

**Factors associated with Women Engagement in Small Scale Businesses in Tanga city:
A case of Nguvumali Ward**

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Ikisiri

Utafiti huu ulifanyika katika kata ya Nguvumali Halmashauri ya jiji la Tanga ili kutathmini mambo yanayohusiana na ushirikishwaji wa wanawake katika biashara ndogo ndogo. Utafiti huu ulitumia data za kitaamuli na za kitakwimu kutoka vyanzo vya msingi na vya upili. Data za msingi zilikusanywa kutoka kwa wanawake wanaojihusisha na wasiojihusisha na biashara ndogo ndogo. Utafiti ulitumia takwimu elezi na Jaribio Kai-skwea. Matokeo ya utafiti yalionesha kuwa mambo yanayohusiana na ushiriki wa wanawake katika biashara ndogo ndogo ni vikundi rika, shughuli za wanawake, kiwango cha elimu na kiwango cha elimu cha wenza. Pia, utafiti huu umebaini kuwa changamoto zinazowakabili wanawake kujihusisha na biashara ndogo ndogo ni uhaba wa wateja na uhaba wa mitaji. Utafiti ulipendekeza kuwa Mamlaka ya Serikali za Mitaa iwahamasishe wanawake kushiriki katika mafunzo yanayohusiana na biashara. Serikali za mitaa na taasisi za fedha zinapaswa kutoa msaada wa kifedha kwa wanawake kama mkopo na elimu ya jinsi ya kuendesha biashara ili iweze kuwasaidia kupata faida.

Abstract

The study was carried out at Nguvumali ward in Tanga city council to assess factors associated with women engagement in small scale businesses. This study used both qualitative and quantitative data from primary and secondary sources. Primary data were collected from women engaging and not engaging in small scale businesses. The study used descriptive statistics and Chi-Square test. The results revealed that factors associated with women engagement in small scale businesses are peer groups, occupation of women, education level and partner's education level. Also, this study found that the challenges facing women to engage in small scale businesses are shortage of customers and shortage of capital. The study recommended that the Local Government Authority should encourage women to participate in trainings which related to business. Local government and financial institutions should provide women financial support like loans and education on how to run the businesses so that they can help to get a profit.

Keywords: Women entrepreneur, financial support, small scale business, financial institution

1.0 Introduction

A small scale business is a business that is not large, in terms of its size, scope of operation, financial involvement and the workforce involved. In this context, small scale business is aimed to save a local community by providing employment and increasing household income (Obi, 2015).

Across countries at all levels of development, Small scale business has an important role to play in achieving the Sustainable Development Goals (SDGs), by promoting inclusive and sustainable economic growth, providing employment and decent work for all, promoting sustainable industrialization and fostering innovation, and reducing income inequalities (Eurostat, 2014). The contribution of Small scale business to innovation dynamics has increased in recent decades, as income growth, more market demand and changing technologies have enabled Small scale business to strengthen their comparative advantages and reduced the structural disadvantages stemming from resource constraints and limited ability to reap economies of scale (Baumol, 2002).

National economies in sub-Saharan Africa are typically characterized by a large number of small businesses that provide the bulk of employment opportunities. These do not have the capacity to generate the number of jobs needed to provide livelihoods for the growing numbers of young people entering the workforce. But there is great potential for small businesses to upscale and grow, to create meaningful employment in more productive, higher-value-adding roles, and to benefit from economies of scale that will enable their products to compete in international markets. Unlocking the potential of small and medium-sized enterprises (SMEs) and achieving greater economies of scale is an essential long-term driver of growth (Eurostat, 2014). Supporting the growth of small scale business in sub-Saharan Africa, as well as the sustainability of larger businesses, will require structural change and policies directly targeted at enabling businesses to grow, including through easing access to finance and improving transport infrastructure. In addition, because of the small size of most internal markets, economies of scale can often only be achieved through regional integration. This can facilitate the flow of goods and services as well as labour and technology, while also supporting the scaling up of local companies (Joeke, 1999).

