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Understanding Women Micro and Small Business Entrepreneurs in Uganda

By

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EXECUTIVE SUMMARY

This report focuses on micro and small entrepreneurial activity among women in Uganda. We present and discuss findings that were adduced on the entrepreneurial environment, motivations, aspirations and challenges of women entrepreneurs.

Data were sourced from around the country using mixed research methodology. A survey was carried out, in depth interviews were undertaken with entrepreneurs and experts on women entrepreneurship. Focus group discussions were also conducted in all the parts of the country yielding a very rich data set. Most of the women entrepreneurs were under 35 years of age and married with a minority having attained an education of ordinary level.

The report also shows that the younger women entrepreneurs had the highest number of startup and infant businesses while their older counterparts had the majority of established businesses. Most women entrepreneurs are engaged in trade with the majority not employing anyone.

The majority had been home makers before starting their current ventures. For those who had previously been in business almost all had previously closed a business. Most of these women entrepreneurs said their businesses were registered in some form, with those that were not registered blaming it on cost and the perception of the irrelevance of registration. The majority of the respondents had never received entrepreneurial training. Of those who had, apprenticeship was the most common type of training.

An overwhelming majority of the respondents stated that it wasn't easy to access funds to start or operate their enterprises with at least half of them using savings from a previous business or employment to start their enterprises. The study also found that the majority of the women entrepreneurs did not belong to any formal or informal association with the main reason being lack of knowledge of any such associations and high subscription fees. Yet those who belonged claimed a wide range of benefits of these associations specifically financial support. Most of the enterprises of the respondents were dependent on rudimentary hand tools. The majority of the respondents started their businesses of their own accord with survival and need to increase wealth as the main reason for startup. Most chose their current line of business because it was either what they could afford or because it was all they knew how to do. With an overwhelming majority asserting that they intended to expand their enterprise, it was no wonder that a large number of the respondents said they wouldn't give up their business if a job opportunity was presented. Despite this, knowledge of business development services in their communities was said to be lacking.

The study identified challenges faced by women owned enterprises which included improper implementation of government policies, lack of funding and skills training, absence of BDS-Business development services and use of rudimentary tools, non-engagement in social networks and discriminatory cultural practices, high cost of doing business and cumbersome registration procedures.

The study advances several recommendations to mitigate the existing circumstances including enlightenment of women entrepreneurs on benefits of training and business registration; affirmative action in vocational institutions enrolment and award of government contracts and more interaction between government and women entrepreneurs; development of flexible financial products; improvement of basic infrastructure.

Throughout the report case studies of typical micro and small women entrepreneurs are presented and quotes from experts in the field of women entrepreneurship are used to highlight the study objectives.

FOREWORD

I am enthused to write the foreword for this timely and important document.

This report comes at an opportune moment when the government of Uganda is evaluating its performance in attaining the millennium development goals especially MDG 3 which specifically addresses women. The government of Uganda has over the last twenty five years demonstrated its understanding of the importance of empowering women and their potential contribution to economic development. Several interventions have been designed and implemented to ensure the full participation of women in economic development. While there are still so many challenges ahead, a lot has been achieved.

The report which relies on empirical and other types of data articulates several key issues in women entrepreneurship and highlights the challenges faced by women entrepreneurs.

The National Women's Council -Ministry of Gender, Labour and Social Development is proud to be associated with Makerere University Business School (MUBS) and International Development Research Centre's (IDRC) Trust Africa, the funders of this research.

The report makes recommendations for action at the government, Nongovernmental organizations (NGOs) and private sector level. It is my opinion that it will be an invaluable tool for policy-makers, researchers, practitioners, advocates and volunteers involved with women entrepreneurs.



Collins Mwijuka

Acting Executive Secretary National Women's Council



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INTRODUCTION

Entrepreneurship Empowering Marginalized Groups Project (EEMP) is an academic research project being run in Makerere University Business School since 2011 with a focus on women, the disabled and rural youths. The project is funded by Trust Africa which operates a special fund to promote enterprise and livelihoods in Africa through research and advocacy known as the Investment Climate & Business Environment (ICBE) Research Fund. The purpose of the ICBE Research Fund is to promote practical research on ways to improve the investment climate and business environment all over Africa and strengthen the performance of the private sector, which in turn will help create jobs, alleviate poverty, and contribute to the economic growth and self reliance of the continent. Women, as research has shown have suffered the effects of discrimination especially in the developing world where poverty is rampant and cultural practices are discriminatory.

Three other notable studies have ventured into women entrepreneurship research in Uganda. 1st the Global Entrepreneurship Monitor (herein after referred to as GEM) studies which over the years have offered a generalized view of the female entrepreneurship landscape with a host of other facets of entrepreneurship in the country, providing country comparative data and baseline data. The others are Stevenson & St. Onge (2005) and Schnyder (2000) both of which were largely qualitative studies exploring the more successful entrepreneurs and policies. The former specifically pointed out the lack of research in women entrepreneurship in Uganda and called for robust empirical studies. This research attempts to respond to the challenges faced in previous studies to paint a comprehensive picture of women entrepreneurship in Uganda for subsequent academic research and policy formulation.

The shortage of wage employment is a problem in Uganda with the agriculture sector playing a big role in providing livelihoods to up to 70% of the population.

Entrepreneurship has been touted by researchers and policy makers alike as a solution to the problem of unemployment.

According to Namatovu et al., (2011), women entrepreneurship activity has been rising from 2003 to date and now stands at 31%. Closer scrutiny of this statistic shows that while opportunity based entrepreneurship figures have remained fairly stable those for necessity based entrepreneurship have steadily risen contributing to the eventual rise in Total Entrepreneurial Activity statistics.

Women enterprises are mostly small, home based and therefore informal in nature.

Although much has been accomplished in the field of female entrepreneurship, it is clear that, far from being exhausted, the field lends itself to a variety of extensions and further investigations (Minniti, 2009).

Women entrepreneurship has over the last two decades been at the forefront of research and policy interventions to empower women and subsequently improve their contribution to economic development.

The Uganda Government, civil society and development partners have devised a plethora of interventions to improve the livelihoods of women and their businesses. Interventions in education and access to finance are the most pronounced and have scored remarkable success. Despite this progress, policymakers still do not take into account the significant contribution of women to the economy and the gender-specific barriers to business development women face.

Using a range of qualitative and quantitative methods the research investigated the motivations, challenges, opportunities and aspirations of women in entrepreneurship. Data was sourced from the four regions of Uganda, support organizations and government departments.

Based on the findings, specific recommendations for the improvement of entrepreneurship among women are advanced.

This report, unlike many before it focuses on the typical Ugandan woman entrepreneur as described in Mulira et al. (2010). Another distinguishing feature of the report is the variety of data it relies on and its reach to all the regions of the country providing a broad spectrum view of the entrepreneurship landscape.

The report attempts to discern the true levels of women involvement in the private sector, in both the formal and informal economies.

HOW WAS DATA COLLECTED?

The study involved 540 women entrepreneurs from the four regions of Uganda, (North, East, West and Central) and Kampala which was considered a different stratum from Central region because of its unique characteristics as the commercial and political capital of Uganda. There was an equal representation of respondents from each of these regions. The study was both quantitative and qualitative. The qualitative aspect was inspired by Hampel-Milagrosa's 2008 paper in which she argues that Doing Business Index may not be sufficient in overcoming barriers to women entry into entrepreneurship and as a way forward recommends the inclusion of qualitative measure of gender discrimination faced by women when starting and doing business. The quantitative aspect involved a survey where a district was randomly selected from each region. The population from which districts were selected was based on those districts that had benefited from the Government of Uganda women entrepreneurship fund which list was accessed at the Ministry of Gender Labor and Social Development's Women Council. A parish in each of the districts was selected randomly and three villages in the parish were then selected using probability proportional to size. A total of 15 women entrepreneurs were randomly selected in each village resulting in a sample size of at least 45 women in each district selected.

Selection of an entrepreneur was based on a list generated from the trading centers visited. The list was generated by the field supervisor and it created strata based on trade, e.g. restaurants and hotel, tailoring, trade etc. The woman entrepreneur interviewed was purposively selected to ensure representation from the several trades within a commercial area. For instance if in a given trading centre there were 30 restaurant owners, 20 tailors and 10 Traders, then the sample of 15 women entrepreneurs would contain 8 restaurant owners, 5 Tailors and 2 Traders.

Preliminary results from the survey guided the qualitative aspects of the study. In depth interviews and focus group discussions were carried out with women entrepreneurs in all the regions.

A total of 16 women entrepreneurs were interviewed and four focus group discussions were done with the women entrepreneurs, one in each region of Uganda.

More information was collected through the expert interviews where up to 10 Key informants were asked about issues related to the business environment. These key informants were women leaders, government technocrats, and private sector individuals working on women specific programs, as well as staff in Non-governmental organizations (NGOs) concerned with women empowerment issues.

CHARACTERISTICS OF THE WOMEN ENTREPRENEURS

Socio-personal characteristics of the women entrepreneurs

For the development of appropriate interventions and adoption of relevant research agenda, an understanding of the characteristics of micro and small women entrepreneurs is crucial. While heterogeneity is expected in any group of people, it is useful to seek the common thread that may run through groups to derive a better understanding of the group. This understanding will help consolidate developments in women entrepreneurship and understand the actual contribution of these entrepreneurs to economic development. In this section we report the findings on a number of socio-personal characteristics of women entrepreneurs and their businesses.

