

# Challenges facing Tanzanian Women Entrepreneurs while Managing Entrepreneurial Ventures: A Case of Mbeya City

J.S. Kikula

Mzumbe University

Email: [jkikula@yahoo.co.uk](mailto:jkikula@yahoo.co.uk), [jskikula@mzumbe.ac.tz](mailto:jskikula@mzumbe.ac.tz)

## **Abstract**

*The study from which this paper is based was conducted in Mbeya City, Tanzania, with the aim to investigate how women entrepreneurs sustain their ventures notwithstanding patriarchy, which is high in their communities whereby full control and inheritance of all the valuable assets like land, houses and animals are dominated by men. The overall objective was to assess the challenges that women entrepreneurs face in managing their entrepreneurial ventures. The rationalization of the study was premised on the need to generate empirical information to inform strategies to create enabling business environment which will enable more women to become instrumental in economic development in order to improve the general economy. A sample of 50 respondents was purposively selected out of the population of 120 women entrepreneurs, and copies of a questionnaire were administered to them for data collection. Moreover, one trade officer was interviewed using an interview guide. Descriptive statistics were computed in the analysis of quantitative data whereby frequencies, percentages, minimum and maximum values, and averages of some variables were computed. Content analysis was applied to qualitative data to transcribe the interview which was held with the trade officer. The findings indicated that the biggest challenges that women entrepreneurs faced when trying to manage their entrepreneurial ventures for both starting up and developing their own business activities were lack of capital and unreliable*

*markets for their services and products. These challenges can be minimized through empowering women, for example in terms of seminars and training concerning various alternative strategies of financing their ventures apart from having own valuable assets which could be a strong base for financing their enterprises. This should go hand in hand with training. Hence, it is recommended that capacity building in terms of training should be done and increased to equip women entrepreneurs with knowledge and skills to manage entrepreneurial ventures competitively.*

**Key Words:** Women entrepreneurs, challenges, entrepreneurial venture.

## **Introduction**

### **Status of Women who Manage Entrepreneurial Venture**

There are several challenges in accessing financial services. For example, only 12.4% of Tanzanians have access to formal financial services. In addition, 58% of the population has no access to any form of financial services whatsoever (Kihongo, 2005). Women are constrained by education/training, little business experience, discriminations, socialization/networking and unwillingness to take risk (Nchimbi, 2002). Also, the overall negative attitude towards businesses owned by women (particularly by men), and inadequate and affordable business premises limit the overall performance of women owned enterprises.

On the sources of funds for starting and running a business, the insufficient internally generated liquidity is one of the factors which have frequently been cited for micro-entrepreneurs business failure (Kyaruzi, 1996). In Ilala District, Tanzania, the cultural environment of the Coastal Region makes it more difficult for women to start and

run enterprises due to the expectations and demands of their traditional reproductive roles (Olomi, 2003). The negative attitude and belief about women's traditional roles have some significant impact on women entrepreneurs as indicated by: (1) Not being able to access appropriate resources, (2) Being especially vulnerable to harassment from male officials and businessmen, (3) Lack of adequate education, (4) Limited or no experience of formal employment and business, and (5) limited network, especially business related networks. There exists a market failure discriminating against women's possibility to become entrepreneurs and their possibility to become successful entrepreneurs. This market failure needs to be addressed so that the economic potential of this group can be fully utilized. While without any doubt the economic impact of women is substantial, we still lack a reliable picture describing in detail such impact. Recent efforts initiated by the Organization for Economic Cooperation and Development (OECD) (2004) are responses to this lack of knowledge, and researchers have focused their attention on this important topic.

