

## **Women Entrepreneurship in Micro, Small and Medium-Scale Enterprises in Akwa Ibom State**

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**Abstract:** *Despite challenges, women in Akwa Ibom State have contributed meaningfully to poverty reduction and economic development of the state. Women entrepreneurs are engaged in different sectors of the economy. About 37% are in agriculture, 26.8% in trade, 18.5% in services and 4.8% in entertainment. However, there was no significant difference ( $P > 0.05$ ) between skilled and unskilled women entrepreneurs in their contributions to improved economy of the state (improved family income, improved standard of living etc). But their contribution to level of patriotism was below cut-off point. There was no significant difference ( $P > 0.05$ ) between women entrepreneurs in factors militating against their performance in MSMEs. Factor such as financial/start-up capital, cultural/religious barriers, legal problems, competition and poor infrastructure significantly militate against the performance of skilled and unskilled entrepreneurship in the state. This calls for strategic support from government, private organizations and individuals to enable women perform optimally and contribute more to the economic development of Akwa Ibom State.*

**Key words:** *Women Entrepreneurship, Micro, Small And Medium-Scale Enterprises, Akwa Ibom State.*

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### **I. Introduction**

There is no doubt whatsoever that the micro, small and medium – scale enterprises (the principal catalyst of entrepreneurship) constitute the real fabric of a nation's economy (Onuoha, 2007). In spite of the enormous importance of this sector to the national economy with regards to job creation and the alleviation of abject poverty among impoverished women in Nigeria, the degree of attention and strategic support provided to the sector is inadequate.

History shows that economic progress has been significantly advanced by pragmatic people who are entrepreneurial and innovative, able to exploit opportunities and willing to take risks (Hisrich, 2005).

Significant numbers of enterprises were owned by men (ILO, 2006). In other words, it was not common to see women-owned business worldwide especially in developing countries like Nigeria. The idea and practice of women entrepreneurship is a recent phenomenon.

In Nigeria, women constitute more than 50% of the Nigerian population and out of this; only about 35% of them are involved in entrepreneurship which can be under the form of micro, small, medium and large enterprises (Odoemene, 2003). The contribution of women to economic development is well documented. Yet there exist several barriers to the full optimization of women's economic potential (Microfinance Africa, 2012). The Micro, Small and Medium Enterprises (MSMEs) are globally acknowledged as the oil to lubricate the engine of socio-economic transformation of any nations.

A recent publication by the Global Partnership for Financial Inclusion highlights that in developed countries, women are starting business at a faster rate than men, and are making significant contribution to job creation and economic growth. The same is true of transition economies, although the comparable rate of growth is slower.

Women-owned businesses are one of the fastest growing segments of small businesses in Nigeria with an increase from approximately one million businesses in 1982 to 1.5 million in 1990. Before 1980, women owned about 6% of all Nigerian business. Today women own nearly 30% of all businesses, 50% of all retail businesses, and 10% of all service companies (Kirkwood, 2009). This statistics however, still indicate a relatively lower entrepreneurship rate amongst the female working population.

Sharing this similar view were Scherer, Brodzinski and Wiebe (2010) whose finding revealed that males tended to have a strong impact on shaping a person's preference for entrepreneurship than females. The difference in preference on entrepreneurship was attributed to one's self efficacy and expectation of entering an entrepreneurial career.

Many women lack experience, either personal or vicarious, related to successful accomplishment of entrepreneurship tasks. This explains why women tended to have lower self-efficacy and career entry expectation for entrepreneurship. Thus, they might perceive the lack of the necessary personal and vocational resources to engage in the venture initiative process.

Some researchers have attempted to study the relationship between education and entrepreneurial success. According to Bates (2000), highly educated entrepreneurs were likely to create firms that remain in operation.

In sub-Sahara Africa, some measure of success has been achieved in South Africa, Botswana and Mauritius. The success achieved in each of the above named countries is mostly attributed to support to micro, small and medium enterprises (MSMEs) in terms of policy, respect for the basic rights and needs of women, the availability of resources such as finance, good infrastructure, skills and appropriate technology and an enabling macro-environment for attracting international investors. Small businesses and enterprises constitute the only livelihood available to the majority of impoverished women in Nigeria. Women depend on MSMEs as a sources of livelihood essentially because government fails to meet their requirements for survival and entrepreneurship aspiration.

More than half of all women entrepreneurs in Nigeria often face gender related challenges relating to establishing new businesses as well as operating or expanding existing businesses. Women are disadvantaged due to culture, religion, tradition and education. For instance, many women face difficulty in raising credit finance from banks as well as borrowing via informal networking.

This study is aimed at analyzing the contribution of women entrepreneurs to the economic development, and factors that affect their performance in MSMEs not to contribute a lot to the poverty alleviation of women in Akwa Ibom State and Nigeria as a whole.