Demographics

Almost two thirds of the women entrepreneurs interviewed were under the age of 35 years. These statistics almost mirror Namatovu et al. (2011) where it was stated that the 35-44 years age bracket was the most entrepreneurial age group followed closely by the 25-34 years age bracket. The northern region had the highest percentage of youthful women entrepreneurs (78%) while the East had the lowest (54%). While the data may suggest a relationship between age and entrepreneurial activity, suffice it to note that the relationship between age and entrepreneurial activity is moderated by several factors including education.

Previous studies have shown that education is an important aspect of entrepreneurship among women because it influences their potential for starting a business (Minniti, Allen & Langowitz, 2006; Edwards & Muir, 2005; Orchan & Scott, 2001). In view of this, the study sought to establish the education levels of women entrepreneurs. It was found that only one quarter of the women entrepreneurs interviewed had attained education higher than the ordinary level with only 2 in 100 having obtained a university degree despite the

existence of affirmative action for women to enroll into public universities. This finding does not differ from findings of other researchers (Ibro, Fulton & Lowenberg-DeBoer, 2006) who found that most female entrepreneurs in developing countries have low education levels. The increasing number of women entrepreneurs with education at the lower levels, could be attributed to Government's free primary and secondary education initiatives tailored to meet the millennium development goals 1 and 2.

Up to 6 in every ten of the women entrepreneurs were married. The research adopted a non-restrictive definition of marriage to include any one living with a partner regardless of meeting religious, cultural or legal criteria of marriage. More than two thirds of the respondents were parents and had between one to five children. These statistics show that as a separate demographic women entrepreneurs have a lower fertility rate than the rest of the country. While it is tempting to attribute this to their entrepreneurial activity, this should be looked at in tandem with their education levels which extant research has shown significantly affects fertility levels. Entrepreneurship though through providing these women with something to do and subsequent empowerment may also play a role in increasing their input in decisions about family size and adhering to family planning advice. The average woman entrepreneur therefore has a lower fertility rate than the national average of 6 children (UNFPA, 2011). One in every three of the respondents headed their households. This statistic is a reflection of the national trend shown in UBOS (2010) where it was stated that in both rural and urban areas the numbers of female headed households had increased from 27% in 2006 to 30%. Reasons for this increase can be adduced from an interview where one of the respondents stated as follows:

Since they closed the factories, we have to chip in because our men can no longer provide"

Jinja woman entrepreneur

Table I: Select Demographics of the women entrepreneurs by Region

Demographics	Central	East	Kampala	North	West	Average
Age of entrepreneur						
18-24	15.1%	16.0%	11.7%	28.6%	17.1%	17.6%
25-34	42.5%	38.7%	47.7%	49.5%	41.0%	43.8%
35-44	24.5%	31.1%	27.0%	14.3%	23.8%	24.3%
45-54	12.3%	10.4%	9.9%	6.7%	18.1%	11.4%
55-64	3.8%	3.8%	2.7%	1.0%	.0%	2.2%
>65	1.9%	.0%	.9%	.0%	.0%	.6%
Total	100	100	100	100	100	100
Level of education						
No education	.0%	13.2%	7.2%	16.2%	14.3%	10.2%
Completed Primary	31%	40%	29%	37%	35%	34%
Completed O level	46%	38%	40%	29%	37%	38%
Completed A level	9%	4%	9%	3%	2%	5%
Not completed vocational/ university	1%	0%	5%	2%	0%	1%
Completed vocational training college	7.7%	5.7%	8.1%	11.4%	9.5%	8.5%
Completed university	5.8%	.0%	2.7%	1.9%	1.9%	2.4%
Total	100	100	100	100	100	100
Marital Status						
Married	71.7%	59.4%	52.3%	58.1%	58.1%	59.9%
Single	12.3%	17.0%	24.3%	24.8%	28.6%	21.3%
Separated	6.6%	16.0%	13.5%	7.6%	5.7%	9.9%
Divorced	4.7%	.9%	2.7%	1.0%	1.0%	2.1%
Widowed	3.8%	6.6%	7.2%	8.6%	6.7%	6.6%
Total	100	100	100	100	100	100
Number of children						
None	12.3%	11.3%	13.5%	18.1%	21.9%	15.4%
1 to 5	70.8%	67.0%	77.5%	70.5%	62.9%	69.7%
6 to 10	16.0%	21.7%	9.0%	11.4%	15.2%	14.8%
Above 10	.9%	.0%	.0%	.0%	.0%	.2%
Total	100	100	100	100	100	100
Household headship						
Self	32.1%	37.7%	40.5%	35.2%	35.2%	36.3%
Spouse	49.1%	52.8%	36.0%	51.4%	50.5%	47.8%
Parent/ other relative	19%	9%	22%	13%	14%	16%
Total	100	100	100	100	100	100

In determining the age of the enterprises that the women entrepreneurs operated, categories based on GEM were modified to include the category of infant businesses. Where an enterprise was less than six months old we categorized it as a start up business. If the business was less than one year but more than six months old classified it as

a baby business. If the business was more than one year and less than 3 years we categorized it as an infant business and if it was older than three years we referred to it as an established business. The majority of business owned by the respondents fell in the infant business category. Contrary to what the GEM studies have indicated the startup category is not necessarily the most dominant, the study showed this category had the least number of businesses with the infant and established businesses having the highest number of businesses.

The study further revealed that age group 25-34 had the largest number of start up and infant businesses. Conversely, women entrepreneurs in the age categories of 35-44 and 45-54 registered the highest number of established businesses as illustrated in Table 2. An interpretation of this could mean that the older a woman gets the more likely she will have been longer in business. It is probable that the younger women are more likely to start and close enterprises while the older ones do not. A further look at the data shows that the younger age brackets had a slightly higher percentages of respondents who had previously closed businesses. We therefore can conclude that since there is

almost an even split in terms of closure the older the women grow the more likely they are to keep their enterprises running. 31% of the respondents had closed a business before. This statistic is even higher than the national figure of 27.4% which ranked Uganda highest in the world according to Kelley, Bosma & Amoros (2011).

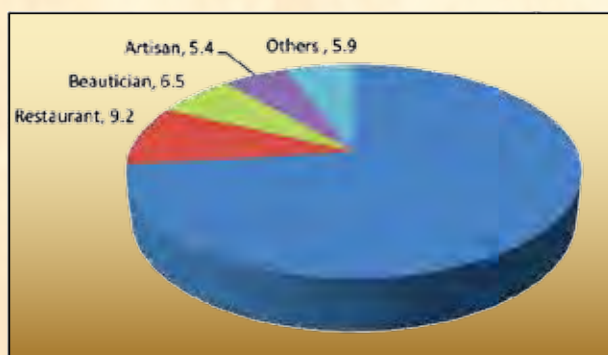
Table 2: Women ages against their business age

Age category	Start up business %	Infant business %	Baby business %	Established businesses %	Total
18-24	23.4	36.2	34	6.4	100
25-34	13.9	19.6	40.4	26.1	100
35-44	7.0	8.5	35.2	49.3	100
45-54	7.7	6.2	26.2	60	100
55-64	9.1	9.1	9.1	72.7	100
Above 65	40	0	0	60	100

NATURE OF BUSINESS

The majority of the women entrepreneurs interviewed were involved in trade, which ranges from selling airtime at stalls by the roadside to wholesale trade in commodities such as cloth and food stuffs. Suffice it to say that the majority of business activity in Uganda is trade employing 5 out of every 10 Ugandans. Up to 94% of these enterprises are informal with 80% home-based (UBOS, 2011).

Figure 2: Nature of business activities women are involved in



81% of the women entrepreneurs said that they did not employ anyone. This statistic could be explained by the small scale of operations and relatively limited capitalization of these firms with the domestic needs of the proprietor weighing

down the ability to grow in these two areas. It could also be a perception disparity, where women entrepreneurs do not consider their relatives who work for them as employees. Of the other 19% who had employees 1 in every 6 said they employed family members.

Table 3 shows that nine in ten of the respondents started their own businesses while only 6% acquired the businesses from someone else. The practice of business sale and purchase in Uganda is not prevalent. This may be due to the small size of the enterprises as well as its nature where many enterprises do not require business infrastructure (easy to set up or dismantle) such as the roadside vendors hawkers etc. It could also be the mentality among entrepreneurs that their firms belong to them in perpetuity with the hope that their next of kin will inherit it which arises from the failure to separate the person from the business. This is further exacerbated by the legal regime which does not provide for sole shareholder companies. It is also important to note that starting a business in Uganda is relatively easy. While the Doing Business Index captures data on registration of the business it is more the norm than the exception in Uganda for businesses to be started without any recourse to authority. These small businesses are the kind that most women entrepreneurs own.

Prior to starting the business that they are currently involved in, the women entrepreneurs were originally mainly homemakers or self employed. This alludes to the fact that most of these women started their businesses to improve household income.

Only 6.8% had been employed in the formal sector prior to starting their own business. The under representation of women entrepreneurs who were originally in the formal sector could be attributed to the fact that often having wage employment is more satisfying and one would not think of starting a business or that the number of women who get into paid employment in the formal sector is very small. UBOS (2010) states that less than 20 per cent of economically active women in Uganda are in paid employment; the remainder are either self employed owning about 40 per cent of the private enterprises in Uganda, (mostly at the micro enterprise, informal level) or contribute unpaid family labour.

that they had closed down the businesses. The main reason given for the business closure was lack of profitability and occurrence of an incident such as fire, burglary, death of a loved one etc combining for more than a half of the respondents. Uganda according to the GEM 2010 Global report had the highest business closure rate. What that statistic does not reveal is that most of those who close businesses end up starting others as the present study shows.

