



Contribution of women entrepreneurs’ initiatives to community welfare in Kanjongo, Nyamasheke District, Rwanda

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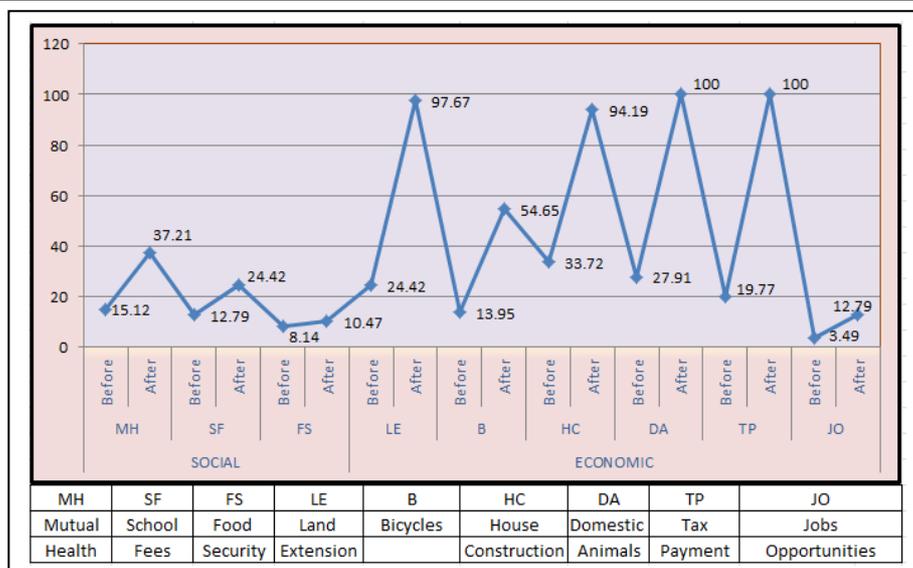
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HIGHLIGHTS

- The socioeconomic status of women entrepreneurs improved in various discipline such as food security, job creation, medical care, infrastructure, education and income increments.
- The life standard of women before being entrepreneurs was poorly ranked contrary to the life after, where the saving culture have been promoted of course after primary needs satisfaction.
- The encountered challenges as revealed by participants, the appropriate mitigation strategies were suggested by women entrepreneurs.

GRAPHICAL ABSTRACT



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ABSTRACT

Entrepreneurship has been a male-dominated phenomenon from the very early age, but time has changed the situation and brought women as today's most memorable and inspirational entrepreneurs. In almost all the developed countries in the world women are putting their steps at par with the men to increase the productivity of their society. This study has been done purposely to show the contribution of women in country development starting from them towards surroundings in Kanjongo sector of Nyamasheke district, Western province of Rwanda. The socioeconomic contribution of women in community development has been assessed using interview; the economic benefits analysis has been conducted to compare the women entrepreneurs’ status before and after being engaged in entrepreneurial activity. The results indicated that 37.21% of women contributed to the payment of health insurance for themselves and families while they were only 15.12% before. The capacity of paying school fees for their children has increased from 12.79% to 24.42%. The capacity of saving above 50,000 Frw has grown up from 27.91% to 62.8%. Their tax payment capability was raised from 19.77% to 100% as well as the capacity of having domestic animal which has risen from 27.91% to 100%. The construction of houses, job creation and food security also were known as fields where women used their earnings. Women entrepreneurs revealed challenges of lacking experience and skills at a level of 47.67%. These findings show that women entrepreneurs should be more sensitized on the importance of taking entrepreneurs initiatives and the government should organize short and long trainings to women to enhance their entrepreneurs skills and sustain their businesses.

