

The Impact of Women Entrepreneurship on Economic Growth In Benue State-Nigeria

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Abstract: *This study examines the impact of women entrepreneurs on economic growth in Benue State, North-Central Nigeria. An exploratory survey method employed and the questionnaire used for data collection. A sample of Sixty (60) respondents was drawn from 244 registered businesses in Benue state. Analysis of Variance (ANOVA), Analysis of Co-variance and Regression and Correlation were employed as tools for testing hypotheses. Findings revealed that the operations of women entrepreneurs have not significantly impacted on the growth of Benue State economy due to the numerous operational challenges faced by them over the years. It was also observed that a weak positive relationship exist between public policy support and women entrepreneurs in Benue State. This implies that, government programmes and other support services have not helped them surmount the inhibiting operational challenges. In order to help the women entrepreneurs overcome their operational hardships in Benue State, it is recommended among others: capacity building programmes on entrepreneurship education, provision of effective and realistic support services for women entrepreneurs, promoting of gender neutral environment in all policy measures to help women entrepreneurs impact significantly on economic growth.*

Key Words: *Benue State, Economic Growth, Impact, Support Services and Women Entrepreneurs.*

I. Introduction

Women in traditional African economy form 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" (Kpelai, 2009:145). 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 male counterpart to lime light. Women, according to Jeminiwa (1995), are at the heart of development and economic growth as they control most of the non-monetary economy (subsistence agriculture, bearing children, domestic labour, and so on) and play an important role in the monetary economy as well (trading, wage, labour, employment among others).

As Nigeria yearns for economic growth, emphasis must be laid on entrepreneurship. Some entrepreneurial programs already embarked upon by the Federal Government of Nigeria include: Family Economic Advancement Program (FEAP), Peoples Bank of Nigeria, National Economic Empowerment and Development Strategy (NEEDS), Small and Medium Enterprises Development Agency (SMEDAN), Small and Medium Industries Equity Investment Scheme (SMIEIS) and so on are all targeted towards promoting a vibrant entrepreneurial class that will actively articulate the economic development process.

However, women are not specially targeted; but it was presumed that the extension of these services to the rural areas where women dominate in economic activities will empower them. In spite of these entrepreneurial programmes aimed at developing Nigerians entrepreneurial skills, women are still vulnerable and suffer a lot of constraints and inhibitions which militate against their personal as well as national development. Rural women according to Jeminniwa (1995), are getting poorer and further marginalized both in the utilization of available resources and access to factors of production.

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 Nigeria 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.

While the status of women in the developed and developing parts of the world has greatly risen, women remain the most economically and socially marginalized group of the undeveloped world. This position of women is ironic in the sense that, many Nigerian women particularly in Benue State engaged in one form of agriculture or the other, which ranges from planting of tomatoes, pepper, cassava, yams, guinea corn, soya

beans, sesame seeds, maize, and so on. All these products constitute a source of raw materials that can be ultimately processed into finished products, thus creating value addition.

Entrepreneurship

Entrepreneurship is a process of owning and managing a new venture or improving on an existing product(s) or service(s) that create value, assuming the accompanied risks and receiving the resulting rewards and independence. To Schumpeter (1934) entrepreneurship is process that result into new product, new methods, new markets or form of organisation. 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's enhances institutional capital formation, investments and improved standard of living.

Economic Growth

Economic growth can be defined as an increase in the real value of goods and services produced in the economy from one year to the next. In other words, the country is aiming to have more goods and services available for sale every year (<http://economics.mrwood.com.au/student.asp>).

Other scholars view economic growth as “a positive change in the level of production of goods and services by a country over a certain period of time” (Investors words, 2010). It refers only to the quantity of goods and services produced. It is often measured as the rate of change in GDP (Wikipedia, 2010).

Entrepreneurship And Economic Growth

Entrepreneurship is based on actualization of new ideas and creativity that lead to economic growth. This is possible by the ability of entrepreneurs to bear-risks. Some culture, beliefs, values system can as well increase the supply of entrepreneurs in a given society. Entrepreneurship can lead to industrialization of nations through its participation in private driven economy. Entrepreneurship creates employment opportunities, utilizes local raw materials, creates wealth and has the potential to reduce poverty in developing societies. Entrepreneurs may also discover areas of socio-economic needs and take advantage of such to the benefit of the society.