Table 3: Ownership History of Current Business Activity

How did you get to own the business	Percentage
I started it	91
I bought it	6
I inherited it	3
Have owned other businesses before	68.9
Closed a business before	80.4

Figure 3: Activity prior to starting current business

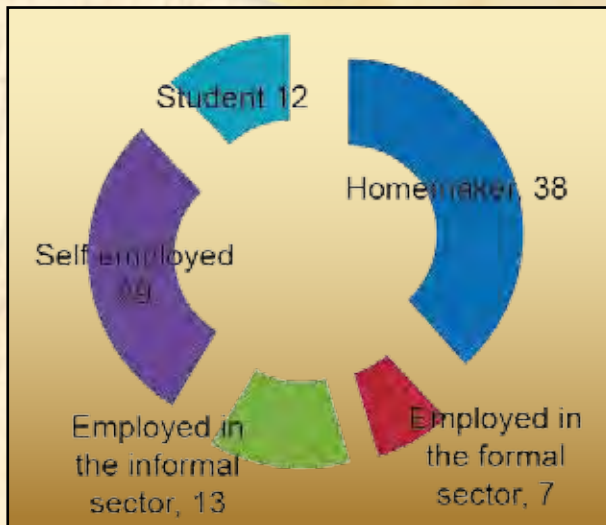
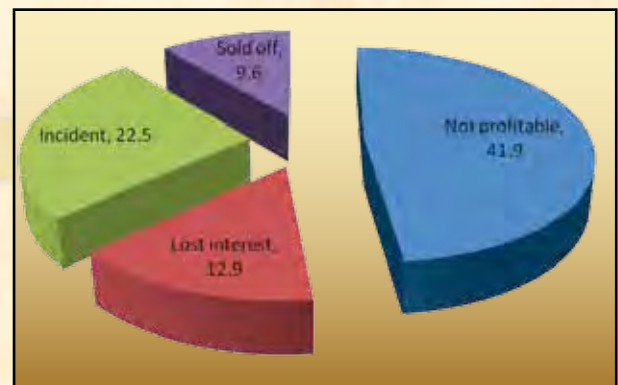


Figure 4: Reasons for business Closure



The women entrepreneurs were asked if they had operated other businesses before the current one and more than two thirds of the respondents said they had. Of these who had answered in the affirmative, an overwhelming majority (80%) said



CASE STUDY

Amulen Goretti

Proprietor, AMEN RESTAURANT & TAKEAWAY

Amulen is a 40 year old widowed mother of six. She runs a restaurant in Katakwi town a business she started in 2008 and currently has 7 employees.

Before this she was employed in a restaurant belonging to a friend of hers but got fired because she was getting all the credit for the restaurant's success. In 2008 she got a contract with the district worth UGX. 500,000/- (US\$ 200) to cater the World Population Day celebrations. Because she didn't have capital she was advanced a bit of the money which she used to buy food and hire equipment. It was a resounding success and she immediately won another contract from a non governmental organization to cater their 3 day workshop. With these successive opportunities she was able to raise capital enough to approach the owner of the premises that AMEN is currently located in. The premises then were still incomplete though the landlord asked that she rent the whole building. "Which was a little too much for a business that was just starting", she remarks.

The building was too big for only the restaurant business and so she decided to diversify into offering lodging. She started buying beds a few at a

time, bought a generator, a refrigerator and Digital Satellite TV. The generator provides electricity since Katakwi is not connected to the main electricity grid. With this electricity she charges mobile phones for a fee. The refrigerator provides cold drinks at an extra fee, while the DSTV is a revenue centre during the English Premier League season.

Goretti is not aware of any government programs helping women in business. She feels though that the business environment is good for the growth of her business. She has attended training by private sector foundation on issues of record keeping and a variety of skills. Goretti wants her business to grow into a full hotel. Her business borrows money from banks where it has 3 accounts with Stanbic (the only bank with a branch in the town), Centenary bank and Barclays bank (both in Soroti town).

Goretti belongs to two women's groups. One is called Katakwi Women Development Association and the other is Katakwi Initiative for Development. "Apart from saving money with the group and borrowing from it we do nothing else because Katakwi is still small", she explains.

She is building her own premises for the business 100metres away from where it is currently located. In this structure she has created a provision for 12 room accommodation (up from the current 10 rooms she is renting).

Goretti has closed businesses before; she used to brew local beer, then closed it and thereafter moved on to 2nd hand clothes which she also closed.

Today she is also involved in farming. She owns 20 acres of land 2 kms away from the town centre where she is building a home. She is also doing groundnuts farming on this land. She has planted an improved variety. She has also ventured into growing oranges with the prospect of the opening of a fruit factory in the neighboring environment. She would also like to venture into the road construction business which she says is lucrative.

Being a woman does not necessarily affect her business. She says since the change in culture her right to own property is absolute.

Goretti was hesitant to discuss the challenges she faces as a woman in business, but on probing she said financial institutions sometimes require a male relative to endorse loan applications. On the other hand some customers are sexist and hamper the conduct of business.



ENVIRONMENT OF BUSINESS

The importance of a favorable business environment for women's enterprise growth can't be overstated. Four aspects of the environment were assessed, policy and regulation, access to finance, business networks, education and training. Respondents had mixed views of the environment with certain aspects being perceived as favorable while others were thought to leave a lot to be desired. While over the years the Doing Business Index has provided useful country comparative data on the environment, the study shows a variation from these perceptions. It is useful to note at this point that these are perceptions of the entrepreneurs

yet other studies depend on the perceptions of the experts. For example the Doing Business study depends on law and audit firms to adduce their findings and GEM gets expert opinions from successful entrepreneurs, leaders in industry and government. At times such experts' opinions may differ from those of the micro entrepreneurs which would distort views on challenges and opportunities. A potential strength of this study is that assessment is drawn directly from micro entrepreneur's experience in combination with the experts' opinions.

POLICY & REGULATORY ENVIRONMENT

In the study we adopted a more inclusive definition of the term registration. A business was considered registered if the authorities had knowledge of the existence of the business for example if one paid market dues or local council fees to operate in the market or by the roadside then they were considered registered. More than a half of the women interviewed claimed that their businesses were registered. Of these more than two thirds claimed that the registration process was easy with almost an equal number stating that they got benefits from this registration. This finding offers a differing impression from that created by the results of the Doing Business 2011 report where Uganda ranks 150 out of 183 countries globally and 4th out of 5 in East Africa in the procedure, time and cost to register property. While the discrepancy may be attributed to the restrictive definition of a registered business adopted by the World Bank for the Doing Business study it is useful to point out that the respondents to the Doing Business study are normally experts who may be restricted by the definition or may not have a view of the typical entrepreneur. The main benefits adduced from registration included

access to financial services which was mentioned by more than one third of the respondents and confidence with other stakeholders which was cited by more than one quarter of the respondents. In Uganda, financial institutions require some form of registration before offering their services to clients. It is this and also government requirements for registration before prequalification to contract with government that are the overwhelming drivers of this registration.

For more than half (56%) of those who were not registered, failure to afford registration and the perception that they didn't need to, were the main reasons for not registering. Many women enterprises are small, road side and sometimes home based ventures. For a lady selling potatoes that she has just harvested from her garden on the road side, it is understandable that she would feel that she has no need for registration given that the agricultural produce is not taxable.

Further to this, is the location of the registrar general's chambers. An excerpt from one of the experts contextualizes this:

“Currently, business registration is not decentralized and can only be done in Kampala. This is very costly, especially to the rural women who, unfortunately constitute about 70% of women entrepreneurs in Uganda” Enterprise Uganda, 2011.

Figure 5: Benefits of registration

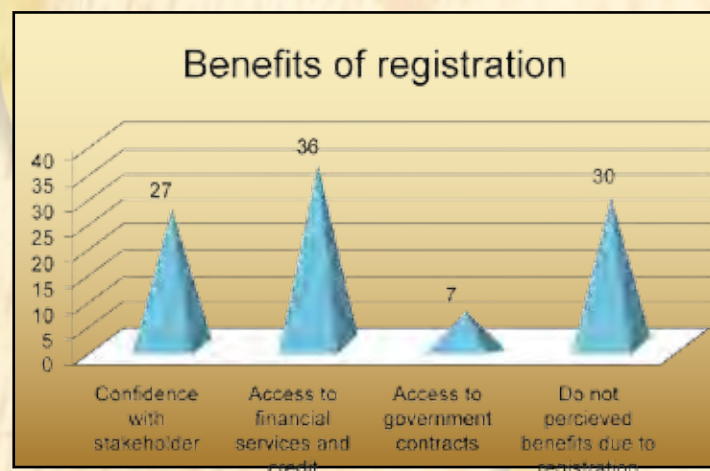


Table 4: Business Registration

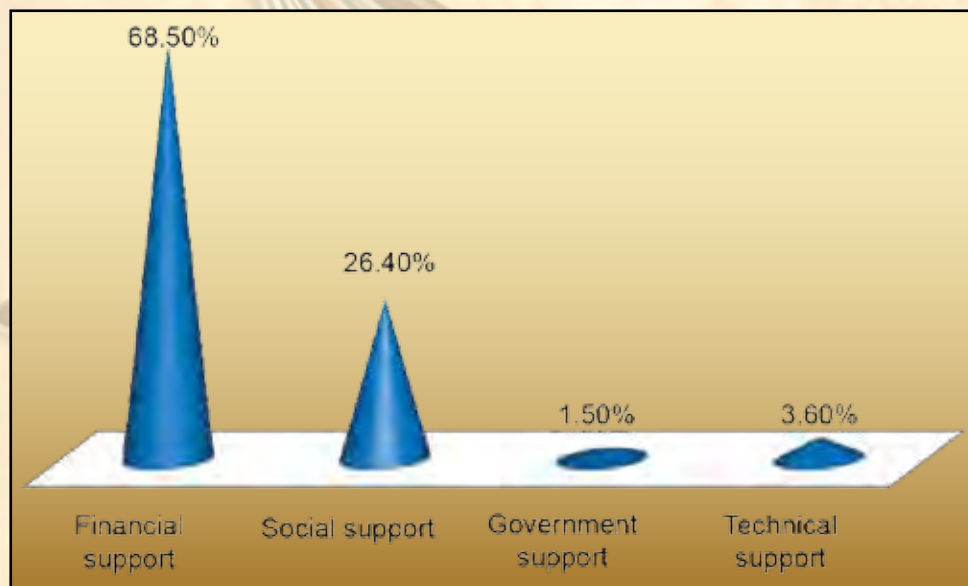
Business Registration Percentage	
Registered	52
Ease of registration	71
Could not afford or saw no need of registration	55.7
Benefits of registration	
Confidence with stakeholders	27
Access to financial services and credit	36
Access to government contracts	7
Do not perceive benefits due to registration	30
Perception of equal opportunities	67.4

