

**IMPACT ASSESSMENT OF ENTREPRENEURSHIP DEVELOPMENT ON RURAL
WOMEN'S MICRO-ENTERPRISES IN MUHEZA AND HANDENI DISTRICTS: THE
CASE OF UNIFEM PROJECT IN TANGA REGION**



BY

**FOR REFERENCE
ONLY**

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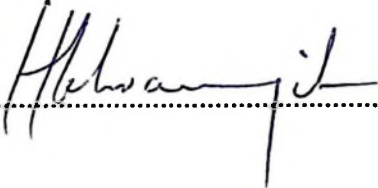
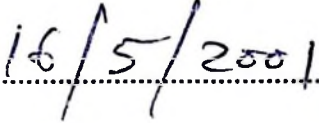
ABSTRACT

The study was conducted in four villages, two each from Muheza and Handeni districts in Tanga region. The overall objective of the study was to assess how an entrepreneurship development programme/project funded by UNIFEM between 1991-1995 had contributed to development of micro-enterprises and improved the economic status of rural women in the study area. The specific objectives were to: (i) determine the number and performance of micro-enterprises established during and after the UNIFEM project, (ii) assess how the project's entrepreneurship development approach (PEDA) had helped to improve the women's capacity to run micro-enterprises, (iii) determine the contribution of PEDA to the improvement of the economic status of the women who were under the project, and (iv) identify factors that influence women's entrepreneurship development. The study involved a survey of 64 rural women (32 project beneficiaries and 32 non-project beneficiaries). Data were mainly obtained using a questionnaire. The findings of the study revealed that agriculture was the predominant kind of activity (enterprise) carried by the women before the establishment of the project. During and after the project, there was a significant increase in the number and types of micro-enterprises established. Assessment of the performance of the enterprises showed that Project beneficiaries (PBs) generally fared better than their non-beneficiaries (NPBs) counterparts although the levels of development and profitability of the enterprises established was very low. The study also showed that the project had significantly contributed to the improvement of the capacity of the PBs to run micro-enterprises as well as their economic status than their NPBs counterparts. The need for a continuous availability of credit facilities, continued technical support and training and availability of reliable infrastructure were identified as critical to the women's micro-enterprises and entrepreneurship development. The study recommends to planners, policy makers and non-governmental organisations, to continue supporting projects of this nature and direct more effort in the creation of a

more enabling environment and a more sustainable system of developing entrepreneurship as a strategy for poverty alleviation among rural women in the country.

DECLARATION

I, Elineema Elihudi Mwanyika, do hereby declare to the Senate of Sokoine University of Agriculture that the content of this dissertation is my own original work which has never been submitted for a higher degree award in any other University

Signature..........Date..........

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DEDICATION

This dissertation is dedicated to my beloved wife Elieshi and our sons Godwin, Soori and Goodluck

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LIST OF ACRONYMS

ACSMT	=	Area Credit Scheme Management Team
ALC	=	Area Local Committee
ARWE	=	Association of Rural Women Entrepreneurs.
ARWEC	=	Association of Rural Women Entrepreneurs' Committee
CREW	=	Credit Scheme for Productive Activities of Women in Tanzania.
DANIDA	=	Danish International Development Agency.
ED	=	Entrepreneurship Development.
EDP	=	Entrepreneurship Development Programme/Project.
ESRF	=	Economics and Social Research Foundation
ET	=	Entrepreneurship Training.
FDC	=	Folk Development College.
GAD	=	Gender And Development
GSS	=	Ghana Statistical Services.
LED	=	Level of Enterprise Development.
MCDWAC	=	Ministry of Community Development women Affairs and Children.
MSPOWCA	=	Ministry of State, Presidents Office, Women and Children Affairs.
NGO	=	Non-Government Organisation.
NPBs	=	Non-Project Beneficiaries.
PBs	=	Project Beneficiaries.
PCT	=	Paired Comparison Test.
PEDA	=	Projects Entrepreneurship Development Approach.

SCT	=	Sentence completion Test.
SEFCO	=	Small Enterprise Financing Company.
SIDO	=	Small Scale Industries Development Organization
SSI	=	Small Scale Industries.
TAT	=	Thematic Apperception Test.
TRDC	=	Training for Rural Development college.
UNIFEM	=	United Nation's Fund for Women
UPISSI	=	University of Philippines Institute for Small Scale Industries.
WAD	=	Women And Development
WID	=	Women In Development

CHAPTER ONE

INTRODUCTION

1.1 Introduction

The global awakening of the need to rectify gender inequalities and to bring women into the mainstream of development, has for three decades now, been of major policy concern by United Nations bodies, governments and many non-governmental organisations (Rutashobya,1998). This has resulted in a formulation of approaches and strategies for addressing women's participation in the development process.