## **II. Definitions**

### **ENTREPRENEURSHIP**

Entrepreneurship may be defined as the ability to use the factors of production – land, labour and capital – to produce new goods and services. Entrepreneurship may also be defined as managerial process of organizing, operating and assuming the risk of a new business venture.

### **MSME (MICRO, SMALL AND MEDIUM ENTERPRISES)**

The first difficulty in discussing MSMEs is one of definition. The working definition varies among countries, industrial group and from one financial institution to another. Generally, in determining what should be a micro, small or a medium – scale business, many different criteria have been used: number of employees, assets values, sales volume, financial strength, number of locations, relative size and so on (Onuoha, 2007).

*According to European Union (EU) 1992 classification, MSMEs were as follows:*

1. Micro enterprises - firms with 0-9 employees.
2. Small enterprises - firms with 10-99 employees
3. Medium enterprises - firms with 100-499 employees

**African Entrepreneurship and Leadership Initiative (AELI) Classification of industry (2008) in as follows:**

S/N	CLASSIFICATION	TOTAL COST (EXCLUDING COST OF LAND)	NUMBER OF EMPLOYEES
1.	Micro/cottage industry	₦1.5-3.0million	1-30
2.	Small-scale enterprise	₦30.0-60.0million	31-150
3.	Medium-scale enterprise	₦60.0-250.0million	151-350
4.	Large-scale enterprise	Over ₦250.0million	Over 350

**Source:** African Entrepreneurship and Leadership Initiative (AELI) Classification of industry (2008).

### **STATEMENT OF THE PROBLEM**

Women formed more than half (50.72%) of the population of Akwa Ibom State. But they have not been utilized well to contribute meaningfully for the economic development of the state. One of the reasons might be the problems of women entrepreneurs in MSMEs. This is supported by empirical evidence. For instance, (Gemechis 2007) and ILO (2009) stressed that entrepreneurs are surrounded by a number of challenges. These include education, managerial skill, access to loan, technical skill etc. This forces women entrepreneurs in MSMEs not to contribute meaningfully to poverty reduction in the state. This study specifically emphasis on factors that affect the performance of women entrepreneurs in in Akwa Ibom State.

**OBJECTIVE**

- (1) The study is aimed at assessing the major factors that affect the performance of women entrepreneurs in MSMEs and their contribution to economic development in Akwa Ibom State.
- (2) Assessing the major characteristics of women entrepreneurs in MSMEs.
- (3) The support given to women entrepreneurs in MSMEs by government and private institutions.
- (4) Assessing the relevance of women entrepreneurs in economic development of the state.

**III. Methodology**

In this study, survey research design was adopted. Data was gathered from 400 small businesses and enterprises selected from the three senatorial districts of Akwa Ibom State.

The collection of data was done using structured questionnaires, personal interview and observations. The 400 small businesses and enterprises were managed by women entrepreneurs selected randomly from the three senatorial districts (Uyo, Ikot Ekpene and Eket) of Akwa Ibom State. The women were classified into two groups – skilled and unskilled women. Research questions were answered using mean graded on a five point Likert scale ranging from “strongly agree” to “strongly disagree” (5=Strongly Agree, 4=Agree, 3=Undecided, 2=Disagree, 1=Strongly Disagree) and the hypotheses tested on 0.05 alpha level, using t-test analysis.

**TABLE 1: Business sectors and number of women entrepreneurs (n=400)**

S/N	Business Sectors	Number of Women Entrepreneurs	Percent (%)
1.	Agriculture	148	37
2.	Trade	107	26.8
3.	Services	74	18.5
4.	Hand-craft	52	13.0
5.	Entertainment	19	4.8
	<b>Total</b>	<b>400</b>	

From table 1, it is shown that out of 400 women entrepreneurs in MSMEs selected, agriculture alone account for 37% women entrepreneurs. Other sectors account for 26.8% (trade), 18.5% (services) and 4.8% (entertainment).

**RESEARCH QUESTION 1**

What are the contributions of women entrepreneurs to poverty reduction and economic development in Akwa Ibom State.

