



DRUSSA
Development Research Uptake
in Sub-Saharan Africa



POLICY BRIEF

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Gender in Trade and Industry: Needs and Challenges of Women Entrepreneurs in Ghana

CSIR-STEPRI/MOTI/D02

Summary

The challenges and needs of women entrepreneurs have become developmental issues due to the unique roles of women in society. It is often believed that women businesses do not grow as much as men businesses. For this reason, a policy symposium was organised by the CSIR-Science and Technology Policy Research Institute (STEPRI) in collaboration with the Ministry of Trade and Industry (MOTI) to discuss these developmental issues and present some policy directions. Factors motivating women to start businesses were not necessarily growth oriented. Majority of the women as opposed to men were motivated to start their own businesses by factors such as lack of formal education, monetary gains, continuity of a family business, and lack of employment as well as easy access to locally available raw materials. The needs and challenges of women entrepreneurs identified include lack of access to finance and credit mechanisms, access to land, revising laws and administrative practices and shaping macroeconomic policies and development strategies. Others are measures to reduce chronic poverty, bureaucratic bottlenecks and the elimination of socio-cultural factors.

Introduction

The government of Ghana has made efforts in recent times to address the issue of gender equity and empowerment. Civil Society Organisations like the Abantu for Development in Ghana has called on the government to review draft local laws relating to women. It recognizes that addressing gender inequities is critical to the nation's sustainable development agenda. Ghana has committed itself to international and regional conventions and protocols which demand the implementation of policies and programmes that empower women, protect their rights and promote gender equality. Among these conventions and protocols are: The Universal Declaration of Human Rights (1948); Convention on the Elimination of All forms of Discrimination Against Women (1979); Beijing Platform for Action (1995); Protocol to the African Charter on Human and Peoples' Rights and the Rights of Women in Africa (2000) and Solemn Declaration on Gender Equality in Africa (2004). With a global adoption of the Sustainable Development Goals (SDGs) as the new agenda for the world development in September 2015 which also highlight the need for gender mainstreaming. Government has a prime responsibility in committing to all the relevant protocols.

In recent times, the rate at which women are forming businesses has increased significantly, although the rate of female entrepreneurial activity is significantly and systematically lower than those for males. This trend has become a matter of great concern as it can exacerbate existing gender inequalities and worsen women's economic and social status. Furthermore, gender inequality constrains a country's trade expansion and hinders a country's competitiveness. Women typically face gender-intensified constraints in the multiple roles they play as producers, workers and traders and these limit the opportunities and benefits that they can gain from economic activities and impose significant development costs on economies and societies.

In view of the above, the Science Technology and Policy Research Institute of the Council for Scientific and Industrial Research (CSIR-STEPRI) in collaboration with

- Institutionalize entrepreneurship and gender issues as one of the programmes at the basic level education;
- Research into the real needs of women or hidden factors regarding entrepreneurial growth; and
- Government should make the necessary efforts to invest in Research and Development as well as training of rural entrepreneurs on the state of the art technologies.

Reference

STEPRI/REP (2014): Business Opportunity Identification Survey. A report submitted to Rural Enterprise Programme (REP) of the Ministry of Trade and Industry, Accra.

Acknowledgement

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Ministry of Trade and Industry (MOTI) organized a half day policy symposium on the theme "Gender in Trade and Industry: Needs and Challenges of Women Entrepreneurs in Ghana". It was organized as one of the activities of the Development Research Uptake in Sub-Saharan Africa (DRUSSA) Project sponsored by the Department for International Development (DfID) and under the auspices of the Association of Commonwealth Universities (ACU). DRUSSA seeks to raise the level of discussion around research evidence and to encourage a culture of evidence-informed approaches to policy formulation and implementation.

The policy symposium allowed for a public engagement on how the challenges of women entrepreneurs can be addressed and also as a way of contributing to government's commitment. This policy brief is a snap shot of the presentations at the policy symposium especially the recommendations that emanated from the discussions.

Factors influencing business growth by gender

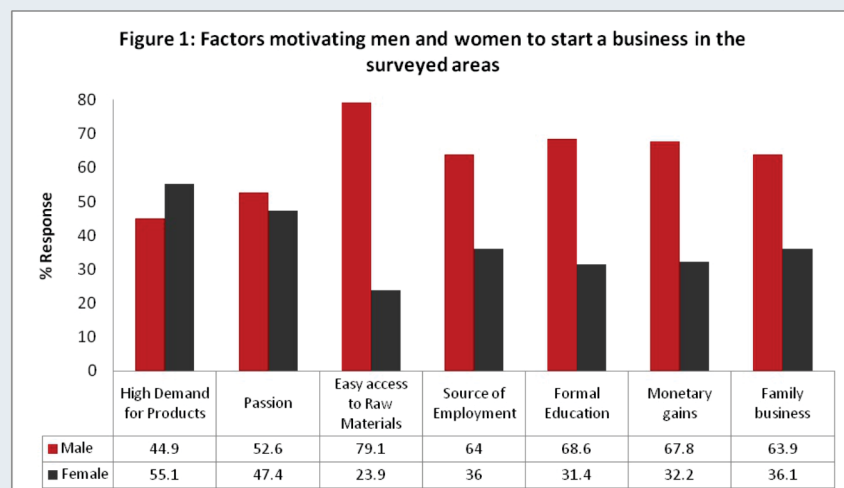
In Ghana, most small businesses are located in the rural informal sector where poverty and unemployment are high, yet attention to this rural sector, particularly women is inadequate. Although governments are doing their bit to accelerate the promotion and growth of these small businesses, the performance, particularly of businesses owned by women is discouraging. The rate of such business failure and collapse is alarming and gives a cause for concern by all stakeholders, especially policy makers.