1. INTRODUCTION

The decades between the 1880s and the 1920s witnessed a tremendous boom in women's participation in business as both entrepreneurs and workers (Smithsonian Institution, 2002). Before, women operated businesses as a way of supplementing income, or replacing the income from the loss of a spouse. Today women became more involved in business, and demonstrated the ability to build and maintain long-term relationships and networks, to communicate effectively, to organize efficiently, to be fiscally conservative, to be aware of the needs of their environment, and to promote sensitivity to cultural differences (Deepa, et. al., 2015; Himanshu, et. al., 2016). According to Global Entrepreneurship Monitor (2003), overall female Total early stage Entrepreneurial Activity (TEA) rates were steadily increasing while those of men were narrowing. Worldwide, the number of female business owners continues to increase steadily, women in advanced market economies own more than 25% of all businesses and women-owned businesses in Africa, Asia, Eastern Europe, and Latin America are growing rapidly (Mohamed, 2012). In 2007, Rwanda turned to the handicraft industry as part of its strategy to tap into the economic potential of women entrepreneurs. In 2012 women made up 52 percent of the country's population. The Rwandan government wisely adopted ambitious Policies and Programs that invested in the power of these women to rebuild the shattered country (National Institute of Statistics of Rwanda, 2012). In 2013, the proportion of women in economic activities was 56.4%; exceeding the one for men. This study investigated how women entrepreneurs impact the economic socio-development of one of the rural areas of Rwanda; Kanjongo sector of Nyamasheke district in Western province of Rwanda.

Even though female entrepreneurship and the formation of women business networks are rising, there are many challenges that female entrepreneurs are still facing. Women entrepreneurs often face gender-based barriers to starting and growing their businesses, like discriminatory property; matrimonial and inheritance laws and/or cultural practices; lack of access to formal finance mechanisms; limited mobility and access to information and networks (Sweety, et. al., 2015). Moreover, women have often lower personal financial assets than men. This means that for a given opportunity and equally capable individual, women must secure additional resources compared to men in order to exploit the opportunity because they control less capital. A question that has developed into its own sub-field in women's entrepreneurship literature is whether women have a harder time getting finance than men for the same business opportunity (Gayathridevi, 2014). Other main challenge is the lack of training, product inputs, networking and assistance from government agencies. The major problem at the government level include the lack of public and private sector dialogue, demonstrated by insufficient dissemination of information to women entrepreneurs and poor coordination and collaboration of public and private providers development services to micro-enterprises, judging from the limited attention paid to women entrepreneurs in small and medium enterprises programs and projects, it is obvious that there is still little awareness of the potential and actual economic contribution of women entrepreneurs (United Nations, 2009).

The inability of African's economy to turn the tide of underdevelopment -low food production levels, balance of payment difficulties, inflation, rapid population growth, low or negative gross domestic product (GDP) growth rates, high cost of borrowing declines in social services and standards, etc, have brought to the fore discussions on the role of women entrepreneurs and the development of the informal productive sector in Africa. Lately,

attention has begun to fall on the use and benefits of alternative approaches' to development. It is this new policy setting that brings about the need to explore the potential contribution of women entrepreneurs in the informal and small scale industrial sector to Africa's economic recovery and development (Kansange, et. al., 2017). Rwanda is a world leader in promoting gender equality. In just over a decade reforms in the political and legislative arena have placed women's empowerment at the forefront of government's priorities and granted women in Rwanda sweeping rights. In the aftermath of the genocide, they were seen as key to the country's recovery and development (IFC, 2008). The contribution of women's labor force is significant; and is at a high rate with 79.5 percent which is over 50 percent of the labor force. In Rwanda case 42 percent of all enterprises are headed by women. Among the enterprises in informal sector, women occupy 58 percent which account 30 percent of GDP. The women business activities contribute significantly to the country's economy as they are well distributed across sectors (IFC, 2008). According to IFC (2008) about women entrepreneurs found that the majority are engaged in the retail sector (82 per cent), with the rest focusing on services (16 to 17 percent) and manufacturing (1 to 2 percent). Many of their businesses are successful and large, and as some of the case studies in this report illustrate, Rwandan women are increasingly branching out to nontraditional sectors such as Information and Communications Technology (ICT). Women's traditional family roles are often identified as a challenge because of the pressure family members tend to exert on them to not compromise their family obligations in favor of running their businesses (Bruni, et. al., 2004). By Nicole (2014) when it comes to catching up with their male counterparts, women have made great strides in the business world over the years. The women are minority if compared to male in entrepreneurship but they are dynamic and potential for development in Africa. The journey of entrepreneurship to women is challenged by lack of capital and others skills. This work purposely made an assessment on women entrepreneurs and their contribution to community's welfare from Nyamasheke district with focus on Kanjongo sector, Rwanda. The objectives of the study were to assess the socioeconomic contribution of women entrepreneurs to community's welfare; to identify the economic benefits of women entrepreneurs compared to their status before initiating business and determine challenges that women entrepreneurs are facing and what were the mitigation strategies they applied.

