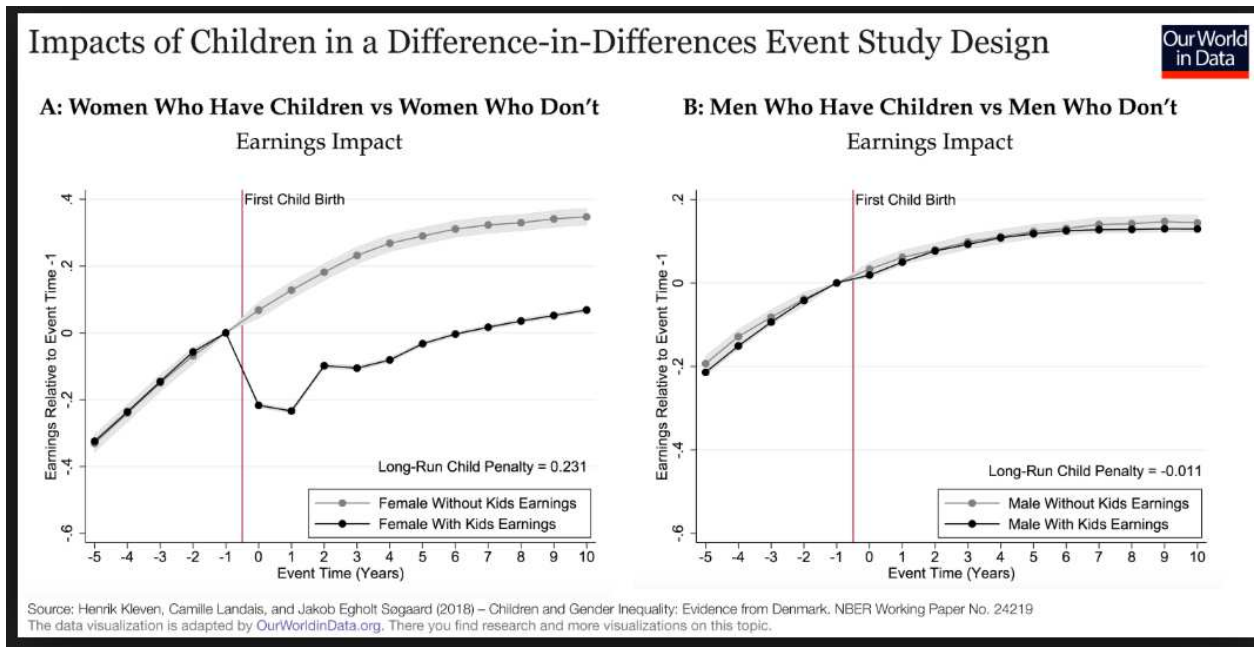
## **Challenges of Women Entrepreneurs in Nigeria**

Women entrepreneurs in Nigeria face similar challenges and constraints than their counterparts in other developing countries. Few decades ago, the significant contribution of women in sustaining socio- economic well-being of their families had been taken for granted and even neglected by the society. This has resulted in underestimation of woman socio economic contribution to the