Women in entrepreneurship have also been largely neglected both in society in general and in social sciences. Moreover, fewer women participate in entrepreneurship than men, but they also have more industries where to work than men. The industries chosen by women (primarily retail, education and service industries) are often perceived as being less important to economic development and growth. Furthermore, research, policies and entrepreneurship programmes tend to be "gender biased" and too often do not take into account the specific needs of women entrepreneurs and would-be-women entrepreneurs. Different studies have revealed that enterprises owned by women experience the same challenges as those owned by men. However, certain characteristics are typical for

many women-owned firms. These characteristics include: small size, limited prospects for profitability and failure to provide collateral for obtaining loans (Kihongo, 2002). Women entry in business in Tanzania is a recent phenomenon, mainly as a result of economic crises and restructuring programmes which have led to drastic decline in real wages as well as formal employment opportunities (Kyaruz, 1996). Probably, as result of the recent nature of women's involvement in business, much of their research that has been carried out was aimed at making general description of women in these sectors along with a cross-section of the barriers that they face. Indeed, one of the limitations of the existing entrepreneurship literature in Africa and in Tanzania in particular, is treatment of women entrepreneurs as a homogeneous group (Nchimbi, 1999). In reality, women entrepreneurs differ in many ways in terms of age, religion, ethnicity, wealth, education, literacy, marital status, social status, experience and socio-economic positions. They also differ in terms of their motivation to start and develop businesses. These differences, according to Koda and Omar (1991), are responsible for a considerable variation in the nature, scope and magnitude of women's entrepreneurial activities.

Entrepreneurial behaviour is a function of environmental factors including cultural and traditional values and prejudices. In Tanzania, women have been socialised to be subordinates to men. In many traditions, women are raised to see their ultimate role in life as that of wives and mothers. They are socialized to be non-argumentative, passive and easy to accept defeat (Kikula, 1999). This may have significantly affected their self-confidence, achievement-motivation and even their willingness to take risk, qualities that are closely linked to success in business. There is some empirical evidence in support of the notion that women have less of these qualities. In

recent studies, Nchimbi (2002) found women entrepreneurs to be more internally oriented, suggesting lack of confidence. In addition, women were found to have lower needs for achievement compared to men. There is a wide range of reasons as to why people choose to engage in business. According to Olomi (2001), the pressure for women to start business activities to meet basic needs or supplement income was a prominent motive, especially following the economic crises of the 1970s and early 1980s and the subsequent structural adjustment programmes. These programmes led to erosion of purchasing power of salaried workers and limited job openings. The impact has been felt most by women, who have a greater burden of enabling the family to cope. Olomi and Sinyamule (2007) noted that in some cases, women have become the main bread winners. Another explanation for the increased prominence of this motive is that the number of single mothers has been increasing, and many of these do not have any means of earning employment. Women have reported that they get respected and trusted by husbands and others because they are self-employed. Some women have noted that when they are generating income from business activities their husbands cannot harass them, because they can take care of the family without the husbands' financial support.

The Government of Tanzania, in collaboration with its partners including the International Labour of Organisation (ILO) and the Organisation for Economic Cooperation and Development (OECD) has created and implemented laws, policies, programmes, projects, networks and organizations aimed at supporting women entrepreneurs. However, women entrepreneurs still face a lot of challenges which constrain their economic development and their contribution to general national economic well-being. The policies include the 2003 Small and Medium Enterprise Development Policy

(2003), the National Strategy for Gender Development of 2008 and the Women and Gender Development Policy of 2000. Therefore, the main objective of the research was to analyse the challenges faced by women entrepreneurs in Mbeya City. In Mbeya, few women have been able to use land as collateral. With over 80 per cent of land in Tanzania being untitled, few people, and even fewer women, are able to use land as collateral. The 2005 Poverty and Human Development Report notes that 19 per cent of women reported land ownership or customary rights to land. When women do own land, available data indicate that their plots are less than half the size of men's plots.

This, however, does not apply to all women; it has been found that in some cases economic independence and success of women are seen as a threat to the control of women by men (Lutege and Wagner, 2002). It, therefore, appears that women's concentration on particular activities is not accidental; they appear to be quite pragmatic in deciding on the types of activities to engage in. They start businesses alone or in association with other women, friends or family members. Research has revealed that women's perception of business differs from that of men. While men treat their businesses as economic entities, women's businesses become integrated with other demanding areas of life (Cheston *et al.*, 2008). As a result, women entrepreneurs have been found to perceive their business success using criteria other than the traditional economic ones. Whereas male entrepreneurs use economic criteria to assess their business success, women put more emphasis on family and employee related measures (*ibid.*). Inefficient and inaccessible courts and a poor dispute resolution system make it difficult for women owned businesses to enforce contracts. Being smaller and less able to pay the

necessary fees, women-owned business have had little luck when resorting to court (*ibid.*).