The "WID" (Women in development), "WAD"(Women and development), and the GAD (Gender and development) are the three important women development approaches. WID is understood to mean the integration of women into the global processes of economic, political, and social growth and change. It focused on how women could better be integrated into ongoing development initiatives (Mbilinyi,1984). The WAD perspective focused on the relationship between women and development processes rather than purely on strategies for the integration of women into development (Rathgeber,1990). The GAD approach sees women as agents of change rather than as passive recipients of development assistance, and it stresses the need for women to organise themselves for a more effective political voice (Rathgeber,1990).

The general notion of focussing on women separate from men in at least some projects has been accepted by a considerable number of Third World governments, national and international development agencies, and many non-governmental organisations (Rathgeber,1990). Thus the majority of projects for women that have emerged during the past three decades find their roots in the WID perspective. The Tanga UNIFEM-funded women entrepreneurship development project is one of such projects.

The launching of the Tanga project was a result of increasing awareness of the fact that, one of the best ways to alleviate women's poverty and hence societal poverty in Africa is their equal participation in entrepreneurship and small enterprises. Many policy-making bodies of developing countries have increasingly and explicitly recognised that development of small enterprises through the promotion of entrepreneurship have potential for contributing to economic and social development of their countries (Rutashobya,1998). This recognition has led to a host of supportive interventionary measures that have included, for example, the establishment of small-scale development organisations to promote the sector. In Tanzania, the Small-Scale Industries (SSI) policy was launched in 1973. This was followed by the establishment of the Small Scale Industries Development Organisation (SIDO) (Rutashobya,1998).

The Tanga project is therefore a first project of its kind in the country that aimed at empowering women and improving their economic status through the promotion of entrepreneurship, credit provision and running of micro-enterprises. It is against this background that this research was undertaken to assess what impact it has had on the rural women.

1.2 An Overview of the UNIFEM Entrepreneurship Development Project for Tanga Rural Women

1.2.1 The background

The United Nations Development Fund for Women (UNIFEM) is an organisation of the United Nations, entrusted with the mandate of supporting development activities of women worldwide through the provision of funds. This organisation funded a women's

project in Tanzania from 1991 to 1995, which was known as "credit scheme for productive activities of women in Tanzania" through a Danish International Development Agency (DANIDA) Trust Fund. The project was piloted in four districts of Tanga Region namely Korogwe, Muheza, Lushoto and Handeni, as well as on both Islands of Zanzibar.

The project was executed under the national executing modality whereby the Ministry of Community Development, Women Affairs and Children (MCDWAC) was responsible for the implementation of the Tanga project and the Ministry of state, President's Office, Women and Children Affairs (MSPOWCA) was responsible for the Zanzibar project. The International Labour Organisation (ILO) on the other hand, through an agreement with the government was the collaborating agency which provided technical assistance and equipment (Nzagi et al., 1994)

The project was initially intended to start in July 1990, when the project document was signed, but instead it took off in March 1991 when the international team leader was recruited. The team leader was assisted by a counterpart team leader who was stationed in Dar es Salaam, whereas the Area Project Manager and field staff were stationed in Korogwe and Zanzibar. The division of the project into two parallel projects - one for Tanzania mainland URT/92/WO1 and the other for Zanzibar URT/92/WO2 was due to the complexities of running the project. The international team leader became responsible for the Zanzibar project while the counterpart team leader headed the Tanzania Mainland project (Nzagi et al., 1994).

1.2.2 Philosophy of the UNIFEM approach

The UNIFEM funded project philosophy was based on the premise that individuals had latent potentials for entrepreneurship and that if trained such potentials could be brought to the fore and be utilized productively. But such an individual needed external support to be able to venture successfully into business. The support programme was therefore envisaged to consist of financial, entrepreneurship training and/or technical assistance as well as physical facilities and services. This 'UNIFEM philosophy' can be looked upon as a holistic approach to entrepreneurship development.

The success of the "new entrepreneur" was measured by the ability to repay the credit (loan) disbursed. The project was therefore designed to field test the following objectives for a three year period:

- (i) developing and testing appropriate credit delivery - recovery methodology with a built in monitoring and evaluation system.
- (ii) establishing and stabilizing viable women's groups and improving their agricultural, technical, managerial and marketing skills.
- (iii) strengthening the capabilities and capacities of national institutions for implementing, monitoring and evaluating the credit delivery recovery system under the project.
- (iv) mobilizing savings and providing loans.
- (v) documenting the methodology and the process of credit delivery-recovery for women.