The Global Entrepreneurship Monitor (1999) argues that the national level of entrepreneurial activities has a statistically significant association with subsequent levels of economic growth.

GEM further argued that there are no countries with high levels of entrepreneurship and low levels of economic growth. It was observed assumed that an analysis of countries over a long period of time have accumulated substantial evidence of a positive link between high rates of entrepreneurship and economic growth.

Theoretical Framework

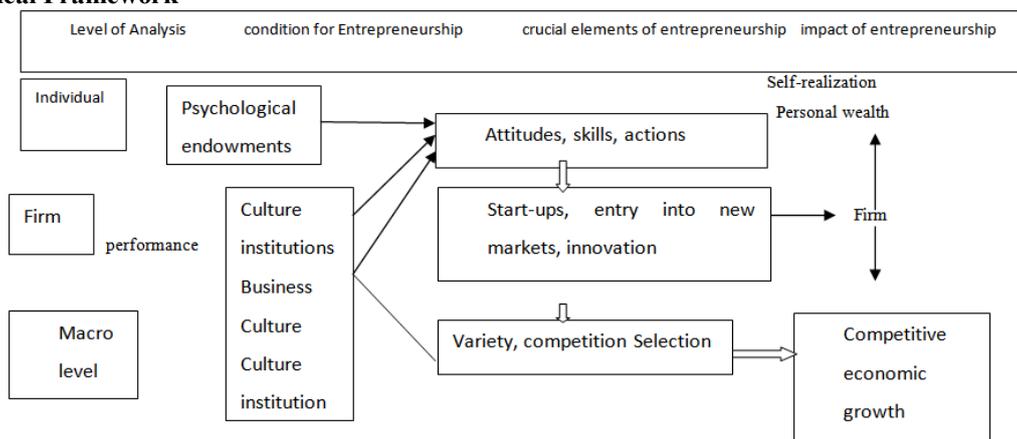


Figure 1: The Wennekers and Thurik Model

Source: Carree and Thurik (2002:20) as cited by UNTAC/WEB/ITE/2002/3

Wennekers and Thurik model

Wennekers and Thurik (1999) established this model, relating entrepreneurial activity to economic growth. The model distinguishes between three levels of analysis: the individual level, the firm level and the macro level. Entrepreneurial activity originates at the *individual level* and is always traceable to a single person, the entrepreneur. Entrepreneurship is, hence, induced by an individual's attitudes or motives, skills and psychological endowments.

Yet the individual entrepreneur is not undertaking entrepreneurial activities in a timeless and spaces less vacuum, but is affected by the context in which he or she is acting. Therefore, entrepreneurial motives and

actions are influenced by cultural and institutional factors, the business environment and macroeconomic conditions.

While entrepreneurship originates at the individual level, realization is achieved at the *firm level*. Start-ups or innovations are vehicles for transforming personal entrepreneurial qualities and ambitions into actions. At the *macro level* of industries and national economies, the sum of entrepreneurial activities constitutes a mosaic of competing experiments, new ideas and initiatives. This competition leads to variety and change in market, that is, a selection of the most viable firms, their imitation and a displacement of obsolete firms. Entrepreneurial activity hence expands and transforms the productive potential of national economy by inducing higher productivity and an expansion of new niches and industries.

Processes at the aggregate level are, in turn, linked to the individual layer, obviously including important feedback mechanisms for individual entrepreneur.

“Entrepreneurs can learn from both their own and others’ successes and failures, which enables them to improve their skills and adapt their attitudes” (Carree and Thurik, 2002:19-20).