According to the Ministry of Industry and Trade in Tanzania, small businesses are collectively defined under the nomenclature SMEs. SMEs nomenclature is used to mean micro, small and medium enterprises. It is sometimes referred to as Micro, Small and Medium Enterprises (MSMEs). In Tanzania SMEs contribute significantly to employment creation, income generation and stimulation of growth in both urban and rural areas, In-turn contributing to the development of the country as a whole economically, socially and even politically. In this context, it is substantiated that, women constitute 51.3 percent of the total population and represent 97 percent of the labour force in the informal sector (URT, 2012).

1.2 Problem Statement

The government of Tanzania had made more efforts to create a good environment for women to engage in small scale business like Women Development Fund (WDF). Many women who engage in small scale business in Tanzania are concentrated in informal and low return activities (Ndesaulwa *et al.*, 2016). Women who engage in small scale business face many obstacles including price competition and lack education to start-up business (Nziku, 2012). They had been engaging in activities including food vending, tailoring, batik making, beauty salons, decorations, local brewing, catering, pottery, food processing and charcoal selling. Most of them are selling their own products in the local market with low returns (Mori, 2014). In Tanzania women's labour force participation is about 88.1% while men are about 90.2%. Despite the policy and programs made by the government of Tanzania and stakeholders to support women who are

engaging in small scale business, but women still face challenges when want to engage in small scale business (Jagero and Kushoka, 2011).

However, most of the women are not engaging in small scale business which leads to high underemployment and unemployment. The household incomes are low resulting in widespread poverty, poor communication links and lack of essential services such as education, complete dismal picture of the critical socio-economic situation in the district. Despite encouraging remarks about the capacities of women who engage in small scale business to boost the local economy women owned micro enterprises grow less rapidly and are likely to close sooner than their male counterparts. These disparities in the Nguvumali ward include marginalization of women in education, income and proper right, therefore, this study aims to investigate the determinants for women's engagement in small scale business.

Different empirical studies were conducted by authors in both developed and developing countries; Lema (2013), Mchome (2016) and Kavuli (2014). It is evidenced that studies did not show the role of gender on small scale business instead focused for males engaging in small scale business compared to females engagement in small scale business. However, this study seeks to fill this gap by assessing the factors associated with women engagement in small scale businesses.

1.3 Conceptual Framework

The conceptual framework is a concise description of the phenomenon under study accompanied by a graphical or visual depiction of the major variables of the study (Mugenda, 2014). In this study the conceptual framework (Figure 1) depicts the relationship between independent variables and dependent variable.