In order to achieve the above objectives the project developed most of its systems, training approaches and materials using experiences obtained from other countries, such as the Grameen Bank of Bangladesh and tried to adapt them to Tanzanian

conditions. Entrepreneurship training and credit provision were the two most important aspects of the UNIFEM'S entrepreneurship development in the piloted areas. In particular this kind of intervention was essentially a capacity building approach aimed at developing entrepreneurial capabilities in the women and enable them to scan their environments, identify opportunities, initiate and develop micro-enterprises profitably in order to improve their incomes and alleviate abject poverty among them.

Two major strategies were used by the project to achieve the five objectives. The first project strategy was the participation of the target group at all stages and the involvement of existing structures viz, the local government and financial institutions (banks). The credit guidelines, that is credit delivery and recovery methodology was designed and adopted in consultation with women from the target group. Identification of business communities was done jointly with the communities during community needs assessment. This approach was viewed as the first step in entrepreneurship development. The second strategy was that of working with existing structures, which was reflected by the project involvement with the bank staff, government staff and tutors from Folk Development College (FDC) and Training for Rural Development College (TRDC) in the implementation, monitoring and evaluation of the project. In order to benefit from credit (loans) from the project women were required to:-

- (i) organise themselves in solidarity groups of fives, which were given the responsibility of supporting each other and 'guarantee' repayment.
- (ii) join solidarity groups into a larger umbrella organisation which was known as Association of Rural Women Entrepreneurs (ARWE). This was responsible to supervise loan utilization and to enforce repayment through its committee (ARWEC).
- (iii) undergo basic entrepreneurship training, credit and management principles.

- (iv) know that equity contribution in kind (buildings, materials and/or labour) was required.
- (v) know that the collateral required was the group's commitment as well as any equipment purchased from loan funds.
- (vi) open saving accounts in the bank for the groups and individual members.
- (vii) know that interest was 28% on a declining balance, which was equivalent to a total of 17% if repayment was to be made in one year.
- (viii) know that duration of the loan was a maximum of 12 months.

1.3 The Project's Entrepreneurship Training Approach.

The project initially sent few staff to attend an entrepreneurship course on Training of Trainers (TOT) for women entrepreneurs in India. These were then responsible to train first, the remaining fellow project staff and then few (six tutors) from the nearby Folk Development Colleges of Handeni, Mabughai and Kiwanda (i.e Handeni TRDC, Mabughai and Kiwanda (FDCs). The six tutors from the colleges in turn trained their colleagues. All these trainees later participated in training the women who were selected by the project for credit provision. All training was done in the villages to allow women to combine their multiple roles.

The first step in training women entrepreneurs included group formation, registration, saving mobilization, and opening accounts. The training materials for the women entrepreneurs were prepared and translated into Kiswahili. The training covered four areas:

- i) Entrepreneurship and enterprise management skills e.g. feasibility studies, bookkeeping, business skills etc.

- ii) Technical skills training such as dairy cattle husbandry, brick making, hotel restaurant management, agriculture, horticulture and donkey transport.
- (iii) Leadership Training. This training focused on formalities of leadership, roles and functions of group leaders.
- (iv) Savings and credit.

1.4 Problem Statement

Since independence, Tanzania has been engaged in efforts to initiate or bring development to her citizens. Policies have been formulated and many approaches tried in order to solve the conundrum of Tanzanian development. As a result, many development projects have been started and completed with the anticipation that the beneficiaries (Tanzanian citizens) would benefit from them. This has not been the case. Instead, there has been many cases of wasteful of resources and absolute 'death' of projects after termination of donor funding. If anything, there has been but very little successes as many Tanzanians particularly women are still and continue to be poor and poor. Women are particularly disadvantaged because of historic backgrounds which reinforced unequal gender relations that influenced the interplay of economic, social and cultural factors in many developing countries.

For most of these projects, there has been no critical assessment of their performance after the projects' life. Project impact assessment is useful in the identification of important lessons, constraints and achievements. These provide for a reflection of the activities and can be an important input in future projects. The UNIFEM-funded project is based on experience obtained from other parts of the world. In this project, Entrepreneurship training (ET) and credit provision inter alia ,were used as inputs to enable the target women in selected villages in Tanga and Zanzibar to start and

develop micro-enterprises, in order to raise their incomes and improve their economic status. This research therefore tries to assess the impact of the project in terms of creating women entrepreneurs through the development and performance of micro-enterprises in two districts of Muheza and Handeni in Tanga Region.