**Table 2: Weighted means and ranking of the contribution of women entrepreneurs to poverty reduction and economic development in Akwa Ibom State.**

S/N	Contributions of women entrepreneurs to poverty reduction and economic development	Skilled women entrepreneurs		Unskilled women entrepreneurs	
		Means	Ranking	Means	Ranking
1.	Improved family income	3.7	2 <sup>nd</sup>	3.6	2 <sup>nd</sup>
2.	Improved standard of living	3.6	3 <sup>rd</sup>	3.5	3 <sup>rd</sup>
3.	More employment opportunities	3.1	7 <sup>th</sup>	3.1	7 <sup>th</sup>
4.	Improved family nutrition	3.2	6 <sup>th</sup>	3.2	6 <sup>th</sup>
5.	Increased gross domestic product	2.8	8 <sup>th</sup>	2.9	8 <sup>th</sup>
6.	Decrease in unemployment	3.3	5 <sup>th</sup>	3.3	5 <sup>th</sup>
7.	Availability of more goods and services	3.8	1 <sup>st</sup>	3.7	1 <sup>st</sup>
8.	Improved family health	3.5	4 <sup>th</sup>	3.4	4 <sup>th</sup>
9.	High level of patriotism	2.4	10 <sup>th</sup>	2.4	10 <sup>th</sup>
10.	Increased in internally generated revenue	2.7	9 <sup>th</sup>	2.6	9 <sup>th</sup>

The cut of point = 2.5

Table 2 indicates the contribution of women entrepreneurs to poverty reduction and economic development by ranking in Akwa Ibom State.

Availability of more goods and services ranked first, followed by improved family income, decreased in unemployment and improved standard of living while level of patriotism ranked last with weighted mean of 2.4.

**RESEARCH QUESTION 2**

What factors militate against the success of women entrepreneurs in Akwa Ibom State.

**TABLES 3:** Weighted means and ranking of factors militating against the success of women entrepreneurs in Akwa Ibom State

S/N	Factors that militate against the success of women entrepreneurs in Akwa Ibom State	skilled women entrepreneurs		Unskilled women entrepreneurs	
		Means	Ranking	Means	Ranking
1.	Poor finance/start-up capital	3.9	1 <sup>st</sup>	3.6	1 <sup>st</sup>
2.	Cultural, religious/ traditional barriers	3.8	2 <sup>nd</sup>	3.5	2 <sup>nd</sup>
3.	Lack of entrepreneurial experience	3.3	6 <sup>th</sup>	3.2	5 <sup>th</sup>
4.	Poor education	2.7	8 <sup>th</sup>	2.6	9 <sup>th</sup>
5.	High level of competition	3.5	4 <sup>th</sup>	3.3	4 <sup>th</sup>
6.	Household chores	2.6	9 <sup>th</sup>	2.8	8 <sup>th</sup>
7.	Poor infrastructure/business environment	3.2	7 <sup>th</sup>	3.1	6 <sup>th</sup>
8.	Poor motivation	3.4	5 <sup>th</sup>	3.0	7 <sup>th</sup>
9.	Marketing problems	2.4	10 <sup>th</sup>	2.3	10 <sup>th</sup>
10.	Legal problem	3.6	3 <sup>rd</sup>	3.4	3 <sup>rd</sup>

The cut of point = 2.5

In table 3, the respondent agree in their ranking of the factors that militate against the success of women entrepreneurs in Akwa Ibom State that poor access to finance/start-up capital is ranked first, followed by cultural, religious/traditional barriers, high level of competition, poor motivation, legal problems, lack of entrepreneurial experience, household chores, poor infrastructure/business environment, poor education and marketing problems in that order.

**Table 4:** Weighted means and t-test of the responses of skilled and unskilled women entrepreneurs regarding their contribution to poverty reduction and economic development

S/ N	Contributions of women entrepreneurs to poverty reduction and economic development	skilled women entrepreneur means	Unskilled women entrepreneur Mean	t-value	Remarks
1.	Improved family income	3.7	3.6	0.97	NS
2.	Improved standard of living	3.6	3.5	1.52	NS
3.	Improved family health	3.5	3.4	1.01	NS
4.	Improved family nutrition	3.2	3.2	1.04	NS
5.	More employment opportunities	3.1	3.1	1.06	NS
6.	Increased gross domestic product	2.8	2.9	1.03	NS
7.	Availability of more goods and services	3.8	3.7	0.94	NS
8.	Increased in internally generated revenue	2.7	2.6	1.66	NS
9.	High level of patriotism	2.4	2.4	1.47	NS
10.	Decrease in unemployment	3.3	3.3	1.32	NS

$N_1 = 220, N_2 = 180, df = 398, t\text{-cri} = 1.96, \text{Average } t\text{-cal} = 1.21, S = \text{Significant}, NS = \text{Not Significant}$

**HYPOTHESIS 1**

There is no significant difference in the mean responses of skilled and unskilled women entrepreneurs regarding the contributions of women entrepreneurs to poverty reduction and economic development in Akwa Ibom State.

Table 3 indicates no significant difference in the mean responses of the women entrepreneurs in all their identified contributions to poverty reduction and economic development of Akwa Ibom State, with t-value of 1.96. The hypothesis was therefore retained.