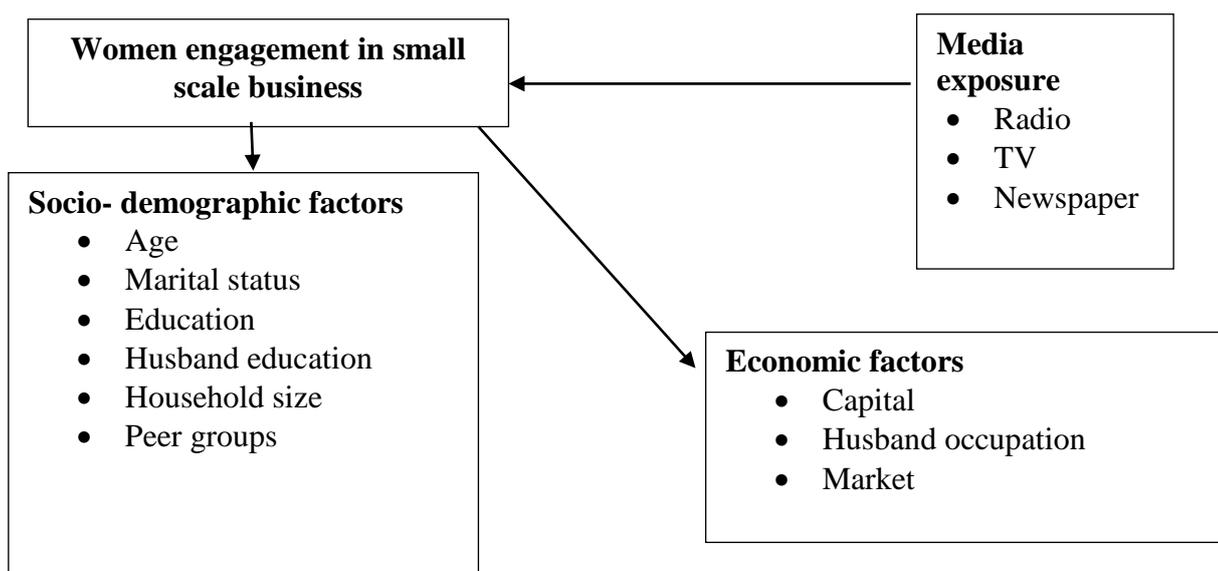


Figure 1: Conceptual framework

2.0 Methodology

2.1 Study area

The study was conducted in Nguvumali Ward in Tanga City Council in Tanga Region. Nguvumali Ward is situated Northwest of Mwanzange Ward, and Southwest of Chumbageni Ward. The latitudes of Nguvumali ward are -5.0771° or $5^\circ 4' 37''$ south and longitudes are 39.0761° or $39^\circ 4' 34''$ east. According to the Population and Housing census 2012, the population of the Nguvumali ward were 15,133; males were 7,123 and females were 8,010 (URT, 2012). Activities conducted by women in the Nguvumali ward include food vending, tailoring, batik making, beauty salons, decorations, local brewing, catering, pottery, food processing and charcoal selling.

2.2 Data Types and Sources

This study used both qualitative and quantitative data from primary and secondary sources. Primary data were collected from women engaging and not engaging in small scale business. Secondary data were obtained from different sources such as journals, publications, research report and official website sources will be used relevancy to women engagement in small scale business. This study used the interview method and the questionnaire tool which was administered through face to face interview by researcher assistants in Kiswahili

2.3 Sampling Frame and Unit

The sampling frame of this study was a list of women who engage in small scale business and women who are not engaging in small scale business available in the household at the ward. The sampling unit was an individual woman who engaged in small scale business and a woman who did not engage in a small scale business.

2.4 Sample Size

The sample size was obtained by using the standard formula of Kothari (2004)

$$n = \frac{Z_{\frac{\alpha}{2}}^2 P (1 - P)}{e^2}$$

Where by $q = 1 - p$

$p = 0.5$ proportion of women to be influenced to engage in small scale businesses.

$Z_{\alpha/2} = 1.96$ which is equivalent to 95% confidence level

$\alpha = 0.05$ level of significant.

$e = 8\% = 0.08$ is a Precision or marginal error

$$n = \frac{(1.96)^2 0.5(1-0.5)}{0.08^2} = \frac{0.9604}{0.0064} = 150$$

Therefore, a total of 150 women were selected to participate in this study.

2.5 Sampling Procedures

This study used simple random sampling techniques to select the women who were engaging in small scale business and women who were not engaging in small scale business in the study area.

2.6 Data Processing, Analysis and Presentation

Collected data were processed by using IBM SPSS statistics version 20. This involved editing, coding, entry and cleaning. The analysis applied both descriptive and inferential statistics. Descriptive statistics involved frequencies and percentages and inferential statistics used chi – square test. Furthermore, the analyzed data were presented using tables.

3.0 Result and Discussion

3.1 Characteristics of the respondents

Findings in Table 1 show that most of the women 75 (50%) were aged between 36 to 47 years. A very few women 29 (19.3%) were above 48 years. Among the women, 81 (54%) were working in the private sector while 15 (10%) were farmers, also 101 (67.3%) were married and 20 (13.3%) were divorced. Most of the women 77 (51.3%) attended primary education and a few 36 (24.0%) had attended tertiary education.