1.5 Justification of the Study

The UNIFEM project was a project of its kind in Tanzania that focused on the development phenomenon called *entrepreneurship*. This phenomenon is widely accepted as one of the logical ways in the approach to economic development and poverty alleviation. This study therefore sought to shed some light on

- the way entrepreneurship for women can be promoted and developed in the Tanzanian context.
- the problems that influence development of entrepreneurship in the Tanzanian situation.
- how entrepreneurship development can be used to empower women through the creation and development of micro-enterprises and
- how entrepreneurship development projects can be designed and implemented to suit even the most disadvantaged groups in the Tanzanian society.

1.6 Objectives of the Study

1.6.1 General objective

The general objective of this study was to assess how the UNIFEM entrepreneurship development approach had contributed to development of micro-enterprises and improved the economic status of rural women in Tanga region.

1.6.2 Specific objectives

The specific objectives of this study were to

- i) determine the number and performance of micro-enterprises established during and after the UNIFEM project
- ii) assess how the project's entrepreneurship development approach (PEDA) had helped to improve the women's capacity to run micro-enterprises
- iii) determine the contribution of PEDA to the improvement of the economic status of the women who were under the project.
- iv) identify factors that influence womens' entrepreneurship development .

CHAPTER TWO

LITERATURE REVIEW

This chapter reviews the literature pertinent to the concept of entrepreneur, entrepreneurship, Entrepreneurship Development (ED), approaches to ED and concludes by focusing on the relationship between entrepreneurship and small enterprises.

2.1 Definition of Terms

2.1.1 The entrepreneur

The word "entrepreneur" is French in origin. It is derived from the 17th century French "entreprendre", meaning "one who undertakes' the risk of new enterprise" (Anderson *et al.*, 1995). The first person to introduce the term "entrepreneur" was the French Economist, Cantillon(1755). He defined the "entrepreneur" as the "agent who purchased the means of production for combination into marketable products" (Palmer,1971). Since then, many other economists have tried to define the term. Adam Smith (1776), (cited by Anderson *et al.*, 1995) who was the famous 16th century economist, in his 1776 *Wealth of Nations*, described the entrepreneur as a person who undertakes the formation of an organization for commercial purposes, and he suggested that this somewhat special type of individual is very reactive to economic change and this effectively makes him/her an agent who transforms demand into supply (Anderson *et al.*, 1995).

Economists generally view entrepreneurs as those who bring resources together to generate profits. Psychologists view them in behavioural terms as being achievement-oriented individuals, driven to seek challenges and new accomplishments. Marxist

philosophers viewed them as exploitative adventure representative of all that is negative in capitalism. Those who strongly favour a market economy, view them as pillars of industrial strength 'the movers and shakers' who constructively disrupt the status quo. It is also generally agreed that the entrepreneur is an action-oriented, highly motivated person who is willing to take risks to achieve goals (Anderson *et al.*, 1995; Kato *et al.*, 1996). Despite these many definitions of the entrepreneur, it is generally accepted that the entrepreneur is someone who sees opportunities which might not be apparent to others, and takes action to turn these into creative and productive activities. In undertaking these activities, entrepreneurs create wealth and profit for themselves, their families and the country as a whole (Anderson *et al.*, 1995; Kato *et al.*, 1996). A very modern definition put forward by the International Labour Organisation (ILO (1987), cited by Anderson *et al.*, 1995) is that entrepreneurs are people who have the ability to see and evaluate business opportunities; to gather the necessary resources; to take advantage of them; and to initiate appropriate action to ensure success. In this study an entrepreneur is considered a person who sets and manage successfully an enterprise. Such a person has the ability to explore existing business opportunities and utilise them to start her own business venture.

2.1.2 Nature of the entrepreneur

Entrepreneurs display a number of characteristics that make them stand out from the crowd, and enable them to function the way they do. Each characteristic is displayed by certain traits. Entrepreneurs may not possess all the traits, but the more they have the greater will be their chances of achieving success in their endeavours (UP ISSI, 1981; Kato *et al.*, 1996). Some of the generally agreed characteristics and accompanying traits of the entrepreneur are listed below in Table 1.1 (Anderson *et al.*, 1995).