### **Financing Women Entrepreneurial Ventures**

Challenges facing women entrepreneurs are also the issue of finance, and this is linked to lack of capital. Banks' efforts to address this challenge have not proved to bring tangible results as the interest rates charged are too high, and most of the recipients of loans have failed in between to the extent that some have even abandoned their families. Efforts have been under way to come up with financing alternatives, for example, VICOBA. VICOBA is an acronym which stands for Village Community Bank, reflecting its origin and financial nature. It is a microfinance model which incorporates both indigenous/traditional and modern financial institutional elements. It is a microfinance model which was originally introduced by Care International in Nigeria where it is named Mata Musa Dubara (DDM) by the Hausa ethnic group which means "women in a move" because it was a women-based microfinance and raised standards of living of the members sustainably (Marking Wentling in Kihongo, 2005).

In Tanzania, VICOBA was introduced for the first time by two organizations: SEDIT which initiated the formation of VICOBA in Tanzania Islands and Tanzania Mainland in 2000 and 2002 respectively (Kashuliza *et al.*, 1996) and CARE International which facilitated formation of VICOBA in Zanzibar in 2001 and later in some parts of Tanzania Mainland. This is the reason for the two organizations to claim that they are the first initiators of VICOBA in Tanzania. Currently, there are many organizations which facilitate the formation of VICOBA in various parts of Tanzania; for example, SEDIT, in collaboration with Orgut that is a Swedish Consultancy

Company through LAMP, facilitated the formation of VICOBA in Kilimanjaro region, Singida, Babati, Kiteto and Simanjiro. Foresta Tanzania, which is an environmental NGO in Kilimanjaro, by 2007, facilitated the formation of 13 Village Community Banks in Kilimanjaro, and World Conference on Religions for Peace (WCRP) Tanzania supports VICOBA in Dar es Salaam for youth employment creation (Kashuliza, 1996). Other facilitators are CARE International, UYAKODE, World Vision, ITECO Engineering Co. through DRSP Programme, just to mention a few. Like other microfinance institutions, VICOBA's provide various services to their members. The two major services are financial services and non-financial services. VICOBA's require every member, as an agreement, to save certain amount of money in VICOBA as agreed in terms of shares, and the decision about the value of the share and amount of share to be bought by each member per week is set by the members in their meetings and recorded in their constitutions. Most VICOBA's have three to five shares for each member every week. The money which is collected from members through shares is saved in an iron box or VICOBA's account (Kyaruzi, 1996).

Also, VICOBA's have a social fund whereby members save TZS 500 weekly. The social fund acts as an insurance which enables VICOBA members to borrow small amounts of money without interest rate in case of emergency such as sickness, death, and other family problems. Also, the social fund is used to finance various types of training needed by the members (Kashuliza, 1999). Furthermore, it is used to help the most vulnerable children, particularly primary school students around their areas by buying them school materials and people with HIV (Kihongo, 2005). At the end of the year, the accumulated savings, profit from loan interest, and other earnings from fines and grants are shared among group members on the basis



of their current shares. When the savings accumulated by VICOBA become large enough to start lending to the members, every member of VICOBA, regardless of the number of shares, gets a right to borrow a short-term loan amounting to 3 times of their savings. The interest rate in most VICOBA ranges from 3% to 10% and is fixed by members when VICOBA's constitution is developed (Kashuliza, 1999). Loan funds comprise members' shares purchase money, loan service charges, fines and grants, if any (Kihongo, 2005). The loan is disbursed once per month and, according to VICOBA's principles, each member is required to borrow at least once a year, and the loan period is only three months. VICOBA, through VICOBA facilitators, provide VICOBA members with 12 weeks training on various skills, including VICOBA guideline principles, bookkeeping, entrepreneurial skills and life skills at the beginning of VICOBA.