2. METHODS

The research approaches adopted for this study are both quantitative and qualitative. The quantitative approach was used if form of tables and figures for statistical analysis regarding the socioeconomic contribution of women to community's welfare and the economic benefits analysis before and after engagement. The qualitative is more subjective in nature and involves examining and reflecting on perceptions in order to gain understanding social human activities. This approach was used to study the challenges faced by women entrepreneurs and alternatives mitigating strategies. Questionnaires and interview were the main tools for data collection. The population under this study was comprised by women entrepreneurs in Nyamasheke district, Kanjongo sector. The targeted population size is 614 women entrepreneurs (Conseil National des Femmes, 2016). We used Slovin's formula to determine the sample size.

$$n = N / (1 + Ne^2)$$

n: the sample size

N: given the population size

e: a margin of error.

By taking 0.10% of margin of error, we applied the formula and obtained the sample size of $614 / (1 + 614 / (1 + 614 * 0.10^2)) = 85.99 = 86$. We then selected randomly 86 respondents and collected data on job generation, capacity building, creativity and innovation while community welfare is shown by the household income, improvement of standards of living, poverty reduction, investment promotion, food security, education and health care. The findings were represented in tables form and bar graphs by using Statistical Package for Social Sciences (SPSS) as it is efficient for descriptive studies. Considering that other factors remain constant, the socioeconomic contribution of women entrepreneurs towards community's welfare has been highlighted and assessed.

For ethical matters, we applied the principles of inform consent, respect, anonymity, confidentiality and use of collected data only for this research.

3. RESULTS

The participants came from Kanjongo sector. Five cells (Kibogora, Kigoya, Kigarama, Raro and Susa) were represented in the study as indicated in table I.

Table I: Classification of respondents by business location

Business location	Frequency	Percentage
Kibogora	39	45.35
Kigoya	31	36.05
Kigarama	8	9.30
Raro	5	5.81
Susa	3	3.49
Total	86	100

As shown in Table I, the women businesses locations were identified where most of respondents were in Kibogora cell which is considered as business center of the sector and the following frequently location is Kigoya with the former business center which is shrinking in nowadays.

The research targeted people with various age categories ranging from 18 to 50 years and above. Various classes and related frequencies are presented in Figure 1.

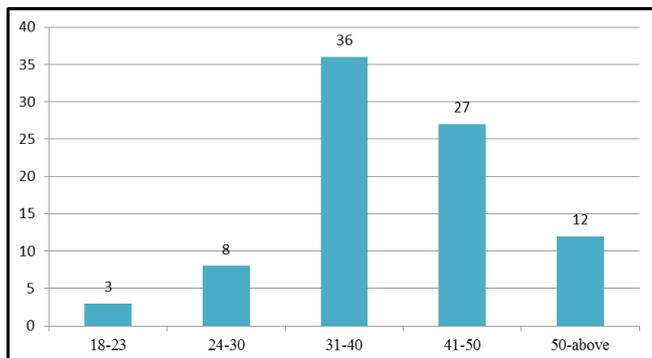


Figure 1: Classification of respondents by age

As indicated in Figure 1, most of women entrepreneurs were aged between 31 and 40 as represented by 36 out of 86 respondents. The second group was the one ranging between 41 and 50 years old represented by 27 out of 86 respondents.

The marital status of women entrepreneurs was assessed to check which status drives in business running as indicated in Table II.

Table II: Classification of respondents by marital status

Marital status	Frequency	Percentage
Single	12	13.95
Married	47	54.65
Divorced	9	10.47
Widower	18	20.93
Total	86	100.00

The married women are represented by 54.65% and the following category is for widowers who are represented by 20.93%.

As other factors, education may be influencing or demotivating women in entrepreneurship engagement. The level of education as factor has been assessed and the results presented in Table III.

Table III: Classification of women entrepreneurs by education levels

Education level	Frequency	Percentage
Technical trainings	21	24.42
Primary	45	52.33
Secondary	14	16.28
University	6	6.98
Total	86	100.00

Most of women entrepreneurs are with primary level education as represented by 52.33% and followed by those with technical trainings with 24.42%.