II. Methodology

a. Sample and data collection method

The Benue State Ministry of Commerce and Industries in collaboration with National Bureau of Statistics (NBS) conducted a survey of Benue State industries and businesses in 2011. According to this published report (2011:8), the 23 local government areas which make up Benue state have 244 registered businesses of which ninety one (91) were owned by women which is the focus of this study. Based on purposive sampling, seventy five (75) women entrepreneurs engaged mostly in agriculture/agro-allied activities, crafts/artisans, trading and services in Benue State chosen. The choice of the four sectors is deduced by the fact that a very significant number (82.41%) of the registered businesses owned/managed by women in Benue state falls within these four major entrepreneurial activities. A structured questionnaire using summated rating scale of 1-5 were administered face-to-face on the chosen sample.

b. Instrumentation

A summated rating scale of 1-5 was used in measuring the study variables. The independent variables include: women entrepreneurs and public policies support, while dependent variables are economic growth, operational challenges and overcoming operational challenges.

The collected data were analysed using Statistical Packages for Social Sciences (SPSS13.0). The SPSS is packages give up values as well as calculated statistics. Seventy-Five (75) questionnaires were administered on a sample of women entrepreneurs across Benue State using already defined procedure. However, only sixty (60) questionnaires were returned.

III. Findings And Discussion

a. Reliability Analysis

- i. The calculated F-ratio value is 0.0068 lower than tabulated value of 3.89 at 0.05 level with 2 and 12 degrees of freedom. The dependent variable which is economic growth in Benue State was not significant. This test suggests women entrepreneurs have not contributed significantly to economic growth in the state. The impact of women entrepreneurs in Benue State can be explained by the weak effect it has on economic growth.
- ii. The dependent variables of operational challenges facing women entrepreneurs in Benue State had calculated F-ratio value of 62.87 higher than initial (tabulated) F-ratio of 12.2 at 0.5 level indicates that encountering challenges in their business operations in Benue State is significant. The women entrepreneurs have been encountering operational challenges in Benue State over the years.
- iii. The independent variable of public policies support by government revealed a co-efficient value of 0.534. The test value of 1.095 is lower than tabulated ratio of 3.182, that is, the public policies put in place by the government to support women entrepreneurs to overcome their operation challenges experienced over the years have not worked.

b. Descriptive Statistics and Analysis

The findings showed that most of the respondents were between 25-35 years were 41.67%, 33.33% were between ages of 36-45 years and 25% were 46 years and above. The educational background of women entrepreneurs in Benue State showed 8.33% had first school leaving certificate, 50% had either secondary school certificate or diploma certificate. 41.67% had university degree or its equivalent. On the other hand, 16.67% were married and 16.67% widowed. The majority of women entrepreneur have stayed long in their

entrepreneurial endeavours. 1.1% of respondents are less than two years in the business while 73.3% were 2-4 years, 22.2% 4-6years while 3.3% were above 6 years.

IV. Conclusion and Future Recommendations

The relationship tested in this study underscores the multiplicity of the factors which influence the operations of women entrepreneurs. The findings showed that women entrepreneurs have not contributed significantly to the economic growth of Benue State due to numerous operational challenges experienced over the years. The public policies support put in place have not helped them either to overcome or surmount these challenges.

Women entrepreneurs have potentials to create employment opportunities, create wealth for Benue state and generally grow the economy. Women constitute half of the population of Benue State. Therefore if the economic status of Benue State women is improved through entrepreneurial development, the socio-economic well-being will be attained.

The findings provide institutionalizing policy framework that targets women entrepreneurship development; capacity building programmes on business management for women entrepreneurs in Benue state. Enterprise networks, NGOs and so on can provide advice, counselling and training for women entrepreneurs. Special microcredit programmes to be established by government retail to assist women entrepreneur access credit facilities; Government to aggressively pursue provision of infrastructures such as water, electricity, roads and security to reduce costs of doing business in the state.

The three tiers of government should provide tax relieve to women entrepreneurs in form of tax cut or tax rebate to help lessen multiple tax burden.

Government should put in place legislation that address women’s right to ownership of landed property and other discriminatory practices that constitute operational challenge to women entrepreneurs in Benue State.

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[11]. Appendices

Hypothesis 1

H₀₁: women entrepreneurs have not contributed significantly to economic growth in Benue State.