Table 1: Characteristics of the Respondent

Characteristics	Category	Frequency	Percentage
Age	24 – 35	46	30.7
	36 – 47	75	50.0
	48 and Above	29	19.3
Total		150	100
Occupation	Farmer	15	10
	Public employee	17	11.3
	Private sector	81	54.0
	Unemployed	37	24.7
Total		150	100
Marital Status	Married	101	67.3
	Separated	20	13.3
	Single	29	19.3
Total		150	100
Women Education Level	Primary education	77	51.3
	Secondary education	37	24.7
	Tertiary education	36	24.0
Total		150	100

3.2 Women engagement in small scale business

Finding in Table 1 shows that a total of 150 women were involved in this study whereby age of the respondents range from 24 to 76 years, among interviewed women 80 (53.3%) were engaging

in small scale business while 70 (46.7%) were not engaging in small scale business. However, most of the women 121 (80.7%) were interested to engage in small scale businesses while 29 (19.3%) were not interested to engage in small scale businesses. Furthermore, 42 (34.7%) of women were interested to engage in small scale businesses but were not in the businesses while 28 (96.6%) were not interested to engage in small scale businesses.

Table 2: Women Engagement in Small Scale Businesses

Women engagement in small scale businesses				
		Yes	No	Total
Do you like to engage in small scale businesses	Yes	79 (65.3%)	42 (34.7%)	121 (80.7%)
	No	1 (3.4%)	28(96.6%)	29 (19.3%)
Total		80(53.3%)	70 (46.7%)	150 (100%)

Findings in Table 3 revealed that the majority of women 131 (87.3%) had agreed that they are aware of small scale business. This means that a small proportion 19 (12.7%) of women have not been aware of small scale business. On the other hand, 111 (74%) of the women thought that the small scale business can increase income while 39 (26%) did not agree that the small scale business can increase income. Also, the finding shows that the majority of the women 128 (85.3%) had not participated in any training concern small scale business while 22 (14%) participated in training concern small scale business.

Table 1: Awareness among women about small scale business

Characteristics	Frequency	Percentage
Awareness about small scale business		
Yes	131	87.3
No	19	12.7
Total	150	100
Small scale business increase income		
Yes	111	74
No	39	26
Total	150	100
Participated in training on small scale business		
Yes	22	14.7
No	128	85.3
Total	150	100

Findings in Table 4 indicated that media exposures (TV, Radio and Newspapers) were not statistically significantly associated with women engagement in small scale businesses at 1%, 5% and 10% levels of significance.

Table 2: Association between media exposures and women engagement in small scale businesses

		Women engage in small scale business		χ^2 - Value	P-value
		Yes	No		
Newspaper	Yes	30(48.4%)	32(51.6%)	1.039	0.308
	No	50(56.8%)	38(43.2%)		
Watch TV	Yes	73(54.5%)	61(45.5%)	0.661	0.416
	No	7(43.8%)	9(56.2%)		
Radio	Yes	77(55.0%)	63(45%)	2.344	0.126
	No	3(30%)	7(70%)		

Note: *** Significant at 1%, ** Significant at 5%, * significant at 10% and NS not significant at all level.

Results in Table 5 indicated that there is a statistically significant association between peer groups and women engagement in small scale businesses at 5% level of significance. This result suggests that peer groups are one of the determinants for women to engage in small scale businesses. Findings in Table 5 indicated that there is a statistically significant association between women education level and women engagement in small scale businesses at 5% level of significance. This result suggests that women education level is one of the determinants for women to engage in small scale businesses. Furthermore, a finding for husband education level is a statistically significant association between husband education level and women engagement in small scale businesses at 5% level of significance. This result reveals that the husband education level is one of the determinants for women engaging in small scale businesses.

Findings in Table 5 indicated that there is a statistically significant association between women occupation and women engagement in small scale businesses at 1% level of significance. This result suggests that women occupation is one of the determinants for women engaging in small scale businesses. However, findings for other socio- demographic factors such as age and marital status are not statistically significantly associated with women engagement in small scale businesses at 1%, 5% and 10% levels of significance.