The women experience in entrepreneurship has been assessed to ensure the impact of the initiatives as summarized in Table IV.

Table IV: Classification of respondents by time experience in entrepreneurship

Experience	Frequency	Percentage
Less than one year	20	23.26
1-5 years	25	29.07
6-10 years	36	41.86
11-15 years	5	5.81
Total	86	100.00

The experiences of respondents were presented in Table IV according to responses that they provided to questions and

interpretation of findings by the researcher. 41.86% of participants revealed that there are more than six years' experience in entrepreneurship.

The women entrepreneurs are invested in various fields. The information provided in table five clarifies the situation.

Table V: Classification of respondents by business activities

Field	Frequency	Percentage
Manufacturing	2	2.33
Craft trading	7	8.14
Communication facilities services	3	3.49
Small trading	24	27.91
Restaurant	12	13.95
Agriculture	6	6.98
Livestock	9	10.47
Pharmacy	3	3.49
Saloon	3	3.49
Shops	17	19.77
Total	86	100.00

As revealed by the research, women entrepreneurs are mostly focused in small trading as represented by 27.91%. They are still challenged to be involved in manufacturing as only 2.3% are engaged in and 3.39% in communication businesses.

The business categories as capital goods, consumer goods and services were investigated in relation to women entrepreneurs' initiatives as presented in figure two.

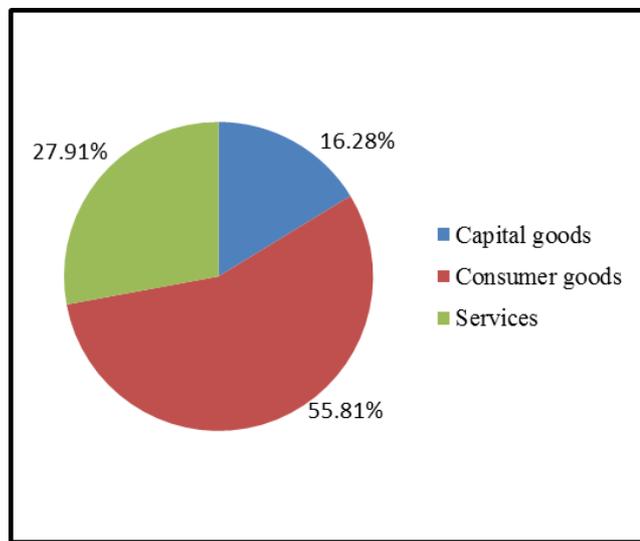


Figure 2: Business categories undertaken by women entrepreneurs

The information presented in Figure 2 indicates that 55.81% of women are engaged in consumer goods while 16.28% are in services.

3.1 Women entrepreneurs and community development

The contribution of women entrepreneurs in community development is manifested in various manners starting from their families towards community in general. The information provided in Table VI give some details regarding this study.

Table VI: Women entrepreneurs' interventions in development

Interventions	Before (Frequency)	Before (%)	After (Frequency)	After (%)
Food security	7	8.14	9	10.47
Jobs opportunities	3	3.49	11	12.79
Access to mutual health	13	15.12	32	37.21
Payment of the school fees for my children	11	12.79	21	24.42
Building of the houses	3	3.49	13	15.12
No interventions	49	56.98	0	0.00
Total	86	100.00	86	100.00

The women entrepreneurs contributed in access to mutual health as said by 37.21% and less in food security as represented by 10.47%.

At the moment all women 100% are contributing in development contrary to the previous situation where 56.98% had no contribution in development.

3.2 Women entrepreneurs and saving culture before engagement in business

As any other society member, the saving culture should be a habit. To measure the women entrepreneurs progress, their previous capacity defining the saving culture before engagement have been assessed to set a baseline for their improvement. This saving was estimated on annual basis.

Table VII: Women and saving culture before entrepreneurship

Saving range	Frequency	Percentage
None	3	3.49
Below 10,000	28	32.56
20,000-40,000	31	36.05
50,000- 70,000	17	19.77
80,000-100,000	5	5.81
100,000 above	2	2.33
Total	86	100.00

As far as the members saving capacity is concerned, the results indicated that more than 70% of women entrepreneurs had no saving or a saving which was estimated to be lower than 40,000 Frw.