Shown in Table 4, more than two thirds of the respondents stated that their business had equal opportunities/support for resources as those of men. When asked further about the nature of this support two thirds highlighted financial support while another quarter stated social support as shown in figure 6. 8 in 10 of the women said that in Uganda today women have equal rights to property under the law. These statistics taken altogether demonstrate government’s efforts to empower women through specific legislation, interventions and programs that have uplifted the status of women in the country. While only 1.5% of the women (see figure 6) admitted to receiving support for business from government, interventions like affirmative action for university education and universal primary education have gained traction and are yielding visible results. Further to this government has amended several laws or is in the process of amending some that directly affect women’s ability to contract. On the other hand the private sector, mainly financial institutions, being cognizant of the cultural encumbrances women have been afflicted with in the past are adjusting rules to avail their services to women e.g. through group lending.

Despite these gains, traditional cultural practices continue to impede business activity among women.

“Our culture does not favor women in self employment. Men always fear a woman’s independence and wealth because they think that such a woman is difficult to marry for example, it is thought that women who own and operate bars are prostitutes and Karimojong women are forbidden from doing that type of business.” - Kate

Figure 6: women entrepreneurs' perception of available support in which they compete equally with men



ENTERPRISE TRAINING AND EDUCATION

Namatovu et al. (2011) ranked education and training highest as a limiting factor to entrepreneurship and thus an area recommended for improvement. They further state that while there was no significant difference in the occurrence of entrepreneurship between the different education levels there was a marked trend when entrepreneurship was considered in the opportunity – necessity classification. The higher the level of education the more likely the occurrence of opportunity entrepreneurship while the reverse holds for necessity based entrepreneurship.

Entrepreneurship and business management training continue to be an overwhelming challenge to women entrepreneurs the current study posits. More than two thirds of the respondents had never received any form of business training which could possibly challenge the existence and growth of their enterprises. While a lot of effort seems to be directed towards correcting this, the impact is minimal when you compare entrepreneurship levels between the educated and uneducated. Entrepreneurship was introduced as an examinable subject in secondary schools more than 5 years ago. Since then this curriculum is under review having identified weaknesses in it. Plans to have entrepreneurship as a compulsory subject at the advanced level have recently been announced.

Literacy rates in Uganda though have soared over the years with the universal primary and secondary education. University enrolment rates too have greatly improved with the affirmative action policy.

*“In terms of formal education a good effort has been put in but when it comes to acquisition of skills to start, run and grow a business, we have a long way to go especially in up country areas where the most marginalized of the women are.”
Connie Kabonesa, Dean, Women Studies, Makerere University.*

Figure 7 shows that of the respondents who received some form of training, only 10% obtained professional training such as a degree or diploma in business or management studies. Affirmative action for university entry for female students has helped increase female enrolment rates from 25% in 1990 to 50% in 2010 (Makerere University Gender Mainstreaming Directorate, 2011). While all universities in Uganda have entrepreneurship taught either as a subject or a senior year option, Makerere University Business School is the only university that runs a standalone bachelors and masters course in entrepreneurship. Enrolment rates are quite high with cohorts of 100 students per year two thirds of whom are female. Despite this, the education system has been blamed for training job seekers as opposed to job creators.

“Despite undertaking Entrepreneurship and small Business Management as a course, our students are more inclined to looking for jobs. On graduation many come asking me for employment contacts. While fewer than 50% go on to create their own enterprises, many of these still are actively seeking employment

thinking that their enterprises are not enough for them. This could be because the training we offer them does not adequately rid them of the job seeking mindset that they have grown up with.” – Edith, Head of Department Entrepreneurship, Makerere University Business School.

Three quarters of the respondents received apprenticeship training (working alongside an experienced person to gain job specific skills) and formal vocational training e.g. tailoring, hairdressing etc. This high proportion points at affordability and accessibility issues. Apprenticeship is mentioned in the National Industrial Policy as part of Skills and Human Resource Development but as practice it has not gained formal recognition. It is common place to find a young woman as an apprentice to a relative or friend in a salon or restaurant before venturing out on their own as the narrative below shows.

“I learnt how to do business from my sister who was also trained by our elder brother. I started as an assistant in my sister’s business where she would sometimes leave me to manage the auto spare parts shop. I worked there for about 4 months before I started my own business. I accepted to work for my sister because I wanted to learn how this business worked so that I could start my own later on. But I would like to get training especially on how to run a business only that I do not know people who should train people like me – people who are not educated.” Jane

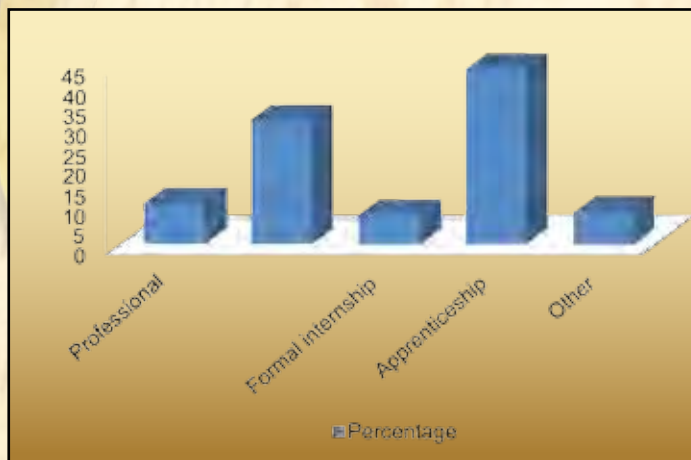


The study shows that absence of institutionalization creates a mismatch that frustrates the quality of the interaction since the mindset of the apprentice is normally to learn as much as possible to start something similar in the shortest possible time, while that of the trainer is that they have an employee who will devote skills and abilities to the existence of their enterprise.

other hand, few Non-governmental organizations (NGOs) are involved in this line of activity. It is no surprise therefore that there is a general belief that the government should provide this training.

“If there was free training I would attend. Government ought to train us for free” Judith

Figure 7: Type of training received by women entrepreneurs



A look at who provides this training revealed that it is mainly private organizations which account for more than three quarters of responses (figure 5). Notable is the limited Government and financial institution contribution to the training needs of the women entrepreneurs which stands at under 10% of the respondents. Interviews with experts show that the greatest impediment to women participation in training programs was mainly lack of funds to pay for the training.

“The women who need the training the most are those who are marginalized the most and they therefore cannot afford it which leads to their businesses not being competitive.” – Connie Kabonesa.

The study found that 7 in every 10 women entrepreneurs had never received enterprise skills training with almost an equal fraction stating that they did not know where to get the training from with 4 in every 10 stating that they could not afford the training. Of those who had received training two thirds had been trained for less than a year with up to 42% having received this training for less than a month. Despite the predominance of the short training periods almost nine in every ten of the recipients felt that the training was beneficial as shown in Table 5.

Though a contrary view was held by the Manager of DFCU WIB who opined as follows:

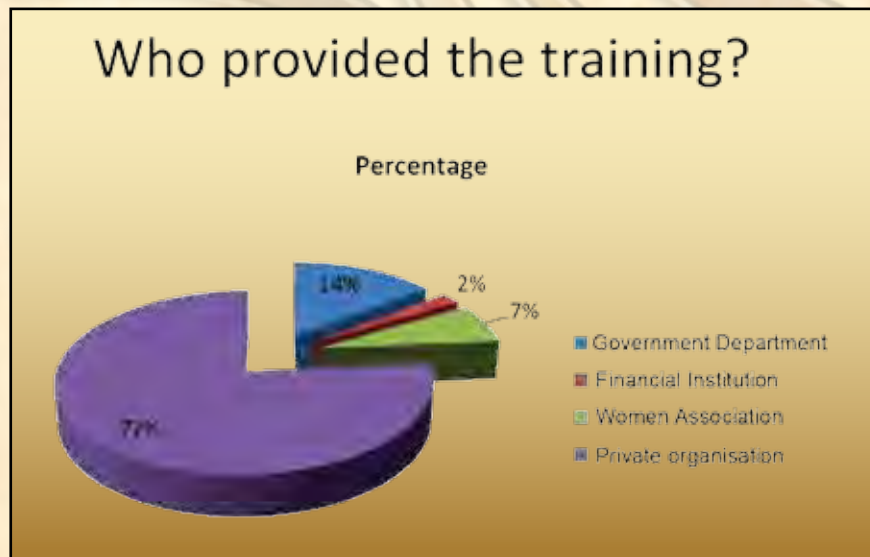
“We find it necessary to charge a small amount of money for the training so that we may get a demonstrable commitment to the exercise by the participants. Our experience has shown us that for as long as the women entrepreneurs have spent a bit of their money they seek returns on the investment.”