During training, VICOBA members are equipped with knowledge and various skills such as meaning and importance of a VICOBA group, committee leadership, rules and regulations, conflict resolution skills, saving and credit operations guidelines, any cross-cutting issues relevant to each particular community such as HIV/AIDS and entrepreneurship skills (Kihongo, 2005). The training is aimed at enabling VICOBA members to operate savings and credit and run income generating activities (Kihongo, 2005). These training sessions are offered to VICOBA members on a module basis. Group management training sessions are offered in the first module, banking operations system and the techniques in the second module and various techniques of how to select appropriate income generating activities, developing business plans and business management techniques in the third module (Kihongo 2005).

## **Methodology**

The study on which this paper is based was conducted in Mbeya City focusing on women entrepreneurs in relation to the challenges they encounter in the course of carrying out their entrepreneurial ventures. The study adopted a cross-sectional research design, and the population for the study comprised 120 entrepreneurs from Mbeya City. A sample of 50 women entrepreneurs was purposely selected out of the population. Both primary and secondary data were collected. The former were collected using a questionnaire and an interview guide. Moreover, there was one key informant who was a trade officer in Mbeya City Council. Secondary data were collected through performance reviews, books, and articles from various journals. Descriptive statistics were computed in the analysis of quantitative data whereby frequencies, percentages, minimum and maximum values, and averages of some variables were computed. The analysis was done using the Statistical Package for Social Sciences (SPSS). Content analysis was applied to analysis of the qualitative data that were collected using an interview guide.

## **Results and Discussions**

The results of the research are organised according to the specific issues that were analysed, which were grouped into macro, micro, meso factors and other factors constraining women's enterprise ventures. To start with, the results on the issues are presented in Table 1.

### **Macro Factors Constraining Women's Enterprise Ventures**

The macro factors constraining women's enterprise ventures that were analysed were cultural, licensing procedures, taxes and management capacity. The results on the factors are summarised in Table 1 and discussed thereafter.

**Table 1: Macro Factors affecting Women Entrepreneurs**

| <b>Parameters /category</b> | <b>Count /Number</b> | <b>Per cent</b> |
|-----------------------------|----------------------|-----------------|
| Cultural                    |                      |                 |
| High                        | 30                   | 60              |
| Low                         | 21                   | 40              |
| Licensing Procedures        |                      |                 |
| High                        | 20                   | 60              |
| Low                         | 31                   | 40              |
| Taxes                       |                      |                 |
| High                        | 30                   | 60              |
| Low                         | 21                   | 40              |
| Management capacity         |                      |                 |
| Minimal                     | 60                   | 80              |
| Adequate                    | 11                   | 20              |

The macro factors that affect women entrepreneurs are addressed in Table 1, the results reveal that if effectively and efficiently carried out they can add value to women entrepreneurial ventures. 60 per cent of the respondents revealed that culture affected women entrepreneurs operations. While 40 per cent of the respondents revealed it affected them lowly. The results were in line with the findings by Sajjad *et al.* (2012) who found out that the impact of culture on entrepreneur intention, towards perceived feasibility desirability. On the issue of licensing procedures 60 per cent of the respondents revealed that the same was high, implying that the licensing procedures were cumbersome, while 40 per cent of the respondents indicated that it was low. These results were in line with findings by Mori (2014) who found that laws and regulations affecting businesses (including licensing procedures) were designed for relatively large projects and are therefore difficult for micro enterprises, the majority of which are led by women. Additionally, women entrepreneurs fear registering their businesses because of cumbersome regulations and licensing procedures. However, those

who had registered their businesses said that the process was indeed cumbersome but worthwhile, showing that more awareness-raising is needed on the benefits of registry. On the aspect of tax 60 per cent of the respondents revealed that the same was high while 40 per cent of the respondents indicated that it was low. These results are in line with the findings by Shane (2010) who found that higher marginal tax rates do, in fact, discourage entrepreneurs from working for themselves. Even a small gain tax diminishes incentives to provide entrepreneurial effort. Hirwa (2010) found out those women entrepreneurs (51%) contribute a lot in tax payment. Research findings by Hampel (2009) found that in the Ghanaian context, paying taxes is more or less gender neutral.