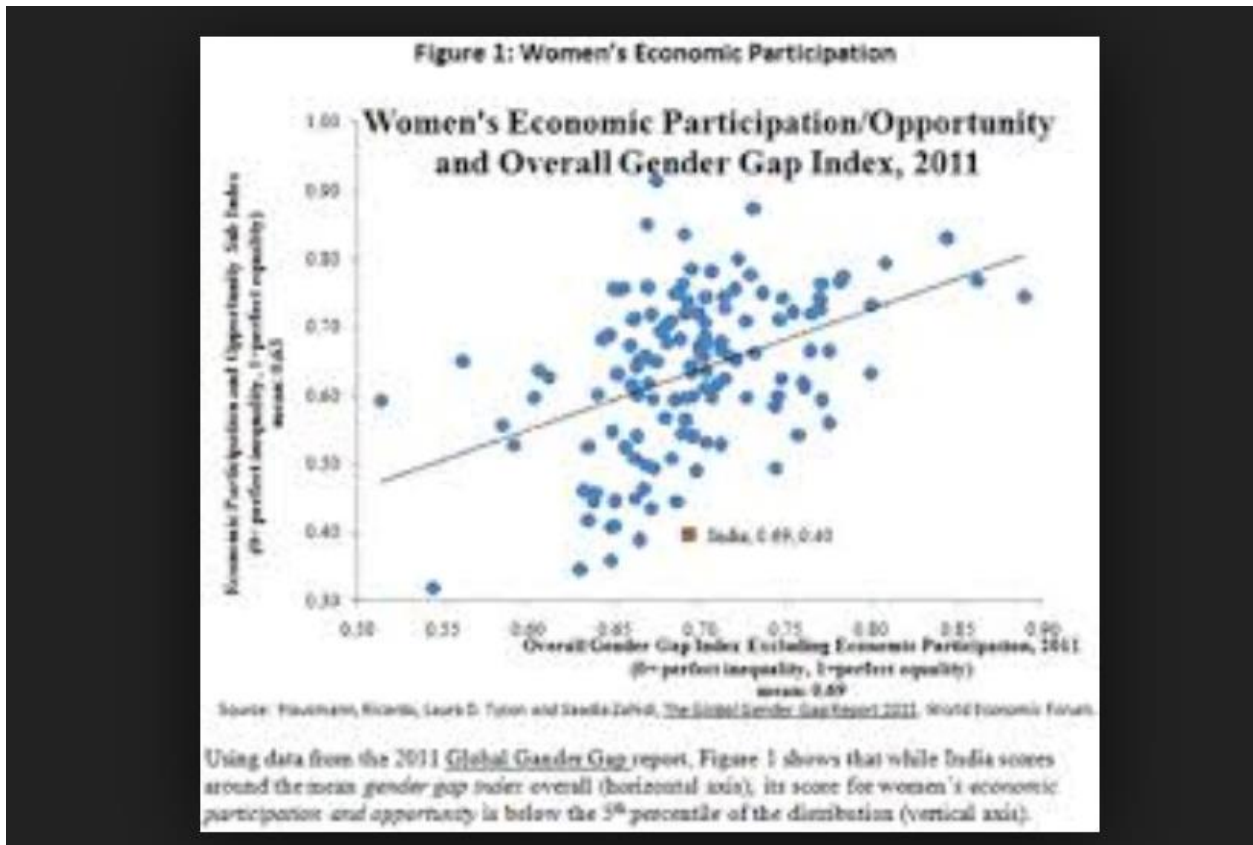
economy and underutilization of their tremendous potentials in socio economic activities in the Nigeria business environment. The contributions of most women who dominate the informal sector are not included in the National Income Account. There are many challenges confronting women and their ability to upgrade their production from time to time. These include:

- 1. Poor access to market, information, technology and finance:** - most women do not have access to computers and Internet facilities. Others do not know how to operate computers. Most women interviewed do not have time to read newspapers and magazines and watch some educative television programmes. Their role as mothers and wives was a big constraint as it gives them little time for extra training and acquiring of skills. Access to finance is also a major challenge of female entrepreneurs in Nigeria which limits their access to capital especially startup capital. Most of the time they complain by most women is that guarantees required for external financing may be beyond the scope of their personal assets and used it track record. There is also the challenge of penetrating informal financial network. Stereotyping and disconnection affects most women ability to gain access to finance. It has been discovered that women suffer the effects of financial and economic downturns more than men. Emerson (2000) posits that generally and around the world women are poorer than men as women are disproportionately employed in unpaid, underpaid and non- formal sectors of the economy.
- 2. Role Conflicts:** Women owners are likely to experience work – home role conflict regardless of the structure of their family or the number of hours spent at work. This work-home conflict has been associated with the level of business satisfaction and perceived business success. Personal or intrinsic satisfaction is achieved if business meets or exceeds owners expectations and ruin reduce conflict level Role conflict is mostly seen in those who have low self-esteem, low self-efficacy and external locus of control. There areas have been seen to affect the business satisfaction and health of the business. Autonomy in business and high level of family satisfaction can reduce the level of role conflict.
- 3. High Cost of doing business in Nigeria:** Entrepreneurs are in business (take risk) because they want to make profit. Where the expected return from a venture is lower than the opportunity costs, it will act as a disincentive for the entrepreneur. Due to collapsed

