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## **DETERMINANTS OF WOMEN'S PARTICIPATION IN ENTREPRENEURSHIP DEVELOPMENT IN YEWA NORTH LOCAL GOVERNMENT AREA, OGUN-STATE, NIGERIA.**

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### **Abstract**

The primary objective of this study is to assess the determinants of women participation in entrepreneurship development in Yewa North Local Government Area, Ogun-State. The data used were collected both from primary and secondary sources. Multi-stage sampling technique was used to collect primary data using structured questionnaires and interview, given a total of 100 respondents. The descriptive and inferential statistics were used to analyze the data collected. The findings showed that women's family determine how successful they are going to be in running the business enterprise most especially the aspect of getting support and combining their house work with their business activities. Also, it was revealed that some socio-economic factors act as impediments to growth of a woman entrepreneur because they become successful if they worry less about the attitudes of society.

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**Keyword:** Entrepreneurship, Women participation, Determinants, Yewa North

### **Introduction**

Rural development is more than ever before linked to entrepreneurship which is the practice of starting a new business or reviving an existing business in order to capitalize on new found opportunities. Institutions and individuals promoting rural development now see entrepreneurship as a strategic development intervention that could accelerate the rural development process. Furthermore, institutions and individuals seem to agree on the urgent need to promote rural enterprises. Development agencies see rural entrepreneurship as an enormous employment potential; politicians see it as the key strategy to prevent rural unrest; farmers see it as an instrument for improving farm earnings; and women see it as an employment possibility near their homes which provides autonomy, independence and a reduced need for social support. To all these groups, however, entrepreneurship stands as a vehicle to improve the quality of life for individuals, families and communities and to sustain a healthy economy and environment. The entrepreneurial orientation to rural development accepts entrepreneurship as the central force of economic growth and development, without it other factors of development will be wasted or frittered away. However, the acceptance of entrepreneurship as a central development force by itself will not lead to rural development and the advancement of rural enterprises. What is needed in addition is an enabling environment that allows entrepreneurship development in rural areas. The existence of such an environment largely depends on policies promoting rural entrepreneurship; the effectiveness of such policies in turn depends on a conceptual framework about entrepreneurship, (that is, what it is and where it comes from).

Entrepreneurship is the solution to the growing employment among rural youth, because it helps to generate employment for numbers of people within their own social systems. This is more beneficial for women in rural area as it enables them to add to the family income while taking care of their farm income and livestock centred tasks. Rural women possess abundant resources to take up an enterprise which is the major reason for seeking a greater development process among them not leaving behind the critical constraints hindering the growth of women entrepreneurship development in the rural area (Allen and Truman 1992).

According to Kuratko and Richard (2001), entrepreneurship is a dynamic process of creating incremental wealth. This wealth is created by individuals who take the major risks which is part of psychological aspect of entrepreneurship in terms of equity, time and career commitment of providing value to some products or services the products or services itself may or may not be new or unique but value must somehow be infused by the entrepreneur by securing and allocating the necessary skills and resources. In other words, it is the application of energy for initiating and building an enterprise.

Rural women's participation in agro-based activities is much more than what statistics revealed. This is mainly due to the fact that most of the work done by the women at farm and home is disguised as daily chores. Mechanization and easy availability of labour provide more time to energetic women to engage themselves in self employment on entrepreneurial ventures, (Richardson and Hartshorn, 1993).

Entrepreneurship among rural women has been aided with the provision of several factors such as provision of credit and training scheme by the government or through credit institution which is believed to serve as a road to development of entrepreneurship among rural women but yet after providing this listed factors which were mentioned below it seems to still pose insurmountable obstacles for rural women (Gerritson *et al.* 1987)

Needless to state, the compromises on the familial and social aspects create conflicts between enterprises and home with definite implications for the growth and diversification of business. These determinants compromise which change with women's option operates so subtly that one fails to realize the extent of damage/wastage caused by them. A particular compromise often sets off a sequence of changes and a sequence of problems. For instance, a family which have woman member to 'start something of her own without wasting her time' might ask her to adjust her business interests to conform to the family norms and social expectations when such adjustments are carried out, their implication on the psychological side of the woman goes unnoticed (Glass and Petrin 1998).

Women while entering business, count upon family support right from its planning stage through its setting up, managing establishing and diversification. Family is the only dependable support system they have to start with venturing out alone from their protected environment to the field of business as a big and risky affair, (Zapalska, 1997). So any suggestion from the family to change the nature and location of enterprise to suit the familial and social circumstance is accepted by women entrepreneur. The family then steps into the actual management of the enterprises to support the entrepreneurs so that they can cope with the set

of problems that might ensue from the changes implemented. The help of the family in the management of business (purchasing/marketing, etc.) is gracefully accepted by the entrepreneurs as they find themselves in uncomfortable and unfamiliar ground in this process, the enterprises that ought to have been their own end up but becoming not their own. Each of the factors contributed to the changes and problems affecting women participation in entrepreneurship development, (Ram and Holliday, 1992).