Women's disadvantage in starting and running a business is rather rooted in strong traditional values that overlap with these regulations and result in a gender bias. On management capacity, 80 per cent of the respondents indicated that management capacity lacked and therefore was minimal, while 20 per cent of the respondents indicated that the same were adequate. The results are in line with those by Huarng *et al.* (2012) who showed that lack of education and managerial training of women business owners are two of the most important variables when it comes to barriers for women enterprises ventures. Furthermore, Njoroge (2011) found that the majority of women had attained a Diploma (47%), while (31 %) had secondary education, but most of them lacked basic skills in running business.

### **Micro Factors Constraining Women Entrepreneurial Ventures**

Women entrepreneurs were also affected by micro factors, this part carried out the analysis of micro factors that included; capacity

problem, technical and business management skills, attitude and HIV /AIDS.

**Table 2: Micro Factors Constraining Women's Enterprise Ventures**

| Parameters /category                     | Count /Number | Per cent |
|--|---------------|----------|
| Capacity problem                         |               |          |
| High                                     | 40            | 80       |
| Low                                      | 11            | 20       |
| Technical and Business Management Skills |               |          |
| Good                                     | 30            | 60       |
| Poor                                     | 20            | 40       |
| Attitude (Interest, Commitment)          |               |          |
| Good                                     | 35            | 70       |
| Poor                                     | 16            | 30       |
| HIV/Aids                                 |               |          |
| High                                     | 30            | 60       |
| Moderate                                 | 20            | 40       |

As seen in Table 2, on the capacity problem 80 per cent of the respondents indicated that capacity was a big problem. Only 20 per cent indicated that capacity was not a bother. The results were in line with the findings by Njoroge (2011) who found that majority of women possessed Diploma (50%) while (31%) had secondary education. On technical and business skills, 60 per cent of the respondents indicated that most women entrepreneurs lacked technical and business skills, and therefore it was poor; only 40 per cent indicated that the group possessed good technical and business skills. The results were in line with the findings by Huarung *et al.* (2012) who found that technical business skills were fundamental for women entrepreneurs' success. On attitude and commitment, 70 per cent of the respondents indicated that it was good, while 30 per cent indicated it was poor. The results were in line to Calendo *et al.* (2008)

who found that attitude and commitment particularly if it was negative it could lower commitment and affect productivity. On HIV/AIDS, 60 per cent of the respondents indicated that the scourge was very high while only 40 per cent indicated that HIV/AIDS was minimal. The results are in line with those by Kaniki (2013) who found that HIV/AIDS had affected productivity in those enterprises, mainly through absenteeism and death. Another challenge Kaniki (2013) asserts that HIV/AIDS pandemic, is a major challenge to all economic activities including MEs. The pandemic has been claiming lives of many entrepreneurs as well as their employees. It is crippling women micro entrepreneurs whose duty is to care for the sick or orphaned relatives. Existing AIDS awareness campaigns target mainly the general public and are not specifically targeting business women who are more vulnerable.

### **Meso Level Affecting Women Entrepreneurs**

The meso level was also analysed in this study, those meso factors included the following; limited access to support services, credit, management training, consultancy and marketing.

**Table 3: Meso Level Enterprises**

| <b>Parameters /category</b>        | <b>Count /Number</b> | <b>Per cent</b> |
|------------------------------------|----------------------|-----------------|
| Limited access to support services |                      |                 |
| High                               | 30                   | 60              |
| Low                                | 21                   | 40              |
| Credit                             |                      |                 |
| Low                                | 40                   | 80              |
| high                               | 11                   | 20              |
| Management Training                |                      |                 |
| High                               | 30                   | 60              |
| Low                                | 21                   | 40              |

|                           |    |    |
|---------------------------|----|----|
| Consultancy and marketing |    |    |
| High                      | 10 | 20 |
| Low                       | 41 | 80 |

