

Examining underexplored aspects of female entrepreneurship in the African context

Elie Virgile Chrysostome
Ivey Business School, Western University, Canada

Helena Barnard
GIBS, University of Pretoria, South Africa

Lavagnon Ika
Telfer School of Business, University of Ottawa, Canada

Introduction

Female entrepreneurship has become a phenomenon of an increasing interest for the last few decades and as such has captured the attention of many scholars, governments, international institutions for development, women's associations and various NGOs. For instance, Ojong et al., (2021) suggest that 88.4% of papers focusing on female entrepreneurship in the current literature were published between 2007 and 2019 and that 50.3% of them published in 2015. Also, significant amounts of money have been invested in the promotion and the development of female entrepreneurship in Africa by governments and international development agencies.

Unprecedented rise of female entrepreneurship in Africa

Although female entrepreneurship is not a new phenomenon and evidence of women engaging in entrepreneurial activities dates to 18th century (Phillips, 2006), it has been more and more visible for the last few decades. More and more women have been engaging in entrepreneurial ventures almost everywhere in the world, and especially in Developing Countries their potential developmental role has been noted (Berger, 2018)

In Africa in particular, an unprecedented rise of female entrepreneurship has been noted. Several experts suggest that Africa is the region where the percentage of female entrepreneurship is the highest in the world. In 2021, the Master Card Index for Women Entrepreneurship (MIWE) reflects that the highest scores of women entrepreneurship in Africa were noted in Botswana (56.3), South Africa (54.9), Ghana (52.1), Madagascar (44.3), Nigeria (43.8) and Ethiopia (43.8). Gaye (2018), a World Bank officer, suggests that Africa is the only region where more women than men choose to become entrepreneurs. Female entrepreneurs' activities represent around 45.5% of the activities in Developing Countries (GEM, 2010; De Vita et al., 2014) and this percentage can be very high in some industries like the food industry. In West Africa for instance, female entrepreneurs have the monopoly of street food businesses (Tinker, 1997; Otto et al., 2012).

Given the informality of African economies, we do not know exactly the proportion of women entrepreneurs on the continent, but it is believed that the percentage of female adults that are involved in entrepreneurial activities in Africa is between 26% (Berger, 2020) and 58% (Delavelle and Rouanet, 2020). Moreover, female entrepreneurs contribute to around 300 Billion USD to the African economy which represent roughly 16% of the African GDP (Berger, 2018).

In Sub-Saharan Africa in particular, there are some countries or ethnic groups for which female entrepreneurship has been a tradition for several decades. Many women entrepreneurs operate through markets, and their trade networks have been described as forming part of “a long tradition of commerce and participating in cross-border trade and regional outreach” (Trémolières & Walther, 2019). This is for instance the case of the Yoruba ethnic group in Nigeria and Benin or Bamileke ethnic group in Cameroon. In the largest West African market, namely the Dantokpa market in Benin, the great majority of business owners since the foundation of this market 60 years ago are female entrepreneurs. These markets have remained largely unstudied, in spite of their domestic importance and often regional impact. Moreover, while the great majority of African female entrepreneurs are necessity entrepreneurs, some African female entrepreneurs are very successful opportunity entrepreneurs with an extension of their business on foreign markets. While the characteristics of necessity entrepreneurs and opportunity entrepreneurs are significantly different (Chrysostome, 2010), some necessity African female entrepreneurs are able to cross the bridge and to become opportunity entrepreneurs. With an emergence of digital entrepreneurship and more educated female entrepreneurs, it is highly likely that Africa will have more international female entrepreneurs in the near future.

While the majority of female entrepreneurial ventures in Africa are microenterprises operating in the informal sector, their contribution to socio-economic development is substantial. Numerous scholars have observed that women entrepreneurs contribute to poverty alleviation (Hadizatou, Gueyie and Chrysostome, 2023) and to the improvement of household welfare (Friedson-Ridenour & Pierotti, 2019; Nukpezah & Blankson, 2017; Otoo et al., 2012; Ojong et al., 2021). Female entrepreneurship also serves to challenge gender inequality. Female entrepreneurs serve as a role model for young girls (Botha et al., 2007; Sequeira et al., 2016) and this contributes to significantly reduce the gender gap in the long run. Moreover, women entrepreneurship contributes to the professional and social fulfillment (Constantinidis et al., 2019; Lo, 2016), and to the self-esteem and emotional well-being of women ((Dzisi, 2008; Mordi et al., 2010).