3.3 Saving culture within business

After women entrepreneurs’ interventions in socioeconomic aspect of development, the study focused on the saving culture within businesses to ensure the sustainability of their initiatives as indicated in Table VIII.

Table VIII: Women saving culture within business

Savings range	Frequency	Percentage
Below 10,000	3	3.49
10,000-30,000	11	12.79
30,000- 50,000	18	20.93
50,000-90,000	24	27.91
90,000-150,000	28	32.56
Above 150,000	2	2.33
TOTAL	86	100.00

Refer to the saving capacity of women entrepreneurs before initiatives; the situation within entrepreneurial journey has been improved as more than 60% were able to save more than 50,000 Frw.

3.4 Assets acquisition and tax payment before and within businesses

The women entrepreneurs’ initiatives generated other additional assets for the family benefits in particular and society in general by tax payment. The summarized information on acquired assets and tax payment is provided within the figure three indicating the situation before and an increase encountered due to entrepreneurship initiatives.

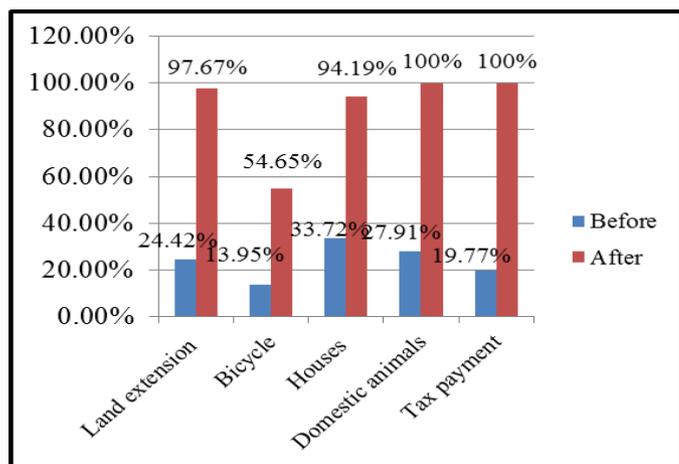


Figure 3: Assets before and after joining women entrepreneurs

As indicated in Figure 3, tax payment capacity was up to 100% compared to 19.77% before and domestic animals acquisition increased to 100% compared to 27.91% before entrepreneurial journey.

3.5 Women entrepreneurs’ views on their role in community development

The study aimed at assessing if really women entrepreneurs acknowledge their role in promoting development within their

families and society. The assessment was based on women appreciation by ranking their quotes from very high to moderate.

Table IX: Women entrepreneurs’ appreciation to their contribution in development

Appreciation	Frequency	Percentage
Very high	30	34.88
Higher	35	40.70
Moderate	21	24.42
Total	86	100.00

The data in table nine indicate that 34.88% of women entrepreneurs appreciated very highly their contribution in national development while 24.42% appreciated their contribution at moderate level.

3.6 CHALLENGES TO WOMEN ENTREPRENEURS INITIATIVES

Even if women entrepreneurs are contributing positively in community development, some challenges are still hindering them to high uplift their role and self-reliance as revealed by them and summarized in figure four.

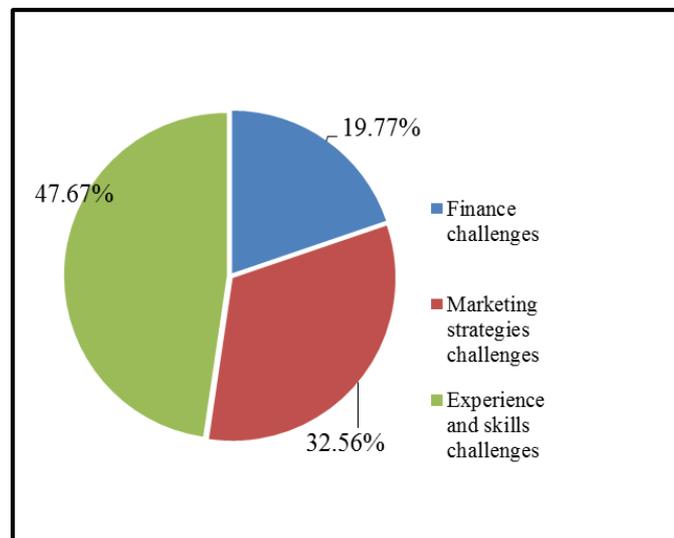


Figure 4: Challenges to women entrepreneurs initiatives

The women are challenged by lack of experience and skills as said by 47.67% and poor marketing strategies as indicated by 32.56% of respondents.