Past research has shown that the lack of training is one of the key limiting factors to enterprise development in Uganda (Enterprise Uganda, 2002). Despite this, permeation of training institutes is very low because of the high investment costs. This discourages private sector players. On the

ACCESS TO CREDIT AND FINANCIAL SERVICES

The statistics further show the effect of lack of training on these businesses. More than 8 in every ten of the non-trained entrepreneurs had no employees compared to 3 in every ten of the trained ones. Three quarters of the women who had closed businesses has never received any enterprise skills training. Almost 50% of the women entrepreneurs who had never received training had not registered their businesses, despite the study's liberal definition of registration and almost two thirds did not belong to any association.

Figure 8: Who trains women entrepreneurs?



The lack of access to finance has been documented for long as a factor limiting female enterprise startup and growth. Namatovu et al. (2011) ranked financial support 2nd highest as a limiting factor of entrepreneurial growth in Uganda with Uganda's scores on all indicators below those of all other participating countries. Also Snyder (2000) and Stevenson & St. Onge (2005) highlighted this discrepancy with the latter proposing an assortment of gender specific interventions to mitigate the situation. The lack of access to credit affects enterprise size since individual entrepreneurs are mostly limited to personal savings. An alternative to this shortcoming is group lending. Through formation of groups, these groups are able to access funding from financial institutions and here again the amounts available are small. Sometimes access to funds is manifested in low ceiling loans which are made available due to lack of collateral. These loans though come with restrictions like need for spousal approval as part of the requirements.

Table 5: Assessing training

Business Registration Percentage	
Registered	52
Ease of registration	71
Could not afford or saw no need of registration	55.7
Benefits of registration	
Confidence with stakeholders	27
Access to financial services and credit	36
Access to government contracts	7
Do not perceive benefits due to registration	30
Perception of equal opportunities	67.4

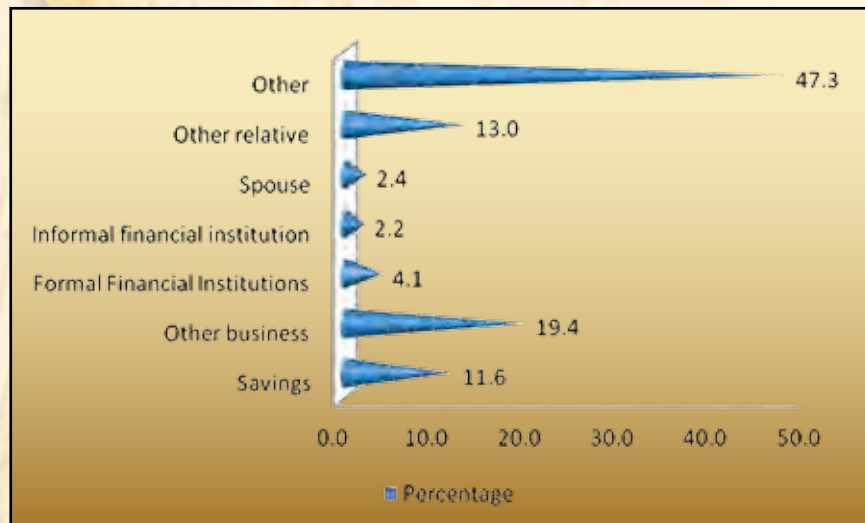
The study found that almost two thirds of the respondents stated that it wasn't easy to access funding for their business. One

half of the respondents started their enterprises using their savings. The savings were either from a previous business or former employment as narrated below,

“I always wanted to start my own business, but I thought I wasn’t eligible to get money from a bank. So I decided to work as a house girl for 2 years and was able to accumulate the capital that I used to start my business.” Kamida

“We dig in groups and the income we get is given to one person in the group. We do this until each one of us has got her start-up capital. The choice of who earns first is random. Banks cannot give us loans because one must have an account, must have savings, and must have security. We do not have all these...” Women FGD

Figure 9: Main Source of Startup Capital



Today, main stream financial institutions are targeting women as the competition among these institutions gets higher and research shows that women are credible money borrowers and alot of that market is untapped. While micro finance institutions (MFIs) have done so for almost a decade it is refreshing that major banks are recognizing

the potential of women entrepreneurs. It has taken the intervention of international development partners in some cases for this to happen as it was the case for the startup of several microfinance institutions (Carlton et al., 2001).

*“Women in Business began with the help of a facility from the International Finance Corporation.”
- Damalie DFCU*

Women entrepreneurship financial initiatives in focus

There are a number of funding initiatives for women entrepreneurs that have been devised by government, financial institutions, religious organizations, NGOs and the private sector. In this report we focus on two interventions one by FINCA Uganda and the other by DFCU bank. A brief about the programs and an analysis thereof is presented.

FINCA Uganda

FINCA was Uganda’s first regulated deposit-taking micro finance institution. It offers a myriad of services, but its focus is on village banking a model adopted from Grameen bank. FINCA currently has close to 2,700 village banking groups and more than 55,000 clients across the country with a loan portfolio of over USD 18million.

Through provision of funds FINCA has made a marked contribution to women entrepreneurship. According to the manager, the extended effect of loans disbursed includes ability to afford school fees and improvement of the household’s livelihood. Loan repayments are very good with a 98% repayment and this has improved further with the development of the mobile money services which have improved promptness of payment.

These successes have not come without challenges. The limited power of women in decision making because of the influence of their husbands and other male relatives is a common story with their clients. Women also often miss the scheduled discussions and other services provided because they have to attend to domestic chores. The corrupt tendencies of officials they have to interface with to start their enterprises also nibbles into the loan finance. The manager explains that the loan recipients tend to spend part of their money on bribing officials in order to access space and permission to operate their businesses.

Women in business (WiB) DFCU Bank

The program started with funds from International Finance Corporation (IFC) with a view to increase women’s access to finance. Having been piloted in Tanzania and Nigeria it was tailored to the Uganda situation. Reasons for starting the business were two fold:

*We started the Women in Business program for two reasons; to help women entrepreneurs start and grow their businesses and to increase our client base since we realized a large section of our potential entrepreneurs were being left out.”
Damalie DFCU*

The first product offered was the land loan which they felt gave the woman access to collateral that she could use in future loan transactions with financiers. They later encouraged the development of Savings and Credit Cooperatives (SACCOs) and investment clubs. The idea of the investment clubs among women was to modify the popular

“Niginas”. Nigina is a term used by women groups that used to save money together for a specified period and at the end of the saving period the collections were given to one member of the group. WiB modified the ‘nigina’ by encouraging women to save together and instead of sharing the proceeds after a saving cycle the women jointly invested their pooled funds. WiB is now offering unsecured loans for their clients by taking things such as local purchase orders, tenders and other contracts as collateral. The program also has a capacity building component where for a nominal fee the clients are trained in business skills.

Filling the gap?

FINCA’s village banking is more attuned to the rural woman entrepreneur who is likely to have minimal entrepreneurial experience and is less economically empowered often a micro enterprise owner. The program is not only focused on entrepreneurship promotion as funds borrowed can be used to cater for family and other livelihood needs. On the other hand DFCU’s WiB targets women entrepreneurs, who are generally more affluent, can interpret contracts and can afford to buy land. A key distinguishing feature of WiB compared to FINCA is that the minimum amount they advance is UGX. 1,000,000, though in the event an intending borrower doesn’t need all that amount of money they are encouraged to join a SACCO that the bank will advance the money to. This amount is way higher than the amounts adduced in Namatovu et al. (2011) who revealed that the majority of people who had lent money out to start a business had advanced a fraction of this amount (less than 20,000/=).

While these two programs have had a positive impact on women entrepreneurship the micro and small woman entrepreneur may need a lot more tailoring of the products and services offered for sustainable growth of these enterprises.

We can see that these two programs target two types of clients. Despite the noble goals behind the implementation of these programs we notice that they can be improved further to cater for more clients to whom the services will make a big difference. For DFCU’s WiB with a minimum lending amount that locks

out most of the potential borrowers and the need for advanced education to take full advantage of their services the reach and effectiveness of the program is affected.

“A lot of our loan rates are determined by what the borrower negotiates for. I see well educated and affluent women getting better rates than their less educated peers, yet the amounts being borrowed are no different.” - DFCU Manager

For FINCA the focus on group lending may not be ideal as group dynamics may play a role in affecting entrepreneurial objectives of the individuals. These groups are made up of people whose sole objective is accessing the funds which may not be sufficient to coalesce the group for the long term goal of access to higher amounts of credit and joint investment.

The study found that financial institutions provided 6.3% of the respondents’ start-up capital (See figure 9). This statistic tallies well with the national average of 7% who borrow from commercial banks (Ssegawa, 2011).