While we read a lot about female entrepreneurship in the rest of the world, we read relatively little about female entrepreneurship in Africa. Reducing this gap will help to better understand female entrepreneurship in Africa. This is what this special issue seeks to achieve. We do not suggest that research has not focused on female entrepreneurship in Africa. Rather, we suggest that highlighting underexplored questions will give the issue more salience and perhaps inspire others to take up further research on the topic.

Overview of unanswered questions about female entrepreneurship in Africa

There is no doubt that female entrepreneurship represents a key factor in the socio-economic transformation in African countries. It is not surprising that African governments and international institutions for development have launched various program to promote and support female entrepreneurship in Africa. While a significant amount of research work has been done on female entrepreneurship, there are still several issues that are either not explored, under explored or the subject of controversies, in particular in Low Income Countries like most African countries are.

For instance, while several experts suggest that microfinance initiatives and in particular credit cooperative loans contribute to the development of women entrepreneurship (Van Rooyen et al., 2012; Bakare, 2018), some authors disagree with this view. They argue that many female entrepreneurs still face serious challenges to have access to financial resources despite the high scale proliferation of credit cooperative lending (Barnejee and Duflo, 2010). Hence, the types of microfinance initiatives that will be effective in giving easier access to finance for female entrepreneurs still represents a challenging issue for there are not yet convincing recommendations for improved practice.

A large number of studies identify spiritual capital as an important factor of the entrepreneurial venture and venture process (See Kojana & Mamabolo, 2020; Kuada, 2009; Dana, 2009; Quagraine et al., 2018; Ojong et al, 2021). However, we do not know much about the mechanisms through which spiritual capital contributes to the success of female entrepreneurs in Africa, even though many African women are devout.

Africa is a continent of more than 3000 languages and where there is a significant cultural gap between different regions, e.g. North Africa and Southern or Western. The cultural perceptions of appropriate gender roles likely also substantially influence female entrepreneurship, but the literature is not very loquacious about it. Some researchers report that women entrepreneurs tend to hire more female workers than male workers (see Okah-Efogo & Timba, 2015), but we do not know much about the underlying motivations. Is this an intentional behavior with the purpose to reduce the gender gap at the workplace, in particular in the context of Africa where the majority of countries are male-dominant societies, the result of an unconscious cognitive process of female entrepreneurs, or simply reflective of which employees are prepared to work for a female manager?

Finally, in our today's unprecedented digital era where digital entrepreneurship is on the rise, some African female entrepreneurs' express interest to digital entrepreneurship. Digital technology is used in a gendered way, often to effect positive change, but not always (Stark & Larsson, 2019). Yet the numerous advantages of digital entrepreneurship may leverage the untapped entrepreneurial potential of many African females who are still facing various socio-cultural barriers preventing them to engage in their entrepreneurial ventures. We do not yet know enough about how women entrepreneurs use technology to drive their businesses, nor much about the characteristics of the female entrepreneurs involved of this new phenomenon in Africa countries. These are just key examples of under-researched aspects of female entrepreneurship in Africa. Our special issue, as we show below, provides other fitting examples.

Purpose of this special issue: from unexplored motivations of female opportunity entrepreneur to the limited effectiveness of credit cooperative lending

The purpose of this special issue is to contribute to a better understanding of some of the underexplored issues related to female entrepreneurship in Africa. Hence, some of the questions that this special issue tries to answer are the following: a) what are the motivations of women to start their business? b) why do some women persevere and remain in business despite enduring serious challenges? c) how do they manage it to have access to financial resources while the formal

financial system doesn't welcome them? and d) what support programs are the most effective for female entrepreneurship?

In an effort to answer these questions, this special issue includes five articles that focus on various underexplored aspects of female entrepreneurship in Africa.