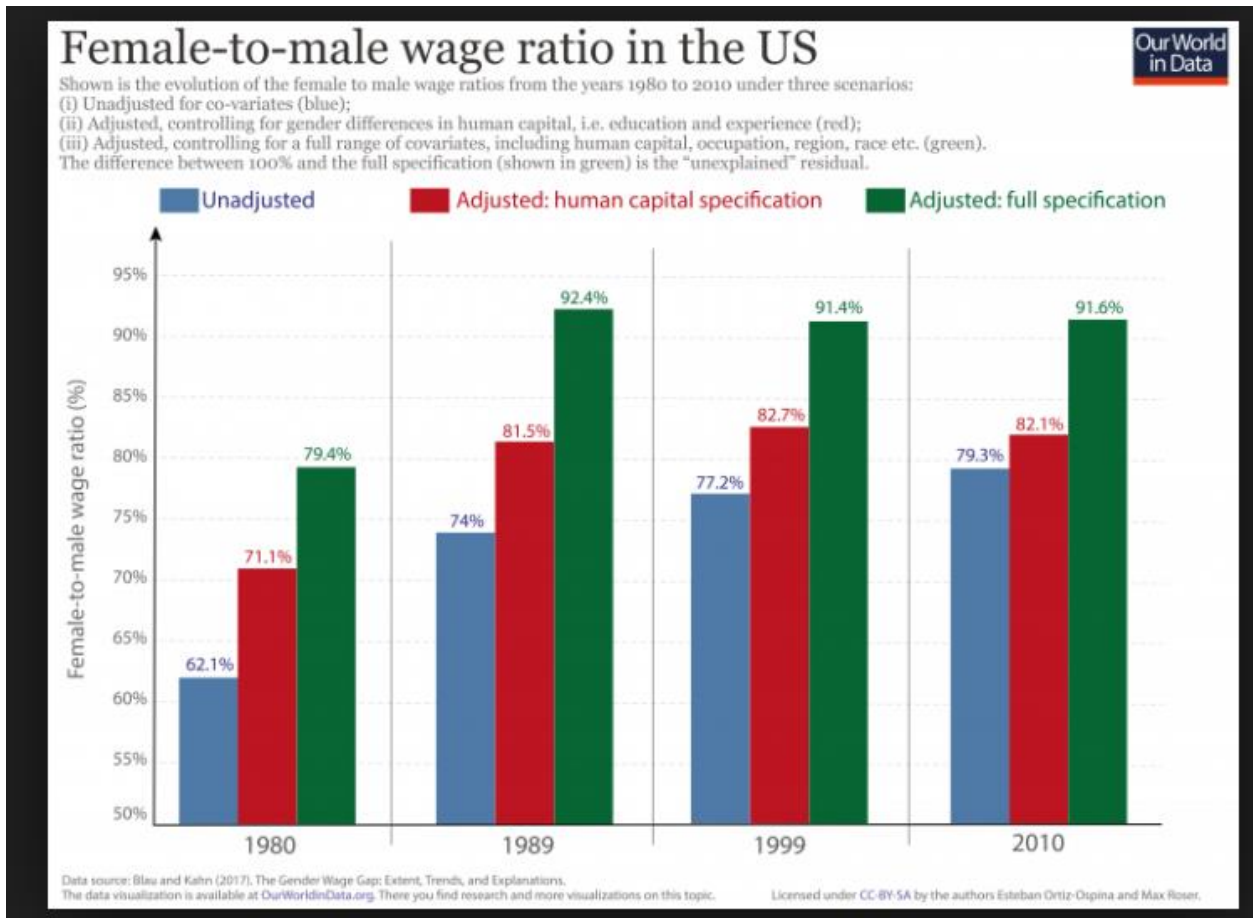
infrastructural facilities and unbridled corruption, where entrepreneurs have to spend huge sums to provide some basic infrastructure and bribe government officials it makes the cost of doing business in the country to be too high with adverse implication for profitability.



- 4. Poor linkages with support services, unfavorable policy and regulatory environment:** In many developing countries like Nigeria support services such as management and training services, consultancy services etc are inadequate and many women are not aware of such services. It is important to note that most women enterprises are small and are not usually the targets of such schemes. Women enterprises are faced with compliance cost, which relate to time and money needed to learn about and meet government regulations. Most women have had problems especially those in foods and cosmetics to register with regulatory bodies like NAFDAC (National Agency for Foods and Drugs Administrative Control) and other regulatory bodies. All these increase start-up cost for small enterprise.