3.7 Mitigation strategies to women entrepreneurs challenges

The women entrepreneurs’ initiatives were challenged by various problems but on their side they proposed some mitigation strategies as mentioned in Table X. Among the mitigation strategies highlighted to challenges, making contributions among partners of the business was appreciated by 55.81%.

The ways used to overcome the problems concerning marketing strategies

There are many tools that can be used to overcome the marketing strategies problems such as:

- a) Advertisement: companies or women entrepreneurs try to sell their product using advertisement in form of placards and print publication.
- b) Customer care: the act of providing goods services to customer before, during and after a purchase.
- c) Friendships and cooperation between the members who are doing the same activities.

Table X: Mitigation strategies to challenges

Mitigation strategies	Frequency	Percentage
Through getting loans from governments institutions	18	20.93
Through borrowing from cooperatives or friends	14	16.28
Through making contributions among partners of the business	48	55.81
Government aids	6	6.98
Total	86	100.00

The way used to overcome the problems concerning experiences and skills

By getting high level of education or by increasing level of education from primary to secondary, secondary to university and continued. The study showed how many women engaged in business had no formal education so getting many training by this reason can be the best solution as it is their primary wish to overcome related challenges.

4. DISCUSSION

Women are increasingly being recognized as an emerging economic force; although gender imbalances are still persisting in some developing countries (Jalbert, 2000). Our findings showed that women have embarked in business in Rwanda, and are acquiring significant experience in self-employment. This study showed that the percentage of women who had more than six years’ experience were 41.86%, which was a greater as than the proportion reported by Sweta (2013) who conducted a similar study in rural area of India and found out that only 18% of women entrepreneurs had formal and informal experience. The observed difference is justified by the political will in Rwanda to encourage entrepreneurship in women, attract investors from around the world and setting facilities like fund to avail affordable capital. For Indian case, according to Sen (2001) in many countries women agency is severely limited. Access to education was considered mostly a male specific area in many of the traditional societies. Though the situation has changed slightly, the constraints that women entrepreneurs face are still significant. This is more so in a country like India where the biases against women are well documented (Sengupta, et. al, 2013).

We found also that most of women are motivated to run small trading like restaurant business as indicated in table five. Similar trend has been reported by Syukurriah (2013) who showed that a high proportion of women entrepreneurs invest in food and business of cosmetic products. This might change to further improved and

developed businesses which are manufacturing related and sustainable trades which are not seasonal based or perishable based products.

The results from the research indicated that women entrepreneurs’ interventions are focused on both social and economic domain but mostly social aspect takes over as mentioned in table six where 72.1% are using the earnings in social fields compared to 79.1% given as results from a research done by Jasminka (2014). The economic side was dominated by 27.91% in job creation and house construction which is less compared to 52.1% who are engaged in extractive, transformative and services sectors in Latin America and Caribbean as indicated in research done by Ayesha (2013). This is due to the social responsibilities which culturally are mostly attributed to women. At economic side, the women fear the entrepreneurship engagement and this policy is at juvenile stage.

The women entrepreneurs’ income before being self-employed, were still low and that affected negatively their saving capacity as indicated in table seven. The saving capacity of women entrepreneurs was increased within own business as indicated in table eight. The saving capacity of 50,000 Frw shifted from 27.91% before entrepreneurship to 62.8% after engagement. This shift is related to the women ownership in entrepreneurship, shared rights to properties and openness to financial market.

From the views of women entrepreneurs, most of them are aware about their contribution to community development as indicated by 75.58% of respondents compared to India and Egypt where women contributed by 34% of GDP as indicated by Sintha (1996). To recognize their contribution is based on mindsets change and value of every input.

As indicated by the women entrepreneurs, the most challenges hindering them are lack of capital, experiences and skills, experience and marketing related issues as represented by 19.77% in finance which is less to 28% as presented by Ummu (2012) in Indonesia. This is due to the decentralization of financial institutions in Rwanda and facilitations set to make that resource affordable to women.

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