Motivations of female entrepreneurship in the MENA context and among educated women in Sub-Saharan Africa

The first two articles explored the motivations of female entrepreneurs respectively in the MENA region and in Sub-Saharan Africa.

The first article is written by Rabia Naguib and focuses on the motivations and barriers to female entrepreneurs in the service sector in Morocco. She uses a multi-level integrative framework by combining the feminist and the institutional perspectives. She adopts an interpretative qualitative research approach capitalizing on in-depth interviews with 20 women entrepreneurs in the service sector from Morocco. She analyzed the data collected using thematic coding and identified factors that she classifies into micro, meso and macro levels. The findings of her research reveal that the service sector Moroccan female entrepreneurs that she studied have two major motivations driving them to entrepreneurial ventures. The first one is the desire to be their own boss while the second is opportunity identification. It is interesting to notice that unlike the usual profile of necessity entrepreneur noticed among female entrepreneurs in Africa, the female entrepreneurs studied in this research are in general opportunity-driven entrepreneurs. As for barriers to their entrepreneurial ventures, these female entrepreneurs face some of the usual barriers known in the literature including limited access to funding and the lack of a support network, but also institutional constraints stemming from the socio-cultural norms and entrepreneurial ecosystem and ultimately the striking of a work-family balance.

We agree with Rabia Naguib that the paper responds well to the call of Foss et al. (2019) to scholars "to account for the contextual and institutional dimensions of the entrepreneurial ecosystems", as well as the need for policy-makers "to adopt a holistic approach to develop an overarching ecosystem strategy", in order to improve female entrepreneurship in both theory and practice. In this regard, Rabia is right saying that the paper echoes the call of Wood et al. (2011:12) "to understand female entrepreneurship and women's empowerment with regard to the local context and the socio-cultural realities".

The second article by Sombo Muzata explores whether educational attainment influences the motivation of females to engage in entrepreneurial ventures in Sub-Saharan Africa. For this purpose, she conducted a multiple case analysis with a sample of 20 female opportunity entrepreneurs selected in different Sub-Saharan countries, namely Zimbabwe, Zambia, Democratic Republic of Congo, Nigeria and Ghana. Her findings reveal that pull and opportunity factors were the main factors that motivated the women interviewed to become entrepreneurs. Push and necessity factors accounted for only a few cases and the level of education was not a key element in the pull and opportunity factors of motivation.

We agree with Sombo Muzata that these findings are interesting as they contradict the findings of many previous studies suggesting that Sub-Saharan African women entrepreneurs are motivated by push and necessity factors and are often uneducated and on the fringe of economic activity.

Factors of resilience of female entrepreneurs in Africa

In the third article of this issue, Natanya Meyer explores why female entrepreneurs persevere and remain in business to grow their business while they face all types of daunting obstacles that should normally drive them to give up. For this purpose, she conducted a quantitative analysis with following a descriptive, single-sample cross-sectional design. She used a sample of 510 South African female entrepreneurs and analyzed the data using various statistical tests.

The core findings of her study suggest that internal motivations such as their strong determination, their independence, work-life balance and family security are factors that contribute to keep female entrepreneurs in business despite the challenges that they face. South African female entrepreneurs' have fervent intentions not only to remain active entrepreneurs but to pursue business growth with a tenacious attitude toward business success, despite operating in a challenging environment. We agree with Natanya Meyer on her conclusion that by ascertaining the various factors contributing to the female entrepreneurs' choice to remain in business, this research may provide an impetus to develop appropriate policies to encourage female empowerment, job creation, and business development.

Credit cooperative lending and determinants of financial performance of female entrepreneurship in Africa

The fourth paper of this issue is by Julius Fieve and Elie Chrysostome who examine how credit cooperative loans affect women entrepreneurship. Many African countries have recently witnessed a high scale proliferation of credit cooperative lending organizations and this has resulted in the popular idea that small business owners will have an easier access to financial resources given that the formal financial system has often been inaccessible to small business owners and to female entrepreneurs in particular. Therefore, these authors investigated whether the credit cooperative lending represents an effective alternative to the formal financial system and as such helps to the development of entrepreneurial ventures of African female entrepreneurs. For this purpose, a multiple case analysis was conducted with 14 women entrepreneurs from three Cooperative Lending groups in the Ashaiman Municipality of Ghana. The findings suggest that credit cooperative lending groups support and promote women entrepreneurship by providing their members with access to long-term interest-free credit support to start or expand their businesses. It was also found that by providing their members with training and capacity-building opportunities to improve their skills for sustainable businesses and their income to pay back their loans, credit cooperative lending groups significantly contribute to women entrepreneurship. The contribution of this study is that it sheds light on how credit cooperative loans help to alleviate the difficulties that women entrepreneurs of the informal sector in Developing Countries face to have access to financial resources.