Table1: Women entrepreneurial activities and economic growth in Benue State

Contribution	Rating scale of respondents				
	5	4	3	2	1
Starting new business	1	10	13	16	20
Community/social development	9	11	13	10	17
Tax Payment	17	15	10	7	11
Employment	19	17	12	8	4
Wealth creation	20	14	20	2	4

Source: *Field study 2012.*

Table 2: Test for significance of contribution to economic growth

S/No	Variables	Group1		Group2		Group3	
		Very high X ₁	X ₁ ²	High X ₂	X ₂ ²	Average X ₃	X ₃ ²
1	Starting a new Business	1	1	10	100	13	169
2	Community/Social Development	9	81	11	121	13	169
3	Tax Payment	17	289	15	225	10	100
4	Employment	19	361	17	289	12	144
5	Wealth Creation	20	400	14	196	20	400
		$\Sigma 66$	$\Sigma 1132$	$\Sigma 67$	$\Sigma 931$	$\Sigma 68$	$\Sigma 982$
		$\bar{X}=13.2$		$\bar{X}=13.4$		$\bar{X}=13.6$	

ANOVA: Summary Results for three (3) groups using analysis of variance from data in

Table 1. **Table 3: The results of ANOVA statistical test**

Source of variation	sum of squares	d.f.	mean squares	F
Between	0.4000	2	0.2000	0.0068
error	351.2	12	29.27	6.8337E-03
Total	351.6	14		

The probability of this result, assuming the null hypothesis, is 0.993

The tabulated F-Ratio at 0.05 levels with 2 and 12 degrees of freedom gives a value of 3.89.

Hypothesis

2Ho₂: women entrepreneurs have not been encountering operational challenges in Benue State.

Table 4: The effect of operational challenges on women entrepreneurs

Challenges	Rating scale of respondents					Total
	5	4	3	2	1	
Finance	12	4	2	0	0	18
Infrastructure	4	1	2	0	0	7
Source of raw materials	0	2	1	1	0	4
Multiple Levies/Taxes	6	3	1	1	1	12
Gender Inequality	3	4	2	1	0	10
Market for products/services	0	1	2	0	0	3
Lack of skilled personnel	3	1	0	0	0	4
Family problems	2	0	0	0	0	2
Total	30	16	10	3	1	60

Source: Field study 2012

Rating scale: 5-very much; 4-Average; 3-very little; 2-No impact; 1-Not sure

Table 5: Data categorisation

Group 1 (Secondary causes)

Group 2 (Tertiary causes)

S/No	Challenges X ₁	Av. Contributions Y ₁	Challenges X ₂	Av. Contributions Y ₂
1.	30	8	900	64
2.	16	11	256	121
3.	10	14	100	196
4.	3	16	9	256
5.	1	18	1	324

Table 6: ANCOVA summary result

Source	SS	Df	MS	F	P
Adjusted means	110187.19	1	110187.19	62.87	0.000087
Adjusted error	11889.38	7	1698.48		
Adjusted total	122076.57	8			

Table 7: Test for homogeneity of regressions

Source	SS	Df	MS	F	P
Between regressions	5.33	1	5.33	0	1.000000
Remainder	11884.05	6	1980.68		
Adjusted error	1889.38	7			

Hypothesis 3

H₀₃: public policies put in place have not helped women entrepreneurs to overcome operational challenges experienced over the years.

Table 8: Whether public policies have helped women entrepreneurs overcome operational challenges experienced over the years

Response	Number of respondents	Percentage %
Strongly agree	2	3.33
Agree	6	10.00
Disagree	14	23.34
Strongly disagree	18	30.00
Not sure	20	33.33
Total	60	100

Source: Field study 2012

Table 9 values for X and Y (Independent and dependent Variables)

S/No	X	Y	X ²	XY	Y ²
1	6	11	36	66	121
2	10	16	100	160	160
3	12	8	144	96	64
4	14	14	196	196	196
5	18	18	324	324	324
Total	Σ60	Σ67	Σ800	Σ842	Σ961

Table 10: Correlation and Regression Summary Result

R	r ²	Slope	Y intercept	Std. Err. of Estimate
0.534	0.286	0.475	7.7	3.8794
T	$\frac{dt}{3}$	P	One-tailed	0.1768
1.095			Two-tailed	0.3535

Table 11: 0.95 and 0.99 Confidence Intervals of rho

	Lower limit	Upper limit
0.95	-0.658	0.962
0.99	-0.841	0.984