The findings in Table 5 are in line with Kavuli (2014) who revealed that demographic characteristics and social factors had a significant influence on women participation in entrepreneurial activities. The findings in Table 5 are in line with Halkias (2011) who found that age, gender, education and experience are factors associated with women participation in entrepreneurial activities. The findings in Table 5 are not in line with Farah (2014) who found that security factors were associated with women participation in entrepreneurial activities.

Table 3: Association between socio-demographic factors and women engagement in small scale businesses

		Women engage in small scale business		χ^2 - Value	P-value
		Yes	No		
Peer groups	Yes	76 (58.9%)	53(41.1%)	11.533	0.001**
	No	4 (19.0%)	17(81.0%)		
Women Education Level					
Primary education		45(58.4%)	32(41.6%)	7.752	0.021**
Secondary education		23(62.2%)	14(37.8%)		
Tertiary Education		12(33.3%)	24(66.7%)		
Husband Education Level					
Primary education		25(67.6%)	12(32.4%)	8.802	0.012**
Secondary education		15(57.7%)	11(42.3%)		
Tertiary education		16(35.6%)	29(64.4%)		
Age					
24 – 35		28(60.9%)	18(39.1%)	1.946	0.378
36 – 47		39(52.0%)	36(48.0%)		
48 and above		13(44.8%)	16(55.2%)		
Marital Status					
Married		52(51.5%)	49(48.5%)	2.426	0.297
Separated		9(45.0%)	11(55.0%)		
Single		19(65.5%)	10(34.5%)		
Occupation					
Farmer		5(33.3%)	10(66.7%)	51.761	0.000***
Public employee		7(41.2%)	10(58.8%)		
Private sector		64(79.0%)	17(21.0%)		
Unemployed		4(10.8%)	33(89.2%)		

Note: *** Significant at 1%, ** Significant at 5%, * significant at 10% and NS not significant at all level.

Result in Table 6 indicated that husband occupation is not statistically significantly associated with women engagement in small scale businesses at 1%, 5% and 10% level of significance. Therefore husband occupation is not an important determinant for women engage in small scale businesses. The findings in Table 6 are not in line with Farah (2014) who found that economic factors had association with women participation in entrepreneurial activities.

Table 4: Association between economic factors and women engagement in small scale business

	Women engage in small scale business		χ^2 - Value	P-value
	Yes	No		
Occupation				
Farmer	17 (89.5%)	2 (10.5%)	4.751	0.191
Public employee	23 (697%)	10 (30.3%)		
Private sector	38 (84.4%)	7 (15.6%)		
Unemployed	10 (90.9%)	1 (9.1%)		

Note: *** Significant at 1%, ** Significant at 5%, and * Significant at 10% and NS not Significant at all level.

3.3 Challenges hindering women to engage in small scale business

Findings in Table 8 revealed that the majority of women (59.4%) mentioned that lack of capital is one of the challenges hindering women to engage in small scale businesses. This means that a small proportion (6.1%) mentioned little opportunity is one of the challenges hindering women to engage in small scale business. The findings in Table 7 agree with Kavuli (2014) who found that the financial aspects of setting up a business are without doubt the biggest obstacles to women.

Table 5: Challenges hindering women to engage in small scale businesses

Challenges	Frequency	Percentage
Lack of capital	88	41.9
Inadequate of business area	25	11.9
Give up	75	35.7
Little opportunity	22	10.5

4. Conclusion and Recommendations

The study found that the majority of the women had not participated in any training concerning small scale businesses. Results have shown that factors associated with women engagement in small scale businesses are socio-demographic factors such as peer groups, occupation of women, women education level and husband education level. Also, the study shown that the main challenges hindering women to engage in small scale businesses are lack of capital, Inadequate of business area, give up and few opportunity. Based on findings, it is recommended that the Local government and financial institutions should provide loans with low interest rates to women as well as to provide specific areas for women to run their businesses.

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