Table 1.1 Characteristics of entrepreneurs

Characteristic	Trait
•Self-confidence	•Confidence, independence, optimism
•Task-Result oriented & problem solver	•Need for achievement, profit oriented, persistent, goal-directed, persevering, determined, hardworking, realistic and practical.
•Risk Taker	•Willingness to take risks, likes challenges
•Leadership	•Displays initiative, takes the lead, gets along well with others, responsive to suggestions/criticisms, persuasive, is able to motivate
•Creative	•Innovative, creative, flexible, open minded, resourceful, versatile, knowledgeable.
•Future Oriented	•Has foresight, is perceptive

Behavioural scientists, foremost of which is American psychologist McClelland (1961) contend that there are other socio-psychological variables such as achievement motivation, cultural values, religion and role expectations, which determine entrepreneurial propensity. McClelland's assertion is that, to a large extent, man can shape his own destiny and that external pressures are not so important in shaping history; rather, it is how he responds to these challenges which matters (GIDC, 1971).

Bird (1988), as cited by Rutashobya (1998) also observed that the entrepreneurial process has both attitudinal and behavioural components. The attitude component

refers to the willingness of the entrepreneur/organisation to take advantage of new opportunities and act accordingly. The behavioural component includes those activities required to assess an opportunity, create the business idea, acquire the necessary resources, organise and operate the business venture (Morris and Lewis, 1991:584). Consequently, six underlying entrepreneurial attitudes and behaviours as mentioned above have received a great deal of attention in the literature: achievement motivation, innovativeness, risk taking, self-confidence, proactiveness, and future orientation (Knight, 1921; Weber, 1930; Schumpeter (1934), cited by Rutashobya (1998); McClelland, 1961, 1962, 1969, 1971; Homaday and Aboud, 1974; Palmer, 1971; Mancuso, 1974; Miller (1983), cited by Rutashobya (1998); El Namaqi (1985) cited by Rutashobya; Patel 1986; Morris and Paul, 1987; Romjin, 1989; Covin and Slevin, 1989; Gibb, 1990; Kao, 1990; Dewing, 1991; and Morris and Lewis, 1991).

The need for achievement is defined as the willingness and the need to overcome obstacles, to exercise power and to accomplish something difficult (Gasse, 1990). Innovativeness (creativity) has been defined by Schumpeter (1934) (in Rutashobya, 1998) as the tendency to do new things and break the routine. On the other hand, risk taking refers to the willingness to invest resources to opportunities with possibilities of costly failure. Self-confidence is closely related to need for achievement. It can be defined as the capacity to meet objectives, to face challenges and to do and accomplish difficult tasks. Proactiveness means task orientation, viz, implementation or action to realise some results (Rutashobya, 1998). The significant role of the entrepreneur is described very clearly by W.W. Rostow (in UP ISSI, 1981) as he discusses how an economy makes a take-off into self-sustained growth.

"Economic growth is the result of an interesting process involving the economic, social, including the emergence of a corps of entrepreneurs who are psychologically

motivated and technically prepared regularly to lead the way in introducing new production functions in the economy."

In practice, entrepreneurs, will demonstrate different degrees of innovativeness, achievement motivation, risk taking, proactiveness and the like (Morris and Lewis.1991). This means that different levels or amounts of entrepreneurship do exist. Some entrepreneurs, be they communities or societies, will be more entrepreneurial than others (Rutashobya, 1998). To the extent that this is true, many Tanzanian women in business, at the moment would correspond more closely to the informal type of business, characterised by low innovations, low achievement motivation, low future orientations and the like. Highly entrepreneurial women in the country are mere tokens (Rutashobya, 1998).

2.1.3 Entrepreneurship

Entrepreneurship is derived from the word "entrepreneur"; meaning the activities of the entrepreneur. It thus refers to the variety of activities that lead to the creation of new value, wealth, commercial enterprises and profits. In a wider sense, entrepreneurship can be defined as that motivating force that enables people to establish goals and seek to accomplish these goals against all odds. It is also that driving spirit that causes people to engage in a variety of activities that lead to the establishment of business ventures (Anderson *et. al*; 1995). Entrepreneurship does not always manifest itself in new or unique products and services, but also in the generation of ideas that help people to improve the jobs they do, as well as the products and services they offer.

Kato *et. al.*, 1996 defined entrepreneurship as the act or process of identifying business opportunities and gathering the necessary resources to initiate and manage

successfully a business enterprise. Entrepreneurship can therefore be conceived as a creative process which involves identifying problems, deficiencies, gaps, missing elements and disharmonies, thus identifying business opportunities and finding solutions for eventual implementation.