Table 3 provides a package of meso factors; analysis of the same was carried out as follows:

On the limited access to support services, 60 per cent of the respondents revealed that support services were low while 40 per cent indicated that the same was high. The results correlate with those of a study by Muranga (2016) which showed that access to support services, particularly for starting an enterprise, is one of the major constraints affecting women entrepreneurs, which made some of women to raise some capital from other sources such as prostitution. On the aspect of credit, 60 per cent of the respondents indicated that the issue of credit was an enigma and therefore the same was low. Only 40 per cent indicated that the same was high. The results are in line with those by Kuzilwa *et al.* (1999 ) and Kikula, 1999 who found that the major factors constraining women entrepreneurs was credit, this is aggravated by the fact women were inferior to men even when they received credit men could easily out manoeuvre their wives and get the money diverged.

On the issue of management training, 60 per cent of the respondents revealed that management training was low, while 40 per cent indicated that it was high. The results correlate with the findings of Njoroge (2011) who found that management training was critical for women entrepreneurial success. On counselling and marketing, 80 per cent of the respondents revealed that the same was low while only 20 per cent indicated that it was high. The results were in line with the findings by Chinedum *et al.* (2012) who found that both counselling and marketing were critical to the performance of

women entrepreneurs as they enhance skills and productivity. According to Janet *et al.* (2014) marketing strategy was the key critical factor of entrepreneurs that influence growth of SMEs in Kiambu.

### **Other Factors Affecting Women Entrepreneurs**

Other factors affecting women entrepreneurs were also analysed, the parameters that were involved in this aspect were as follows; capital, infrastructure, general space, corruption, government support, cooperation, frequency violence and cooperation.

**Table 4: Other Factors Constraining Women's Enterprise Ventures**

| <b>Parameters /category</b>                | <b>Count /Number</b> | <b>Per cent</b> |
|--|----------------------|-----------------|
| <b>Capital</b>                             |                      |                 |
| Limited                                    | 45                   | 88              |
| Adequate                                   | 6                    | 12              |
| <b>Infrastructure</b>                      |                      |                 |
| Poor                                       | 31                   | 60              |
| Improved                                   | 20                   | 40              |
| <b>Shortage of prime and General space</b> |                      |                 |
| Enough                                     | 34                   | 66              |
| Inadequate                                 | 17                   | 34              |
| <b>Corruption</b>                          |                      |                 |
| High                                       | 36                   | 70              |
| Normal                                     | 15                   | 30              |
| <b>Government support</b>                  |                      |                 |
| Inadequate                                 | 20                   | 40              |
| Adequate                                   | 31                   | 60              |
| <b>Cooperation</b>                         |                      |                 |
| Good                                       | 34                   | 67              |
| Poor                                       | 17                   | 33              |
| <b>Frequent Violence</b>                   |                      |                 |
| High                                       | 36                   | 75              |



|             |    |    |
|-------------|----|----|
| Low         | 15 | 26 |
| <hr/>       |    |    |
| Competition |    |    |
| <hr/>       |    |    |
| High        | 41 | 82 |
| Low         | 10 | 18 |
| <hr/>       |    |    |

The results in the Table 4 show the position of each parameter and the proportions of the respondents thereof. The study revealed that 88 per cent of the respondents faced the challenges of lack of capital. The results correlate with those of a study by Muranga (2016) which showed that access to capital, particularly for starting an enterprise, is one of the major constraints affecting women entrepreneurs and makes some of women to raise some capital from other sources such as prostitution. On the issue of capital, certainly, it is a big challenge to the entrepreneurs; most of them complained that capital is a challenging aspect. When pressed further, one woman entrepreneur had the following to say:

“I have a lot of problems, so when I obtain capital from the bank I fail to direct the money to the intended purpose. Some money has to support paying fees, buying school uniforms and the like. It becomes difficult to manage the entrepreneurial ventures effectively. Lack of financial discipline has contributed to this situation.”