In the fifth article, Gadedjisso-Tossou, Gueyie and Couchoro examine the determinants of the perceived financial performance of female entrepreneurs operating in the informal sector of Togo.

For this purpose, they use a sample 208 female entrepreneurs to conduct a survey using partial least squares regression. Their findings reveal that business environment constraints, stereotypes toward females' managerial abilities, female entrepreneurs' risk appetite, and being part of a network are positively and significantly associated with the perceived financial performance, while the difficult access to finance and cultural factors influence it negatively and significantly. The findings also suggest that the age of the business owned by the female entrepreneur is a significant determinant of the perceived financial performance.

Conclusion

It has been previously suggested that the extremity of African conditions allow us to see and interpret the social reality differently (Barnard, 2020), and this special issue provides evidence of that process. Although the empirical work does include a number of examples where women entrepreneurs encounter the well-documented challenges of operating in a male-dominated society, there is also clear evidence of how they overcome those challenges. Many of what could be considered challenges, e.g. the informality of their businesses (Fieve and Chrysostome in this issue) and family obligations (Meyer in this issue) actually serve to motivate and support the entrepreneurship of women.

That is important, because it suggests not only that challenges are not immutable, but importantly also that challenges can present opportunities. This special issue therefore contributes meaningfully not only to the body of work on business and management in Africa by highlighting the specific challenges and motivations of female African entrepreneurs, but also offers useful pointers for future work more generally. The conditions facing female entrepreneurs are different to what their male counterparts face – in Africa as much as in other locations. But opportunity recognition is central to entrepreneurship. By showing how female entrepreneurs recognize opportunities amidst their challenges, this issue opens a fruitful avenue for future work on entrepreneurship generally, and women entrepreneurship in particular.

References

- Bakare, F. A. (2018). *The impact of microfinance on poverty reduction among farmers in Ghana*. Doctoral dissertation, Birmingham City University, 280 p..
- Barnard, H. (2020). The Africa we want and the Africa we see: How scholarship from Africa stands to enrich global scholarship. *Africa Journal of Management*, 6(2): 132-143.
- Banerjee, A. V., & Duflo, E. (2010). Giving credit where it is due. *Journal of Economic Perspectives*, 24(3): 61–80.
- Berger, R. (2020). *Women and the Changing Face of Entrepreneurship in Africa*. Conference of Center of African Studies, Harvard University, Boston, USA.
- Botha, M., Nieman, G., & Van Vuuren, J. (2007). Measuring the effectiveness of the Women Entrepreneurship Program on potential, start-up and established women entrepreneurs in South Africa. *South African Journal of Economic and Management Sciences*, 10(2): 163–183.