The art of being entrepreneurial involves combining personal characteristics, financial means and physical resources within the environment in order to realise an economically sound product/service. In other words it is the ability to form and run an enterprise.

2.2 Entrepreneurship Development (ED)

2.2.1 Importance of entrepreneurship

It has been realised over the years that the mere existence of such resources as land, minerals, forests, livestock, capital and labour have not resulted or guaranteed economic growth. Experience shows that progress is basically the result of human effort. It takes human agents to mobilize capital, to exploit natural resources and produce useful goods and services; to create new markets, carry on trade and stimulate economic growth. A nation's prosperity may be judged from its ability to produce the useful goods and services and to spread out the benefits of progress to the greatest number of people (U.P.I.S.S.I, 1981).

Recent economic theories lay more emphasis on the human factor in development. That is, on the contributions of the individual by whose talent and ability, available resources like land, labour and capital are converted into profitable undertakings. This is the role of the individuals called the *entrepreneurs*. It is the creativity, innovation and leadership that entrepreneurs provide, which enable countries to effectively use their

resources to produce goods and services. Today, development planning strategies in many countries emphasize what is now recognized as a vital component in the growth process: *entrepreneurship* (UP ISSI, 1981).

Entrepreneurship is now recognised as a vital quality for the emergence and sustenance of economic growth in less developed countries (Romijn, 1989). This is primarily because of the positive correlation between economic growth and business and business formations that has been postulated and/or implied in early economic theories by Cantillon (1755), Knight (1921) and Schumpeter (1934, 1948), cited by Rutashobya (1998). Entrepreneurship development should, therefore, be one of the primary policy concerns if poverty is to be alleviated in African countries.

A country with an abundance of resources could produce very little if its people are not entrepreneurial enough to put these resources to use. This is the reason some countries with little resources have been able to produce more than other countries which have a greater abundance of resources. It is thus an undisputed fact that in a country where availability of resources is not a major constraint, the prevalence of abject poverty is almost always directly associated with the lack or underdevelopment of entrepreneurial capabilities. This can also help explain why provision of external resources in the form of aid has not brought tremendous developments to the recipients in many developing countries. Morton (1994, p 15) put it this way; "there is one piece of evidence, that aid does not always work"; as evidenced by the fact that "Africans are almost as poor today as they were 30 years ago" (World Bank, 1989), despite a colossal amount of aid that was poured in to help development efforts in many African countries.

2.2.2 Link between Entrepreneurship, Development and Poverty Alleviation

There seems to be a close link between entrepreneurship, national development and poverty alleviation. Kato *et al.*, (1996) support this view as they point out that the solution to the Tanzanian ailing economy lies in the promotion of entrepreneurship. They argue that Tanzanian economy possesses all the potential for growth because the country is endowed with a wealth of untapped natural resources, and that the only logical way is to take advantage of this situation through entrepreneurial mobilisation in the country.

Gran (1993) gives a more interesting view, that even international assistance to poor countries should be such that the international aid and representative state forms, contribute to mobilisation of entrepreneurs, not only entrepreneurs in production and distribution but professional entrepreneurs, as well as organisational and political entrepreneurs. This view correctly points out that entrepreneurs exist at all levels and facets of life in a country, which means that their efforts could be mobilised to realise a common goal of development and poverty alleviation.

2.2.3 Hypotheses of Entrepreneurial Development

A review of the literature on entrepreneurship reveals two types of hypotheses that attempt to explain entrepreneurial development and constraints. The first hypothesis focuses on entrepreneurship as an environmentally determined phenomenon. That is, entrepreneurship is influenced by social, legal, economic and political factors. The second hypothesis has its focus on the individual personality and therefore emphasises the importance of individual's entrepreneurial traits to the formation of the business (Rutashobya, 1998).

Perhaps Morris and Lewis (1991) model provides the best insight to the understanding of environmental factors of entrepreneurship. They contend that the entrepreneurial traits are strongly influenced by political and economic systems (the infrastructure), rapid and threatening change (environmental turbulence) and one's family, school and work environment (life experience) (Rutashobya, 1998). Subsequently, according to Morris and Lewis, at national level, policy makers can have an effect by redesigning the infrastructure and facilitating innovation and change. At company level, management can create organizational environments which tolerate and support creativeness, autonomous and risk taking behaviours, while at the level of the individual the educational system has immense potential as a vehicle of helping develop characteristics associated with entrepreneurship. Education should encourage individual initiative, conceptual thinking, conflicting ideas and unstructured problems solving. According to Morris and Lewis, these factors act to determine the level of entrepreneurship in different countries. Thus a country with conducive policies, organizational environments and educational systems is expected to have a high level or amounts of entrepreneurship.