**Table 5:** Weighted mean and t-test of the responses of skilled and unskilled women entrepreneurs regarding factors militating against the success of women entrepreneurs in Akwa Ibom State

S/N	Factors that militate against the success of women entrepreneurs in Akwa Ibom State	Skilled women entrepreneur means	Unskilled women entrepreneur mean	t-value	remark
1.	Poor finance/start-up capital	3.9	3.6	1.09	NS
2.	Cultural, religious/ traditional barriers	3.7	3.7	1.01	NS
3.	Lack of entrepreneurial experience	3.3	3.2	1.11	NS
4.	Poor education	2.7	2.6	1.66	NS
5.	Legal problem	3.6	3.4	1.06	NS
6.	Poor motivation	3.4	3.3	1.03	NS
7.	Household chores	2.6	2.8	1.19	NS
8.	High level of competition	3.5	3.4	1.04	NS
9.	Marketing problems	2.3	2.4	1.82	NS
10.	Poor infrastructure /business environment	3.2	3.1	1.05	NS

$N_1=220$ ,  $N_2=180$ ,  $df=398$ ,  $t_{-cri}=1.96$ , Average  $t_{-cal}=1.19$ , S=Significant, NS=Not Significant

## **HYPOTHESIS 2**

There is no significant difference in the mean responses of skilled and unskilled women entrepreneurs regarding problems militating against their success in MSMEs in Akwa Ibom State. The t-value in all the identified items were less than the critical t-values leading to the retention of the null hypothesis.

## **IV. Discussion Of Analysis**

From the analysis of business sectors that women entrepreneurs engaged (table 1) it was shown that more women entrepreneurs are in agriculture business having 37% above other sectors. This can be attributed to the fact that agriculture plays a pivoted role in family support, employment/income generation. It requires little or no capital to start agribusiness. Even women in other business sectors are in one way or the other involved in agribusiness (eg own poultry farms, vegetable farms, plantain etc).

Market women form a large chunk of women entrepreneurs in Akwa Ibom State with 26.8% below agriculture. The large number of women entrepreneurs in agriculture and trade can as well be attributed to the support given to women in these sectors by the state government. Other business sectors identified for women entrepreneurs in Akwa Ibom State are services (18.5%), hand-craft (13.0%) and entertainment (4.8%).

In hypothesis one, the analysis of data indicated no significant difference in the mean responses of skilled and unskilled women entrepreneurs regarding their contribution to poverty reduction and sustainable development of Akwa Ibom State.

In all the identified contributions, the calculated t-values were less than the critical t-value of 1.96, leading to the retention of the null hypothesis. The implication here is that women in Akwa Ibom State contribute significantly to poverty reduction and economic development of the state. This is confirmed in the weighted mean and ranking of factors (table 2) where the mean values of the groups are above the cut-of point of 2.5.

The finding is supported by the works of other researchers. Adeyemi (2007) found out that Nigerian women generally, are hard working, enthusiastic and contribute significantly to sustainable national development. The finding is in line with Birley (2009) whose study revealed that Nigerian women entrepreneurs impact meaningfully on national development through their business contributions. The author concluded that women needed specific opportunities to develop their business in order to impact more on the national economy.

In hypothesis two, the data analysis showed no significant difference in the mean responses of both skilled and unskilled women entrepreneurs regarding the problem militating against their success in business in Akwa Ibom State. The calculated t-values were less than the critical t-value of 1.96 in all the identified factors. This led to the retention of the null hypothesis.

This mean that women entrepreneurs in Akwa Ibom State are confronted with series of problems that hinder their success in business. This is confirmed in table 3 with the weighted means of all the identified factors being above the cut-of point of 2.5.

The impact of these factors however, on the success of women entrepreneurs in the state should not be undermined.

These findings are in agreement with World Bank (2005), ILO (2003), Samiti (2006), and SMIDEC (2004) which addressed that women entrepreneurs in MSMEs are affected by a number of economic, social/culture and legal/ administrative factors.

## **V. Conclusion**

The contribution of women to poverty reduction and economic development is well documented. Yet there exist several barriers to the full optimizing of women's economic potential especially in their entrepreneurial skills in MSMEs.

In Akwa Ibom State, women in small enterprises have contributed significantly to improved family income, improved standard of living, decrease in unemployment and increase in internally generated revenue. However, several barriers like access to financial/start-up capital, culture, religion/traditional barriers, poor education and lack of infrastructure etc hinder full optimization of women economic potential.

These findings are supported by the works of other researchers. For instance, Adeyemi (2007) found out from a study that Nigerian women entrepreneurs are enthusiastic, hard working and contribute meaningfully to

sustainable national development. Women, moreover, need specific opportunities to develop their businesses in order to impact more on the economy.

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