Provision of long term and short term credit and also education are identified by the government as the major constraints affecting rural women entrepreneurship, even when there are means of credit to the women entrepreneur and several forms of educations to them. Women still hesitate to set up units or do not succeed in there ventures due to constraints imposed on them by their immediate environment such as family commitments and absence of appropriate psychological disposition causes, this affect them in the possession of skills for the proper management of enterprises possessed by them. Hence, it can be seen that women entrepreneurship is a growing phenomena and has had a significant economic impact in all economies.

However, women-owned enterprises have their fair share of challenges and constraints that need to be addressed and specific needs that have to be identified to help them perform at par, if not better, than their male counterparts. Key issues facing new and growing women-owned enterprises in the United States include access to capital, access to information and access to networks. In Korea, women business owners experience financing and the effort to balance work and family as their most difficult tasks. Indonesian women entrepreneurs on the other hand, have difficulties in exporting their products overseas and in increasing the volume of production, both of which are of importance for their competition in the global market (Riding and Swift 1990). Low (1997) found that in general, the most common start-up problem seems to be lack of capital. Also important was lack of confidence in female business owners' abilities on the part of banks, suppliers, and clients alike, as well as family issues. Additional problems, such as marketing and labour difficulties and disagreement with associates, may arise after the start-up phase.

In an earlier study, Welch and Young (1984) found that the work home conflict – the tension caused by the dual responsibility of managing a business and maintaining a family to be the main stumbling block for female business owners. In a study by Birley and Wright (2001) on women entrepreneurs in Vietnam, the author found that women face additional handicaps due to the prevailing social and cultural gender-based inequalities and biases. For instance, the barriers that women entrepreneurs face in accessing credit from formal institutions is magnified in view of their limited access to formal education, ownership of property, and social mobility. Other aspects of unequal access to opportunities and markets include business experiences, limited knowledge of marketing strategies, weak business associations, lack of networking facilities, and poor access to education and training programmes.

The main objective of this study is to identify some of the key factors that promote/inhibit entrepreneurship among rural women in Yewa North Local Government Area of Ogun State. The specific objectives are to examine the extent and nature of familial influence on the choice

of their entrepreneurial career and to identify the socio-economic factors that mostly affect the development of women entrepreneurs.

## Methodology

### Study Area and Method of Data Collection:

The study area is Yewa North Local Government Area, Ogun State. The data for the study were obtained from primary source through structured questionnaires while secondary information were obtained from journals, related text-books, literatures, bulletin and statistical annual reports.

### Sampling Procedure:

A multi-stage random sampling technique was used to obtain data for this study. In the first stage, five towns/villages densely population with women who involved in various entrepreneurship were randomly selected from the Local Government Area, while in second stage, 20 respondents (women entrepreneurs) were randomly selected from each communities, making a total number of 100 respondents that were sampled for the study.

### Analytical Techniques:

The analytical techniques used in this study are both descriptive and inferential statistics. The descriptive statistics was used to describe the socio-economic characteristics of the respondents such as: frequency distribution, simple percentages, measures of central tendency etc. while inferential statistics through the use of logit model and maximum likelihood function, which was used to examine the extent and influence of determining factors of women participation in entrepreneurship development.

### Model Specification:

The Logit technique is used in economic applications where the dependent variable is dichotomous. The use of Logit model depends on the nature of dependent variable possess in the model if it cannot be measured quantitatively but in qualitative form.

$$\frac{\text{Log } P_1}{1 - P_1} = a_0 + a_1X_1 + a_2X_2 \dots\dots a_nX_n + U$$

Where:

$a_0$  = Constant

$a_1 - a_n$  = Regression Coefficients

$X_1 - X_n$  = Explanatory Variables

$U$  = Error term.

$P_1$  = Probability of occurrence (women entrepreneurship participation)

$1 - P_1$  = Probability of non occurrence (women entrepreneurship participation)

X <sub>1</sub>	=	Household size (number)
X <sub>2</sub>	=	Age of respondents (years)
X <sub>3</sub>	=	Occupation of respondents (number)
X <sub>4</sub>	=	Educational level of respondents (years)
X <sub>5</sub>	=	Marital status of respondents
X <sub>6</sub>	=	Level of family support (rating)
X <sub>7</sub>	=	Types of religion (dummy; Muslim = 1, Christian = 2, otherwise = 0)
X <sub>8</sub>	=	Type of enterprise (number)
U	=	Error terms

#### Maximum Likelihood Estimation:

Production function models of various functional forms are analyzed via a number of regression methods. Among them are the Ordinary Least Square (OLS), Logit Model, Maximum Likelihood Estimation (MLE), seemingly unrelated regression estimation (SURE) and numerous others. The maximum likelihood estimation (MLE) is an alternative estimation method to OLS in the estimation of the parameters of population from a random sample. When a fixed random sample (of independent observation) is taken, the sample might have been generated by many different normal populations, each having its own parameters,  $\mu$  and  $\sigma^2_x$ . The concern of maximum likelihood estimation method is which of these possible alternative populations is most probable to give rise to the observed n sample values (X<sub>1</sub>, X<sub>2</sub>, .... X<sub>n</sub>).