Other proponents of the environmental theory of entrepreneurship include mainly those who emphasise the importance of a conducive economic and legal environment (Papanek, 1971; Harris, 1971; Gasse, 1990; and House et al., 1993).

On the other hand, proponents of the trait theory of entrepreneurship contend that certain attitudinal and behavioural factors differentiate entrepreneurs from non-entrepreneurs as well as successful entrepreneurs from the unsuccessful ones. Essentially this approach, emphasises the importance of the individual entrepreneur to the formation of business (Rutashobya, 1998). Amplifying on this aspect, Palmer

(1971) postulates that in areas which possess capital and resources while suffering from a scarcity of entrepreneurs, a lag in economic development is expected.

A lot of the literature on the trait approach has been built on McClelland's work. According to the literature, a successful entrepreneur is the one who sees an opportunity by understanding the marketing environment - the current and future needs, wants and varying habits of the consumer - and takes advantage of this opportunity by executing a business activity. Proponents of the trait theory generally agree that the entrepreneur is not motivated by the money but rather by high needs especially his/her need to achieve (*n-Ach*). It is this type of motivation that makes a better entrepreneur (McClelland, 1969). Other entrepreneurial characteristics include: innovation, risk taking, self confidence, proactiveness, people and future orientation (Knight, 1921; McClelland 1961, 1962, 1969, 1971; Palmer, 1971; Homaday and Aboud, 1971; Mancuso, 1974; Miller, 1983; El Namaki, 1985; Patel, 1986; Gibb 1990; Kao, 1990;). In their analysis, Homaday and Aboud (1971) revealed other personality traits such as support, independence and leadership.

Nevertheless, proponents of both environmental and trait theories have come to one common conclusion namely that: entrepreneurship is not a biological trait. More precisely, entrepreneurs can be developed, and that even the much advocated entrepreneurial traits can be learnt (Rutashobya, 1998). For example, proponents of the trait approach contend that characteristics of the entrepreneurs are related to certain sociological factors in the entrepreneurs' childhood, and then moulded by personal experiences in later adult life. Entrepreneurial competencies may, therefore, be developed by training and education (Romijn, 1989; Gibb, 1990;).

2.2.4 Entrepreneurship in Tanzania: An Overview

A historical perspective of the state of entrepreneurship in Tanzania has thoroughly been presented by Rutashobya (1998). The general view is that, for many years since independence, African public policy (including Tanzania), was not conducive to entrepreneurship development. The situation was compounded by the fact that even before independence, modern entrepreneurship was dominated by foreigners with Africans playing only an insignificant role. This lack of conducive policy has generally been reflected in the low levels of entrepreneurship which has further resulted in Africa's underdevelopment, the present crises and the high levels of unemployment (Rutashobya, 1998).

Paakkari (1992) has argued that the main reason for weak development of African-owned businesses in Tanzania "has been more the lack of conducive enterprise environment than a lack of entrepreneurship itself." Findings by a World Bank sectoral survey on furniture, construction and horticulture showed an existence of abundance supply of indigenous (African) entrepreneurs in Tanzania (World Bank, 1991). However, due to historical reasons and Tanzania's own policies in the 1970s and early 1980s, entrepreneurship has been, and still is, dominated by migrants from South Asia as evidenced by the fact that about 90 % of private industry and trade outside the informal sector are dominated by them (Paakkari, 1992). Indigenous entrepreneurship is therefore, still at its infancy and is mainly limited to small-scale businesses (Rutashobya, 1998).

2.2.5 Female Entrepreneurship Focus

Rutashobya (1998) argue that most studies have taken gendered differences in entrepreneurship participation for granted. Such studies have tended to analyse



constraints to entrepreneurship in very general terms without focusing attention to female entrepreneurship. In this perspective, it means that there are a set of factors that have a strong influence on women's' participation in entrepreneurship than is the case with men. There are few recent studies which can help to explain why women participation in entrepreneurship remains at low levels. The studies reflects a strong association between gender and ability to start business (El Namaki, 1990; ILO, 1995; Mathews and Moser, 1995)

A review of the few studies that have focused on female entrepreneurship reveals that the trait approach (psychological and behavioural theory) has received a great deal of attention. The hypothesis that requisite traits viz; innovativeness, self confidence, proactiveness, risk taking, independence and future orientation, and demands of the entrepreneurial function could assume a slightly different dimension when the entrepreneur is a female has been discussed in a number of studies (El Namaki et al., 1986; El Namaki, 1990; Hartman, 1970; Hening and Jardin, 1977; Stevenson, 1984; Lipman Blumen,1980; Schwartz, 1975;Stevenson, 1984).