Small businesses play major important roles in the economy, especially in rural communities, as they may serve as the main line of cash flow in the communities, and have the flexibility, and potential to innovate. In this light, Government has embarked on a series of efforts to revamp the sector though reliable solutions will depend on a better understanding of the limitations in the sector, especially with the need differentials between the genders. The discussion following was drawn from a survey conducted by CSIR-STEPRI under the auspices of the Rural Enterprise Programme (REP). The survey aimed to determine factors that may limit the success and growth of small businesses in Ghana as a way of exploring the needs and challenges facing women entrepreneurs in rural communities of Ghana.

A mixed method approach was used in the data collection including focus group discussion, key informant interviews, personal observations and one-on-one questionnaire administration. Data were collected from a number of rural communities in 49 districts of Ghana. In total, the survey covered 4500 entrepreneurs involved in various income generating activities in the rural areas. The business opportunities of the respondents included agro-processing, pre and post –harvest activities, agro industrial activities, farm-based businesses, traditional craft, primary fabrication and repairs.

An important factor critical in influencing business growth between the genders is the motivation of the entrepreneurs. The survey results indicated that majority of the women as opposed to men were motivated to start their own businesses by factors such as lack of formal education, monetary gains, continuity of a family business,

and lack of employment as well as easy access to locally available raw materials as shown in the Figure 1 below.



Source: STEPRI/REP Survey, 2014

The men were more motivated by the high demand for the products they produced as well as passion for their businesses. The survey results indicated that men were more interested in filling market gaps and fulfilling the dreams of their lives than any of the other factors cited as influencing decisions of entrepreneurs to establish a small business in rural communities.

Looking at the factors that motivate men and women in their businesses, the survey results showed that the highest motivator for about 76% of females was easy access to raw materials. On the other hand, the least motivating factor was high demand for the products in question. The reverse was observed for men with high demand for products as the highest motivating factor and easy access to raw materials being the least motivating factor. This suggests that for women, the ease of access to certain inputs and raw materials are more important factors to consider than the demand for the product when starting up a business enterprise.

Challenges facing entrepreneurs by gender

The biggest constraint that bedeviled both male and female entrepreneurs was finance. In terms of financial support, majority of the respondents sourced funds from their personal savings with 70.1% of females and 81.0% of males using this source. Both female and male entrepreneurs were also constrained by poor access to market and technology as shown in Table 1

Table 1: Constraints of entrepreneurs by gender

Constraints	Male Ranking	Female Ranking
Finance	1	1
Technology accessibility	3	3
Technical skills	6	9
Overall business management	4	7
Record keeping	8	6
Product pricing	5	4
poor market access	2	2
Supply of raw materials	7	8
Financial management	9	5

Source: STEPRI/REP Survey, 2014

Discussions after the presentations at the policy symposium also pointed out that the SME sector should be looked at critically because it has often been neglected with more attention paid to bigger enterprises and industries. It also came to light that every policy or intervention targeting women empowerment must start from re-orientation of men to really appreciate women issues. Other needs of women entrepreneurs discussed among participants at the policy symposium include empowerment in decision-making, access to land, regular power supply, stabilization of the Ghana cedi, proper customs and border management and revising laws and administrative practices to become more women friendly. Others are measures to reduce chronic poverty, removal of bureaucratic bottlenecks and the elimination of socio-cultural factors that hinder women participation in economic activities.

Conclusion

The “research evidence” shows that financing, access to market and technology are three top most constraints to both male and female entrepreneurs. Factors motivating women to start their own businesses were not necessarily growth oriented. Women were motivated by factors such as access to raw materials, lack of formal education or continuity of family businesses. The needs and challenges of women entrepreneurs identified include lack of access to finance and credit mechanisms, lack of access to technology and product markets. It was also concluded that gender is a social construct hence the need for a social re-engineering; assigning proper roles, changing mindsets and attitudes towards women in the society.

Policy Recommendations

The following are the key recommendations that emanated from the various discussions to improve gender in trade and industry:

- Provide better access to information for women entrepreneurs;
- Consider policy frameworks that provide support networks to social groups (gender);