Figure 10: Common approached sources for financial help

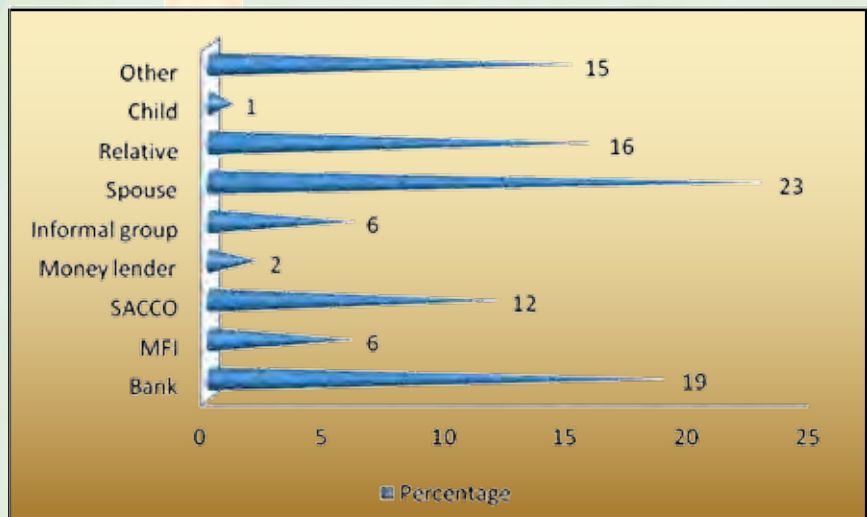
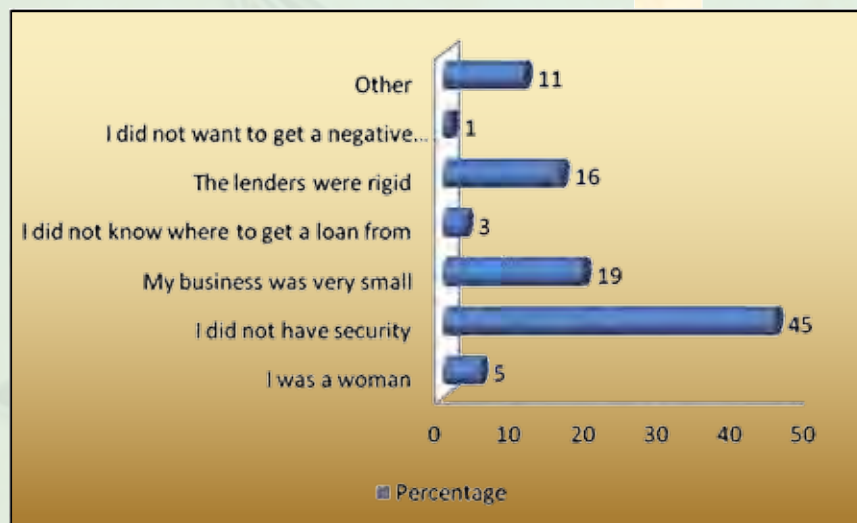


Figure 11: Why getting a loan was hard



“The microfinance institutions came to help us but they have increased our suffering. We have three operational in Jinja yet we are all moving from one to the other to borrow from one to pay another. We need government intervention especially on the interest rates.” Women FGD, Eastern Uganda

Women also did not go to financial institutions mainly because they lacked the requisite security to get a loan, feared to default on the loans and their enterprises were small (Figure 11). The fear to default was expressed by one of the women when she said,

*“I have seen many people go to jail and lose their homes over failure to pay loans. So I promised myself never to take one. If I can’t afford to finance the business myself or with help from my husband I don’t do it”
Linda*

This was in tandem with experts views on the same issue,

“Financial institutions require collateral to advance credit to women entrepreneurs. Unfortunately many women lack this collateral and cannot get loans” Enterprise Uganda

The extant research shows that one in every five of the respondents sought help from their spouses though an interesting finding from in depth interviews across the country was the occurrence of entrepreneurship due to failure in marital relations or inability of the spouse to provide.

*“I cannot just sit at home and watch my children waste their lives because they have no school fees or start expecting to get money for soap, clothing from my husband. That is why I started business”
Suzan Western Uganda*

“Since the factories closed men no longer have any work. It is important that I help him if not we shall all suffer.” Edith Gas seller Jinja

BUSINESS NETWORKS

The literature is saturated with findings on the usefulness of networks for entrepreneurial success (De Carolis & Saporito, 2006; Lechner, Dowling & Welppe, 2005). Casson (1997) defines a network as a set of high trust relationships which either directly or indirectly link together everyone in a social group. Through these networks, entrepreneurs gain access to valuable information on trends, inputs and market opportunities. Literature though also exists that puts in question the usefulness of these networks e.g. Pickering et al., (1996), provide evidence of the inferior performance of women groups compared to individuals which they attribute to groups being hindered by bureaucratic procedures and the necessity of maintaining social relationships. In this survey, it was found that six in every ten women entrepreneurs did not belong to any association formal or informal. This finding echoes the former Executive Director of the Uganda Investment Authority who spelt it out as such:

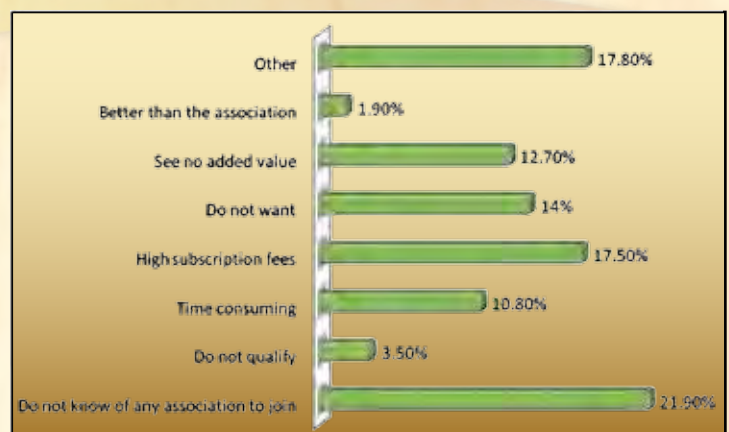
“Everybody wants to do it on their own, especially women, bring them together and it won’t take long for squabbles and conflicts to start, so we will have to reach individuals.”
(Kigozi in Nannozi, 2011).

The main reason advanced for not belonging to associations was lack of knowledge of any such association with at least one in every five women saying so. Other most cited reasons were high subscription fees and perception of no benefit with almost 3 in every 10 respondents stating as such (See figure 12). Further examination of this revealed that these subscription fees were crucial for drawing out commitment from the entrepreneurs:

“In these groups members are required to pay a token amount of money for membership despite the benefits monetary and otherwise being much higher than what they pay. They pay this money to demonstrate commitment to the undertaking.” – Women group leader

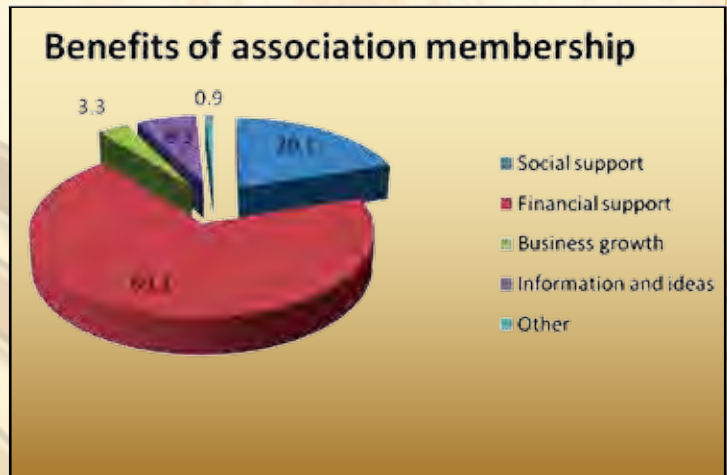
‘Time consuming’, ‘do not want’ and ‘see no added value’ were other reasons cited by more than a third of the respondents. This apathy despite vigorous efforts by NGOs and government to constitute these entrepreneurs in groups so that they may benefit from various programs was remarkable.

Figure 12: Reasons why women entrepreneurs shun networks



While an overwhelming majority of the women entrepreneurs did not belong to any networks, those that did claimed to enjoy a variety of benefits with more than two thirds of the respondents citing financial support and one in five claiming social support.

Figure 13: Benefits women entrepreneurs get from Association membership



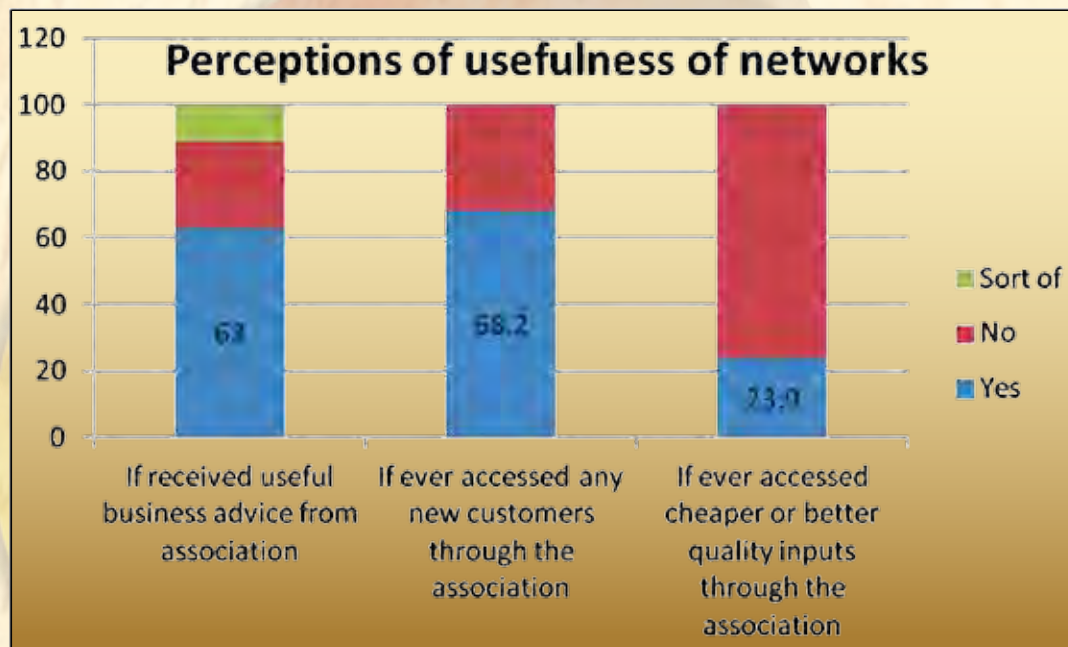
“Apart from saving money with the group and borrowing from it we do nothing else because Katakwi is still small” Maria

Suffice it to note that a lot of initiatives that are around dictate that the beneficiaries are part of a group. The most common intervention is funding which the assumption is that the group provides the ability to monitor the use of the resources and the resources are able to be spread to a greater number of recipients. Furthermore, it is easier for the interventionist to access, advice and to admonish the group members about their obligations. This spirit is captured in the quote below from a financial institution manager:

In economies with weak institutional environments, social networks play a major role in overcoming the barriers to firm start up (Minniti & Naude, 2010). In fact, almost two thirds of the women entrepreneurs said they had received useful business advice from their association with a corresponding fraction saying they had accessed new customers through this association. Conversely though, a little under one third claimed to have accessed cheaper or better quality inputs for their business through this association. While the overwhelming numbers of women who had received useful business advice and new customers is unsurprising, the 3 in 4 who said they hadn’t benefited on the supply side is interesting (See figure 14). The fact that dealing in agricultural produce predominated the business activities; it may explain the result that most of these women grew their own produce and so did not need alternative suppliers.