Another challenge facing women entrepreneurs was of infrastructure, 60 per cent of the respondents indicated that the same was poor while 40 per cent revealed that it was normal. A study of Girma (2015) and Ali (2013) found that infrastructure is not a problem of women entrepreneurs in MSEs in Gulele sub-city. The study contradicts probably because it was done in the capital city of Addis Ababa where infrastructure is not a problem. Additionally, this aspect had to do with proper environment and its effects on the

entrepreneurs as they carry out their operations, which included the issue of improper utilities in terms of drainage, water, and electricity. Needless to say, all these were negatively affecting women entrepreneurs. The business premises lacked drainage systems; as such the business premise became filthy, with shortage of water and hence the situation became pathetic. Additionally, women entrepreneurs faced a challenge of continuous interruption of power cut.

For example a woman complained that:

“I used to sell fish, but due to frequent power cuts and most of times without prior notification, all the fish got rotten. This resulted into unexpected loss. I have even decided to close this business.”

In fact, power cuts affected many women entrepreneurs because what the politicians were saying about stabilization of electricity ended up in vain. For example many times TANESCO administration advertised that they were trying to replace aging poles, but such efforts had never improved the situation to the date of data collection for this research, certain areas were still in darkness. The situation frustrated the entrepreneurs as at times stuff kept in fridges got rotten. Moreover, during the rainy seasons female entrepreneurs had little protection from rainy or chinking sun during hot seasons.

The study is in line with the study of Joyti and Sharma (2011) which showed that the government of India did not provide the right types of infrastructure facilities and other financial incentives through cooperative banks, commercial banks and rural banks to rural areas women entrepreneurs. Njoroge (2011) argues that the factors contributing negatively to business growth were: high cost of

electricity power and power interruptions. Challenges also were on shortage of prime and general spaces, which were contributed by municipal authorities. During the interview with Municipal officials, 66 per cent suggested that re-allocation of trading sites was offered only to the traders who had large amounts of capital while 34 per cent revealed that shortage of prime and general space were offered fairly. The findings from this study are in line with those obtained by Koda *et al.* (2002) in their study on micro-trading in Tanzania. In addition, Koda *et al.* (*ibid.*) found that one form of reactions is characterized by skirmish and massive clashes between the police and micro traders.

Since traders and women entrepreneurs work side by side, the clashes often result in loss of property and property worth millions of money owned by micro business traders, including women micro entrepreneurs. The findings are also in line with those by Abagissa (2013) who found that the majority of women entrepreneurs had experienced difficulties in finding and acquiring land and premises for production or provision of services, as well as for selling purposes. Most of them ran their businesses from rented premises, but relatively high rents posed critical problems for them and could hinder their expansion and diversification.

On corruption, 70 per cent of the respondents revealed that it was very high while 30 per cent of the respondents said that it was normal. These findings are in line with those obtained by Mori (2014) who found that corruption and bureaucracy make matters worse, especially for women as they are more vulnerable to pressure from corrupt officials. Some women mentioned that they were being sexually harassed by different government officials (tax and municipal officials) when the officials found their businesses had

some problems. Corruption was said to have affected women entrepreneurs drastically (harassment by city fathers/authority to create a bribery environment, being relocated irregularly by officials now and then in order to get bribe) those who could not obey were relocated to places which had low potential for business. On government support, 40 per cent of the respondents revealed that government support was inadequate while 60 per cent of the same revealed that the same was adequate. These findings were in line with those by Jyoti and Sharma (2011) who also revealed a lack of support from government agencies to women entrepreneurs. They also argue that the government does not spread awareness about government policies and regulations regarding business and industry among women entrepreneurs. Girma (2015) found that poor access to policy was a main factor that affected women entrepreneurs.