### Results and Discussion

Table 1 showed the age distribution of respondents that majority (80 percent) of the respondents fall in the age bracket 18-45 years; this implies that they are in their productive age. In addition, the female entrepreneurs are still active to exploit every available technology and opportunity provided by the surrounding environment. Majority (59 percent) of the respondents are married, and have family responsibilities which make them to opt for more money by involving in various business activities in order to improve their standard of livings in the society.

Education is an important factor in entrepreneurship development. The level of entrepreneurship development is expected to have a positive relationship with the level of respondents' education attainment. Few respondents (7 percent) are with low formal education which hindered their active participation in entrepreneurship development in rural communities. 93 percent of the respondents have formal education, which indicates that many of them are literate, consequently increasing their business acumen and profitability level.

The occupation distribution revealed that most of the respondents (53 percent) are traders who engage in various commercial activities. Year of experience is a major determinant in rural entrepreneurship development, as the distribution showed that about 50 percent respondents have over and above 11 year experience in entrepreneurship development. Moreover, the frequency distribution of respondents' alternative source of income revealed that 44 percent respondents have other sources of income in order to augment their business profit and

improve on their entrepreneurship (Table 3). The findings also revealed that, majority (57 percent) of the rural female entrepreneurs rely on informal sources of credit for their start-up capital, especially from their business association they belong to.

The distribution of respondents' motivation into business showed that majority of the respondents (62 percent) are motivated by self interest, which implies that majority of the women entrepreneurs in the rural area go into entrepreneurship with self interest being the major source of income for their livelihood. Generally, the size of the business is usually small and so the number of employees is equally small compare to large scale business organization.

#### Regression Results:

Logistic regression model was used to examine the determinants of women participation in entrepreneurship development in the study area as shown in Table 3.

The household size of respondents has a significant coefficient with the participation of rural women in entrepreneurship. It gives a coefficient value of -0.3629 and it is negative but significant at 1 percent, this implies that the household size has an inverse influence on women choice of entrepreneur career. A percentage increase in the household size of respondents will decrease in women entrepreneur participation; in addition, women with larger household size are likely to involve in entrepreneurship. The position of women in rural areas with respect to their age is a factor influencing the participation of rural women in entrepreneurship development. It has a negative coefficient that is there is negative relationship with the participation of rural people in entrepreneurship. The more the female grow the likely they refrain from entrepreneurship. This is in consonance with Akerele (2004) that strength tends to decline as age increases. Furthermore, primary occupation is a significant variable that influence women entrepreneurship participation. It has a negative relationship at -0.2052 and it is significant at 10 percent.

The coefficient of the educational status of respondents is positively related with the women entrepreneurship participation by women in rural areas, this implies the higher the education level of the respondents, the more likely they go into entrepreneurship. With respect to marital status of respondents, there is a positive relationship with the women choice of entrepreneur career, it has a coefficient effect of 0.7611, and it is significant at 1 percent. This implies that a percentage increase in marital status women entrepreneurs will have positive effect on their choice of entrepreneur career. The choice of woman entrepreneurship is not only influence by their household size but mostly by their spouse. The significance of marital status coefficient shows that the more a woman has family responsibilities, the more she will be interested in entrepreneur in order to cater for the needs of the family.

Level of family support has a negative coefficient value of -0.1053 and significant at 5 percent. If there is inadequate family support received by women in their various families, this will definitely have negative effect on the women participation in entrepreneurship development. Also, the relationship between religion of the household and the women choice of entrepreneur

is negative -0.1657 but significant at 5 percent. This implies that increase in religious activities without adequate knowledge of business enterprise, will obviously lower the morale of the women in entrepreneurship involvement; the negative significance of religion coefficient might be due to the doctrines and teachings of the religions that influence the choice of career and way of life. The type of business operated also has a positive relationship with the women choice of entrepreneur career with a coefficient of 0.7935. The more profitable an enterprise is, the more likely the people that will invest in it. This is in line with the theory of cost, production and demand

The marginal effect is the effect that additional increases in the unit of important independent variables have over the dependent variable. One additional year of formal education of the women entrepreneur was found to increase the likelihood of increasing in choice of entrepreneurship by 3 percent (0.0319). Also, the marginal effect of one unit increase in household size will heighten the women tendencies to go into lucrative business and they will eventually become entrepreneurs, which will lead to the development of the rural areas.