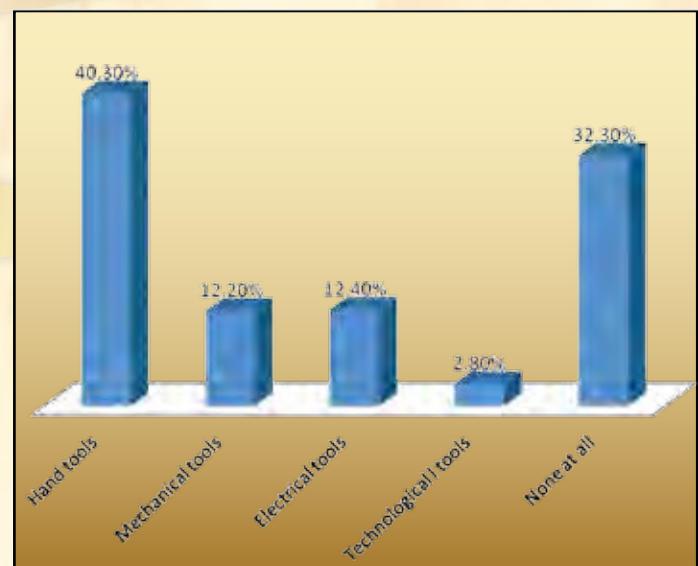
“The minimum amount of money we can advance to the women entrepreneurs is 1 million shillings. If one needs less than this amount we advise her to form a group with other like minded people and we can advance them the one million or more that the group as a whole would need” Financial Institution Manager

Figure 14: Perception of usefulness of networks



The study found that almost three quarters of the respondents depended on either rudimentary hand tools or none at all as shown in figure 15. Despite the increased permeation of mobile phones this survey indicates the low levels of sophistication and possibly inefficiencies of these enterprises. These low levels of technology adoption may also explain the high occurrence of imitative economic activity, which cannot not be misconstrued to not contribute to economic development (Baumol, 1986; Powell, 1990; Minniti & Levesque, 2010) but could constrain the profitability of these enterprises. With only 3 in every 100 women using technological tools such as computers, it leaves little doubt about the competitiveness of these firms in this technological era. This result is a reflection of findings in Namatovu et al., (2011) where it was found that only 4% of the entrepreneurs said no other businesses offered the same products as they did, 5% stated that their technology was newer than 5 years and 3 % said all their customers considered their offerings new or unfamiliar.

Figure 15: Technology used in Women owned enterprises



MOTIVATION

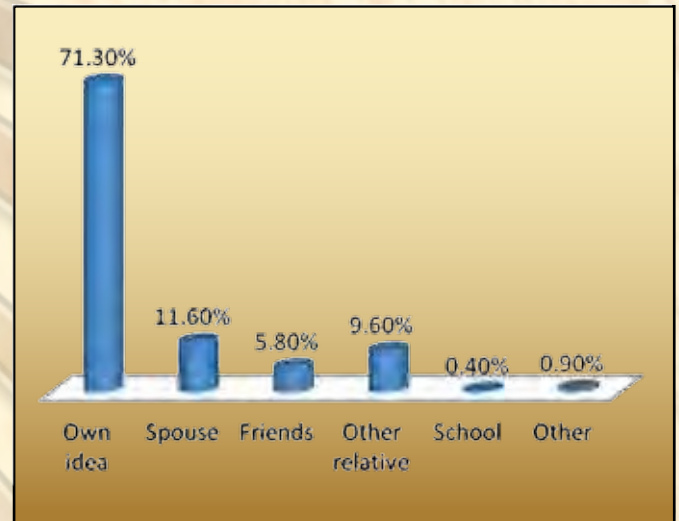
The study found that more than two thirds of the respondents claimed that it was their own initiative to start the business (see figure 16). A lot can be inferred from this: first, it may point to the women's desire to be economically independent of their spouses as a way of coping with the women's personal needs. This argument is based on the women's assertion that men were less responsible in terms of providing household needs these days. There was also a strong belief that women were tired of 'begging' their husbands for subsistence.

"I started this business to develop myself, not to starve on anything. Self-employment was always my dream because I saw others gain from it, gained independence from their husbands and I wanted to be like them" Shillah

"Failure in marriage is promoting the occurrence of business among women...It is a way to protect themselves from future challenges" Maria

The second implication is that women can independently make their own decisions and implement them. Over the past two decades the women empowerment movement has gained traction with government and civil society implementing a plethora of interventions to ensure the unrestricted participation of women in economic development.

Figure 16: Origin of idea to start business



Although most studies have presented women as joining business out of necessity (de Bruin, 2007; and McElwee & Al-Riyami, 2003), this study could not entirely support such findings. In this study most women started business for several reasons, including the need to generate wealth (23%), to exploit an opportunity (16%) and to gain independence (8%). These reasons reflect opportunity entrepreneurship among women and together account for 51% of the reasons why women decided to engage into business. This finding mirrors one in middle income countries, where it was found that just like men, women were equally as attracted to entrepreneurship by opportunity (Minniti, Allen & Langowitz, 2005)

Figure 17: Main reason for starting business

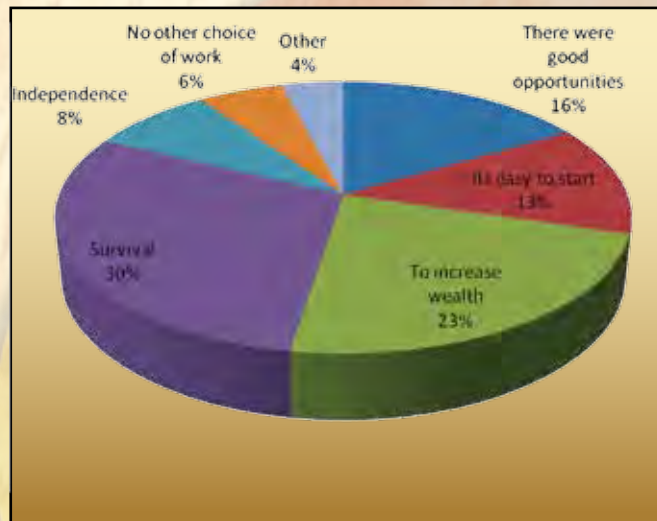
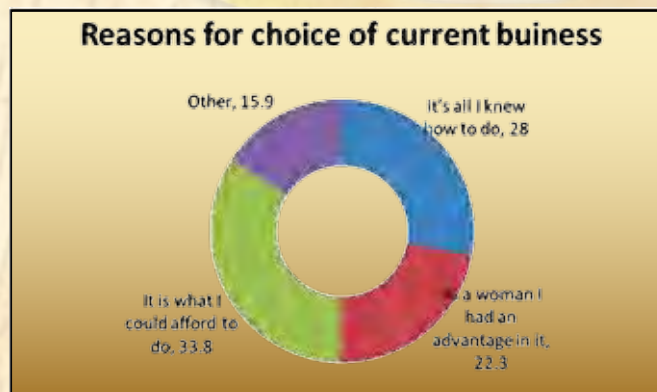


Figure 18: Reasons for choice of current business



While most women seemed to be opportunity-driven, one third gave reasons for start up that could be categorized as necessity driven. This indicates that striking a line between opportunity and necessity entrepreneurs is difficult. This difficulty arises because in some instances, adverse circumstances could force a woman into business but the choice of a particular business would be based on the opportunity envisaged in that kind

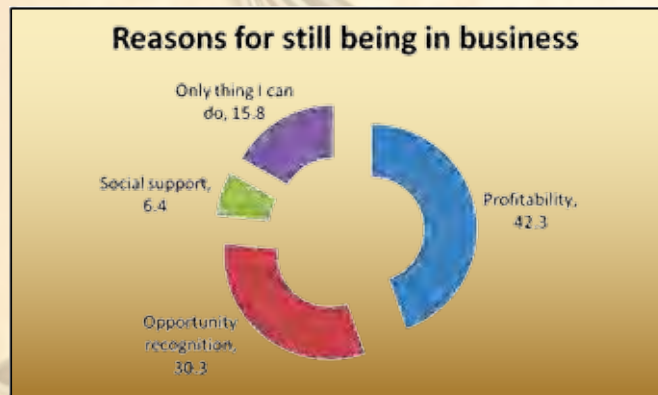
of business. Moreover, necessity gradually turns into opportunity if the woman entrepreneur starts reaping from the venture. In effect, the results point at the importance of how well the woman entrepreneur manages her venture to growth.