According to Lynos and Msoka (2007), it is difficult to estimate directly the total numbers of women entrepreneurs who were affected by the space re-allocation policy. According to this study, many entrepreneurs got losses because of unrests between them and city fathers. The study found that 60 per cent of women entrepreneurs who filled in the questionnaire were reported to have been harassed by city fathers and their property of various types destroyed or confiscated. On the issue of cooperation, 67 per cent of the respondents revealed that the same was good while 33 per cent of the respondents revealed that it was poor. These findings were in line with those by Mori (2014) who found that policy makers must foster the networking of associations and encourage co-operation and partnerships among national and international networks and facilitate entrepreneurial endeavors by women in the economy. Challenges faced by Mbeya City in addressing micro business

operations in spite of various strategies by the city authorities to ensure all micro traders in the city abode by re-allocation policy. The eviction operation exercise encountered numerous obstacles; apart from budget deficit in the city, other barriers cover areas like frequent violence and unavailability of open spaces to establish new market places and corruption. Three-quarters (75 per cent) of the women entrepreneurs who responded to the questionnaire cited frequent violence as a leading challenge toward achieving their operation goals while 26 percent revealed such had low meaning that there were insignificant violence. The respondents observed that since the establishment of the reallocation policy, micro traders had been organizing themselves into groups of ten to twelve in order to resist from being caught by city fathers. Traditional weapons like stones, sticks and other locally made weapons were being used by micro-entrepreneurs to attack the city fathers.

On frequent violence, 75 per cent indicated that frequent violence was high while 26 per cent of the respondents revealed that the frequency of violence was low. One form of reaction is characterized by skirmish and massive clashes between the police and micro traders. Since traders and women entrepreneurs work side by side, the clashes often result into loss of property and businesses worth millions of money owned by micro business traders including women micro entrepreneurs. Mori (2014) adds micro traders' behaviour like making temporal retreat (lasting from few hours up to many months) and bouncing back to business once the pressure was over. Other micro-entrepreneurs had abandoned their new business places. The interview further showed that the business officer who was interviewed thought that budget deficit was also a challenge to address their aims of putting all the micro-entrepreneurs in proper places. As the municipal planner commented, the central government has formulated a policy to that effect, but the aspect of

implementation has been left to municipalities. The municipality was facing financial challenges since the central government had removed taxes, leading to about a 40-percent decline of the funding that was previously raised in the municipalities. On the issue of competition, 82 per cent of the respondents revealed that competition was high while 18 per cent of the respondents revealed that the same was low. Among the factors contributing to positive growth of businesses were: good customer relations, personal marketing, offering quality services, good management skills, keeping up with competitors and good networking (Njoroge, 2011). Stiff competition in the market place was a key economic factor that affected the performance of women entrepreneurs in MSEs (Girma, 2015). The effect of the competition left the women entrepreneurs worse off than they had been in terms of profit. On the other hand, competition heightens the level of customer services and services delivery for customers. The issue at stake was that most women entrepreneurs were not creative and innovative; as such they kept on duplicating other women's entrepreneurial ventures.

The increase in the number of micro-entrepreneurs in Mbeya City was another challenge, officials pointed out that the number of youth joining micro trade in the city had increased significantly. Population increase in the city had led to the establishment of poor settlement areas and hence lack of open space for establishing new market areas in the city. The municipal official who was interviewed thought that this challenge was inherited from all previous governments (first, second, third and fourth) which failed to establish a sustainable city land use plan. From interviewing the Municipal official, it was found that two major setbacks threatening the achievement of re-allocation policy objectives were violence and lack of cooperation from micro-entrepreneurs. This was because the municipal council authorities

had failed to establish proper and adequate space for entrepreneurs since most of the entrepreneurs perceived micro trade as a way of life, and most of them (50 per cent) were married with dependents at home. They did not have other options to make their families survive but they were only struggling with the city fathers.

### **Conclusion and Recommendations**

Based on the findings, it is concluded that women entrepreneurs face a lot of challenges, as presented in Tables 1, 2, 3, and 4, despite the fact that they participate significantly in economic development and thereby having ability to be in a fore front in lifting themselves out of an economic ditch. However, women entrepreneurs have to be supported; for this to effectively and efficiently take place, the Government and other stakeholders should see the possibility of creating conducive environment including capacity building and minimizing the factors which hinder women from excelling in business. This will enable women entrepreneurs to participate more actively in entrepreneurial activities in an endeavour to contribute to improving the economy. The government has to strengthen collaboration with the private sector so as to improve the environment for women entrepreneurs.

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