- Chrysostome, E. (2010). The success factors of necessity immigrant entrepreneur: In search of a model. *Thunderbird International Business Review*, 52 (2): 137-152.
- Constantinidis, C., Lebègue, T., El Abboubi, M., & Salman, N. (2019). How families shape women's entrepreneurial success in Morocco: an intersectional study. *International Journal of Entrepreneurial Behavior & Research*, 25(8): 1786-1808.
- Dana, L. (2009). Religion as explanatory variable of entrepreneurship. *International Journal of Entrepreneurship and Innovation*, 10(2): 87-99.
- Dzisi, S. (2008). Entrepreneurial activities of indigenous African women: a case of Ghana. *Journal of Enterprising Communities: People and Places in the Global Economy*, 2: 254–64.
- Delavelle, F. and Rouanet, L. (2020). Female entrepreneurship: key ingredient for Africa growth. *Sustainable Development News*, April.
- De Vita, L., Mari, M. and Poggiosi, S. (2014). Women entrepreneurs in and from developing countries: Evidence from the literature. *European Management Journal*. 32(3): 451-460.
- Foss, L., Henry, C., Ahl, H., & Mikalsen, G. (2019). Women's entrepreneurship policy research: A 30-year review of the evidence. *Small Business Economics*, 53(2): 409–429.
- Friedson-Ridenour, S., & Pierotti, R. S. (2019). Competing Priorities: Women's Microenterprises and Household Relationships. *World Development*, 121: 53–62.
- Gaye, D. (2018). Female entrepreneurs: the future of the African continent. *World Bank News*, Novembre 29. <https://www.worldbank.org/en/news/opinion/2018/11/29/women-entrepreneurs-the-future-of-africa>.
- Kelley, D., Brush, C, Greene, P. and Litovsky, Y. (2010). Global Entrepreneurship Monitor: 2010 Women's report, 52 p.
- Hadizatou, A., Gueyie, J.P. and Chrysostome, E. (2023). Gender, Performance and Credit Risk in Sub-Saharan Africa Micro-Finance Institutions. *Journal of African Business*, 24(2): 235-259.
- Kojana, T., & Mamabolo, A. (2020). Religious Entrepreneurs' Motives and Practices in the Different Phases of the Entrepreneurial Process. *International Review of Entrepreneurship*, 18(3): 337-370.
- Kuada, J. (2009). Gender, social networks and entrepreneurship in Ghana. *Journal of African Business*, 10(1): 85-104.
- Lo, M. (2016). Enroute to New York: diasporic networks and the reconfiguration of female entrepreneurship in Senegal. *Gender, Place & Culture*, 23(4): 503-520.
- Mordi, C., Simpson, R., Singh, S., & Okafor, C. (2010). The role of cultural values in understanding the challenges faced by female entrepreneurs in Nigeria. *Gender in Management: An International Journal*, 25(1): 5–21.

- Nukpezah, J., & Blankson, C. (2017). Microfinance Intervention in Poverty Reduction: A Study of Women Farmer-Entrepreneurs in Rural Ghana. *Journal of African Business*, 18(4): 457-475.
- Ojong, N., Simba, A. and Dana, L.P. (2021). Female entrepreneurship in Africa: A review, trends, and future research directions, *Journal of Business Research*, 132: 233-248.
- Okah-Efogo, F. and Timba, G. T. (2015). Female entrepreneurship and growth in Cameroon, *African Journal of Economic and Management Studies*, 6(1): 107-119.
- Otoo, M., Ibro, G., Fulton, J., & Lowenberg-Deboer, J. (2012). Micro-Entrepreneurship in Niger: Factors Affecting the Success of Women Street Food Vendors. *Journal of African Business*, 13(1): 16-28.
- Phillips, N. (2006). *Women in Business, 1700-1850*. Woodbridge, Suffolk, UK, Boydell Press, 299 p..
- Quagraine, F., Okpoku, M.A., & Adom, A. (2018). Christian entrepreneurial activities and micro women entrepreneurship development: church embeddedness in action. *Journal of Enterprising Communities: People and Places in the Global Economy*, 12(5), 657- 676.
- Sequeira, J. M., Gibbs, S. R., & Juma, N. A. (2016). Factors contributing to women's venture success in developing countries: An exploratory analysis. *Journal of Developmental Entrepreneurship*, 21(01): 1–31.
- Stark, L., & Larsson, C. W. (2019). Rethinking gender and technology within intersections in the Global South. In *Gendered power and mobile technology*, 1-22. Routledge.
- Tinker, Irene. (1997) *Street Foods: Urban Food and Employment in Developing Countries*. NY: Oxford University Press, 246 p..
- Trémolières, M., & Walther, O. (2019). *Women and Trade Networks in West Africa*. OECD.
- Wood, B. P., PohYen, N., & Bastian, B. L. (2021). Hegemonic Conceptualizations of Empowerment in Entrepreneurship and Their Suitability for Collective Contexts. *Administrative Sciences*, 11(1), 28:1-17.