Figure 18 shows that one third of the women entrepreneurs chose a specific type of business because it was what they could afford to do. This means that the amount of resources at the women's disposal was a big determinant of the type of business activity they chose to do, considering that 11.6% used their personal savings to start their businesses. More than one quarter of the women entrepreneurs engaged in those business activities that they were familiar with or in which they perceived to have a competitive edge as women. The two aforementioned statistics have 'necessity' connotations implied. Further analysis showed that they hardly had any employees.

The study found that almost three quarters of the respondents (figure 19) were still engaged in business because they enjoyed profits and foresaw more opportunities in the specific businesses they owned. It can be implied that these women made a deliberate choice to engage in business and were able to profitably exploit their envisioned opportunities. The ability to decide on running business on their own and end up making profit reflects the women's power of business judgment, even when the environment leaves a lot to be desired, as statistics in the previous sections have shown.



Figure 19: Reason for still being in business



When this statistic is contrasted with reason for starting business, we see that there is a jump from almost 50% citing necessity for engaging in business to three quarters attributing their continued engagement to opportunity.

To develop the argument further we see from figure 20 that almost two thirds of the respondents would not give up their entrepreneurial venture if a job opportunity presented itself. Almost one third said they would only if the job paid more than what they earned in their enterprise. Several in this category though stated that they would take up the job and continue to run the enterprise.

Figure 20: Business Vs Employment



GROWTH ASPIRATIONS

An overwhelming majority of almost 9 in every 10 respondents intended to expand their enterprises. They planned to do this by increasing stock, opening more branches and relocating to more permanent locations among other things. A high percentage preferred to have multiple businesses (pluriactivity) as they perceived it as either a sign of power i.e. maximizing profits or a risk averting mechanism.

Conversely, about three quarters of the respondents perceived pluriactivity as a difficult task which was exacerbated by resource constraints in terms of time and finances. Their argument was that running one enterprise was difficult and adding another would be an added difficulty as explained by the quote below:

“As it is, my shop is already struggling. There are times I have to close it because I am not making enough money to pay for the rent. I cannot imagine what it would be like if I had another business to run and had to worry about that rent too.” Rita

Although many women wanted to expand their businesses, the majority of them, did not have knowledge of the existence of any business development service (BDS) provider in their locality with only 13% having such knowledge. Among the respondents who had used the BDS, up to three quarters of them managed to get help they needed.

“I would like to grow my business but I am limited by a lack of skills and knowledge on how to go about it and run a bigger business. Right now one of my children is due to join university. I want him to do business studies so that he can help me.” – Maria, Katakwi

Provision of BDS is known to help in growth and formalization of enterprises. While some efforts have been put in by financial institutions and women organizations, these efforts are limited to the urban areas and are only possible because they come as a condition for accessing, for example, loans from the financial institutions. It is also important to note that the low formal education many of the entrepreneurs have may be a challenge. Another challenge may be the sole proprietorship model these women run. The business requires them to be available and the choice to close down for a few days is not tenable.

CASE STUDY

Atuhaire Donam is a 25 year old mother and entrepreneur. She sells vegetables in a road side stall on the road to Kibiibi market, in Butambala district. She started her business 8 months ago after separating from her husband. She had then saved up UGX 200,000 (US\$ 80), which she ‘amassed’ from a previous business a grocery shop and home up-keep money her husband used to leave her. She blames her former business’ failure on poor management.

She was motivated to start this current business because on one hand she felt that entrepreneurship is a natural skill she possesses and on the

other hand, as an adult she needed to start up something to improve her livelihood. So through a recommendation from her aunt with whom she lives now, she was introduced to the “sentala” the head of the Kibiibi market. The sentala accepted to give her space in which she is currently operating her business. She pays rent of up to UGX 10,000/ per month and pays another UGX 500 per day in other fees. She uses the profits to look after her two children as she now considers herself a single parent.

Donam is a primary 3 dropout who has never received any business training. She says she would be interested in training if she could be taught how to manage a wholesale business. One day, she would like to grow her business, she however does not have any concrete plans as she believes that “You can only plan when money is in your hands, because it’s only then that plans can be implemented”.

Asked about the environmental for business, she is of the opinion that the Kibiibi area is not ideal, as there are many people who practice witch craft on those they hate. She narrates the story of when she was recently bed ridden due to witch craft and she ended up spending so much money on treatment. “Sickness is never on budget” she laments.

She says she has never borrowed funds for her enterprise because the lending institutions in her neighbourhood are few. She hopes to be a beneficiary of the government funds that have been availed to market vendors in her district. All she needs is UGX 500,000 and she will be ready to switch to the restaurant business.

COMMON CHALLENGES FACED BY WOMEN ENTREPRENEURS

The findings of the survey have helped identify a number of challenges faced by many women entrepreneurs.

- Improper implementation of Government policies and regulations thus hampering effective women engagement in business in some parts of the country. Government direct support to women entrepreneurs is insignificant at local levels. Although government has put in place frameworks to support women entrepreneurs, most of what is pledged by government is not delivered to the grassroots entrepreneur. Most support goes to the well connected and established women entrepreneurs.
- Access to finance remains one of the most pressing challenges to women owned business. This is manifested in prohibitively high interest rates, lack of knowledge and therefore ability to negotiate better interest rates, outright absence of financial institutions in close proximity to rural areas and stringent loan access conditions
- Enterprise skills training is still a challenge despite various efforts to mitigate this. While enrolment rates in the education system have risen to almost equal those of men, vocational institution enrolment rates leave a lot to be desired. Further to this stereotypes still exist about the vocational trades women can engage into eg carpentry, auto repair, electric, painting, plumbing and masonry are still perceived as the domain for men. The training programs that exist are mainly in Kampala and other towns and are relatively expensive and difficult to access by uneducated women entrepreneurs.
- Minimal reach of affordable BDS services especially to upcountry areas where they are most needed.
- Minimal usage if any of social networks to advance business interests like access to cheaper supplies, more lucrative markets and modern methods due to the misperception that the networks are a waste of time.
- Discriminatory cultural practices like permission from husbands to access loans or the forbidding of women from engaging in certain businesses or the outright denial of women the right to own property like land
- Lack of access to modern technologies and methods that would improve efficiency in operation and consequently reduce costs.
- High cost of doing business, which is especially manifested in high electricity tariffs, prohibitive rents and the increasing cost of transport which affect smaller businesses disproportionately higher than the larger ones which may be enjoying economies of scale and negotiating power with the authorities, service providers and financial intermediaries.
- The registration procedures are lengthy and cumbersome and thus de-motivate one's voluntary pursuit; this limits access to more lucrative contracts and cheaper finance.

POLICY IMPLICATIONS AND RECOMMENDATIONS

In this study, information about the micro and small women entrepreneurs has been generated to inform policy. “Most economic policies around the world are made by individuals educated primarily about the world of big business and functioning in their roles to support such businesses,” (Kelley, 2011). Concurrently, most enterprises in sub Saharan Africa micro- small sized employing a significant workforce. It is imperative that blanket policies which favour large companies and don not consider differences between men and women or even among groups of women are reviewed as they likely to be inadequate in facilitating growth within countries. The better policies will need to reflect on this diversity and its relationship to motivations, attitudes, and approaches to start-up and growth, as well as the frequency and profile of women’s entrepreneurship. If policies encourage women to participate in the entrepreneurial phenomenon, then their contribution to economic growth and development, innovation and the societal value of their communities will be realized. Based on the findings the following recommendations are formulated:

Recommendations

- Institutions intended to implement affirmative action in Northern Uganda need to be established. The northern region seems to lag behind other regions in most environmental support aspects – as recovery programmes are initiated, effort should also be made to help this region use entrepreneurship as one of the tools for economic and social reconstruction.
- Training needs of women entrepreneurs need to be ascertained, what is a good training program and how long should it take. Key stakeholders like financial institutions and government need to have a more active role in the training process.
- Benefits of registration need to be highlighted and the process should be made easier at grass root levels such that compliance is high. The registrar general should use intermediaries like women groups as an avenue to have these enterprises registered.
- Financial institutions should develop flexible products that can be accessible to micro and small women entrepreneurs.
- More interfacing between government and women entrepreneurs to better address issues that will promote their productivity.
- Affirmative action in the awarding of government contracts to women owned businesses and or flexible business terms such as grace periods, training components to the loan services offered etc.
- Extension of affirmative action to vocational training institutions to erase the stereotypes and increase female enrolment therein.
- Extension of the reach of government programs to the rural woman entrepreneur as an empowerment tool.
- Improvement of infrastructure like roads, electricity and premises to lower the cost of doing business

CONCLUSION



This study has explored the motivations, aspirations and the environment in which Ugandan women entrepreneurs operate. The study also examined the challenges women entrepreneurs encounter. The study found that the environment in which women entrepreneurs operate can be improved, with lack of access to finance and lack of government support being the most cited reasons challenging the practice and excellence in business among women. Most women entrepreneurs, it was found, are mainly engaged in trade because it requires low levels of technical proficiency. Furthermore, they run sole proprietorships which challenge the execution of their other roles as mothers and wives.

Overall, the study concludes that women have potential and intentions to grow their businesses and generate employment. Despite the many challenges these entrepreneurs are faced with including discrimination, social stereotyping and domestic demands, they are able to run profitable enterprises with a lot of promise that provide for themselves, their families and ultimately contribute to economic development.



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