5. **Inadequate infrastructural provisions:** poor electricity supply, poor communication and transportation, is another major challenge. Poor supply in Nigeria is very epileptic. They use of an alternative power supply make some of their products expensive. This has affected the profit they would have made from their business.
6. **Globalization:** The need to compete in an aggressive environment with rapid technological changes, trade and finance, flows and globalization of production is a big challenge.



**7. Perception of People:** - People think men have better management attitude than women. Women are believed to be very materialistic and fashion conscious. In Nigeria, there is this “male thing” an ego in men that make them feel it is a must for men to handle “big jobs”. In their perspectives, women are supposed to be looking after the home. Some men were asked how they perceive working on project sites, all the men interviewed believe that women cannot do site jobs. Certain women believe that for a woman to have the same opportunity as men she has to be “connected” to the people on top. Other constraints which are a part of the greatest barriers experienced by women in enterprise are ignorance of information, technology may support services available to them, financial discrimination, lack of training and business knowledge, underestimating the financial and emotional cost of sustaining a business and poor payment to their staff.

## **Conclusion**

The contributions of women to economic development cannot be overemphasized. The government NGOs, private establishment can help to meet these challenges by providing adequate support services; create more awareness about the availability of these services; create market both locally and internationally for women entrepreneurs. Entrepreneurship is not for everybody. It requires hard work than the normal 8-4 job but more rewarding. It can be frustrating and stressful at times. You must believe in yourself as a woman and never be intimidated. Believe in your concept, get feedback get access to adequate information about what you are doing and the sky will not even be your limit.

## **Bibliography**

Adejumo G. 2001. Indigenous Entrepreneurship Development in Nigeria: Characteristics, Problems and Prospects.

Allawadi S. 2010. "Entrepreneurship Challenges in 21<sup>st</sup> Century" Indian Institute of Material Management Mumbai.

Aruwa S.A.S 2004. The Business of Entrepreneurs; A Guide to Entrepreneurial Development. Advances in Management: Journal of Development of Business Administration University of Ilorin, Ilorin Nigeria, 2 (1): 112-122.

Baba, G.K. 2013. The challenges of Entrepreneurs Development in Nigeria and way forward, Journal of Business and Organizational Development, Vol. 5 No.1

Carter S. and Wilton W. 2006. Don't Blame the Entrepreneur, Blame the Government: the Centrality of the Government in Enterprise Development Lessons from Enterprise Failure in Nigeria, Journal Enterprising Culture. 1A(i)65-84

Deakins D. 1996, Entrepreneurship and Small Firms, London; Mc GrawHill.

Ibhagui, Oyakhilome, 2017. "How Does Foreign Direct Investment Affect Growth in Sub-Saharan Africa? New Evidence from Non-threshold and Threshold Analysis," MPRA Paper 85784, University Library of Munich, Germany.

Ibhagui, O, 2017. "Linking Fiscal Policy and External Competitiveness in Sub-Saharan Africa – Does Government Spending Drive The Real Exchange Rate in Sub-Saharan Africa,"MPRA Paper 77291, University Library of Munich

Ibhagui, O. (2017).Value and wealth creation : stylized evidence from Nigeria's listed cement companies AfricaGrowth Agenda, Volume 2017 Number 4, Oct/Dec 2017, p. 12 – 17

Ibhagui, O. 2018. External debt and current account adjustments: The role of trade openness Cogent Economics and Finance, Volume 6, 2018 - Issue 1

Ibhagui, O W. & Olokoyo, Felicia O., 2018. "Leverage and firm performance: New evidence on the role of firm size," The North American Journal of Economics and Finance, Elsevier, vol. 45(C), pages 57-82.



Ibhagui, Oyakhilome W., 2019. "Does the long-run monetary model hold for Sub-Saharan Africa? A time series and panel-cointegration study," *Research in International Business and Finance*, Elsevier, vol. 47(C), pages 279-303

Ibhagui, O, 2019. "Wider Covered Interest Parity Deviations and Lower Stock Returns: Evidence from the Eurozone," MPRA Paper 92363, University Library of Munich

Kassim, L. 2014. Trade liberalisation and the balance of payments in Sub-saharan africa: A pooled mean group approach. Working Paper

Oyakhilome, W I, 2018. Monetary Model of Exchange Rate Determination under Floating and Non-Floating Regimes, *China Finance Review International*