## **Conclusion and Recommendations**

The research showed the extent of family influence on the woman participation in entrepreneurship development among rural women and also revealed how socio-economic factors affect them. Success of a rural women enterprise largely depends on the family especially the married one. From the finding, it is a sort of great challenge for them combining marital responsibilities with the enterprise they are involved into, thereby reducing their level of success but with some certain level of support from the household, the challenges are reduced. The rate of risk taking by the rural women is low due to lack of proper education on entrepreneurship. Most rural women are only motivated by self reliance due to lack of any other means of making income.

Based on the findings of this study, it is recommended that personal traits such as economic independence, self reliance for entrepreneurial success and development should be developed along socio-economic variables highlight above. Government should intervene in the area of entrepreneurship among rural women so as to improve entrepreneurship development by providing favourable policies and programs, education for rural women on how to run an enterprise and develop entrepreneurial skills.

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Table 1: Socio-economic characteristics of respondents

<b>Variables</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Age (years)</b>		
18 - 45 years	80	80.0
46 - 60 years	19	19.0
Above 60 years	1	1.0
<b>Marital Status</b>		
Single	24	24.0
Married	59	59.0
Divorced	9	9.0
Widowed	8	8.0
<b>Educational Level</b>		
No Formal Education	7	7.0
Primary school	20	20.0
Secondary school	39	39.0
NCE/OND	22	22.0
HND/DEGREE	10	10.0
Masters/PhD	2	2.0
<b>Occupation</b>		
Trading	53	53.0
Farming	9	9.0
Artisan	30	30.0
Civil service	6	6.0
Others	2	2.0
<b>Business Experience (years)</b>		
1-5	26	26.0
6-10	24	24.0
11-15	34	34.0
16-20	9	9.0
21-25	4	4.0
Above 25	3	3.0

Source: Field Survey, 2010

Table 2: Socio-economic characteristics of respondents

<b>Variables</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Sources of Other Income</b>		
Government worker	4	4.0
Stocks and shares	2	2.0
Banking	1	1.0
Trading	13	13.0
Farming	14	14.0
None	66	66.0
<b>Source of Start-Up Credit</b>		
Equity	12	12.0
Cooperative Society	22	22.0
Banks	4	4.0
Friends and Relatives	57	57.0
Others	5	5.0
<b>Membership of Business Association</b>		
Yes	71	71.0
No	29	29.0
<b>Preference of Business Location</b>		
Business unit far from home	26	26.0
Business unit not far from home	74	74.0
<b>Motivation into Business</b>		
Self Interest	62	62.0
Parental Influence	19	19.0
Additional Income Means	16	16.0
Death of the Husband	3	3.0
<b>Employee Size</b>		
1-5	55	55.0
6-10	21	21.0
11-15	2	2.0
More than 15	22	22.0
<b>Supportive Family Members</b>		
Husband	34	34.0
Children	21	21.0
Nobody	25	25.0
Others	14	14.0
Husband and Children	6	6.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Field Survey, 2010

Table 3: Factors affecting women participation in entrepreneurship development in rural communities.

<b>Explanatory Variables</b>	<b>OLS Coefficient</b>	<b>OLS Standard Error</b>	<b>MLE Coefficient</b>	<b>MLE Standard Error</b>	<b>Marginal Effect</b>
Constant	0.2809 (1.192)	0.2357	-0.0317 -0.289	0.1099	0.0434
Household size	-0.3629*** (-0.248)	0.1465	-0.0784* (-0.246)	0.3188	0.7718
Age of respondents	-0.1181 (-0.228)	0.5181	-0.0116 (-0.246)	0.2712	0.5382
Occupation	-0.205* (-0.534)	0.3841	-0.0116 (-0.429)	0.2712	0.3630
Education level	0.2276 (0.594)	0.3830	0.1604 (0.726)	0.2209	0.0319
Marital status	0.7611*** (0.115)	0.6643	0.1111 (0.268)	0.4148	0.5318
Family support	-0.1053** (-0.624)	0.1687	-0.6406*** (-0.664)	0.9653	0.4242
Religion	-0.1657** (2.166)	0.7648	-1.3224** (-2.490)	0.5312	0.0392
Enterprise type	0.7935 (1.303)	0.6091	0.4765 (1.510)	0.3155	0.1635
Number of Observations:	=	100			
Log-likelihood function	=	-63.2331			
Restricted log likelihood	=	-70.5802			
Chi-squared	=	14.6942			
Degree of Freedom	=	8			
Significance Level	=	0.0654			

\* Significant at 10 percent; \*\* Significant at 5 percent; \*\*\* Significant at 1 percent.

Figures in parenthesis are T-values.

Source: Data Analysis, 2010.