According to El Namaki (1990) the whole issue is that there exist a female based set of entrepreneurial traits that appear to be non-congruent with the acceptable (generic) entrepreneurial traits. He writes: "femininity expressed in low masculinity indices ,embody values and attitudes that seem on the face of it, non congruent with the generally accepted generic entrepreneurial traits and requisites". To support his statement, El Namaki, gives examples of norms that embody sympathy for the unfortunate, interdependence, levelling and the "service ideal" which according to him, do contrast, sometimes strongly, with other generic entrepreneurial characteristics such as "self-confidence," "money as a measure," "competing against self imposed standards",

"individuality" and "future orientation." According to El Namaki, however, other norms such as "people orientation" and "intuition" "two values central to any entrepreneurial effort do congrue with the genetic entrepreneurial characteristics referred to above.

Hisrich and Brush (1984) also present a scale of some of the personality characteristics of the female entrepreneur viz-a-viz a set of entrepreneurial characteristics to show the gendered differences of entrepreneurial traits. Women have further been reported to be too "people-oriented" (Limpman Blumen, 1980). According to Lipman Blumen this "may impede women in organizational situations which require competence and task orientation, unalloyed with personal popularity". Therefore, women would define success and failure in terms of traditional female values such as a successful marriage, a close relationship friends and the like (in El Namaki, 1986). Writing on achievement motivation, Stein and Baily (1973), cited by Rutashobya (1998) propose that women are motivated to achieve, but their achievement efforts are directed towards areas related to the traditional feminine role. In the literature, fear to success and sex role inappropriateness have also been used as explanation for the low achievement scores of women. The negative consequences of success, viz. loss of femininity and social rejection are used as probable explanations for this fear among the women, hence the hypothesis that "success is risky for a woman if she experiences this in a position that is higher than what is usually found suitable for women" (El Namaki, 1986).

On the other hand, some studies have observed no significant difference between female and male entrepreneurs in their possession of "acceptable" entrepreneurial traits. They contend that women entrepreneurs rate high in self confidence, achievement motivation, future orientation and risk taking (El Namaki et al., 1986; Hartman, 1970; Schwartz (1976), cited by Rutashobya (1998); Stevenson, 1984).

Schwartz and Stevenson, for example, found that a greater percentage of women entrepreneurs (62% in Stevenson's study) were motivated by pull factors the need to achieve desire to be independent and desire to utilize a talent or skill. According to El Namaki et al., (1986), El Namaki (1990), Stevenson (1984) and Rutashobya (1995) women's early socialisation has significantly affected their level of self-confidence, achievement motivation and even their ability to take risk. According to El Namaki *et al.*, (1986), women entrepreneurs also appear to be primarily motivated by achievement needs just as their male counterparts. With regard to risks taking, Schreier observe that female entrepreneurs seem to differ a little from their male counterparts. According to him, both men and women are moderate risk takers.

The environmental approach to the analysis of barriers facing women entrepreneurs has also received a great deal of attention. A review of the literature in this direction reveals that women's entrepreneurial behaviour is a function of some environmental factors (Rutashobya, 1998). Of greater magnitude are cultural and traditional values and prejudices,. The women entrepreneurs in Stevenson's study stated that they were brought up by their parents or significant others to believe that men are better and more important and that the ultimate role in life for women is to be a wife and mother (Rutashobya, 1998). This phenomenon has been widely documented elsewhere. Additionally, El Namaki (1990) observes that full participation of women in business is constrained by their multiple roles and the heavy opportunity cost of her entrepreneurial role. He cites a British study of a sample of 58 female entrepreneurs which revealed that "less than a half of the surveyed entrepreneurs were married or had the equivalent of a stable marriage relationship. There was also a strong indication that participation in business placed far greater strains on the personal relationships with spouses.

The issue of ethnicity and its influence on entrepreneurship participation in Africa has also been documented though not so widely. The hypothesis that exposure to business seems to vary from one ethnic group to another has been supported by House *et al.*, (1993) and Macharia (1988). These findings appear to support studies on role models and family background of entrepreneurs which suggest a strong relationship between the presence of role models and the emergence of entrepreneurs (Shapero and Sokol, 1982; Cooper, 1986; Tummon, 1986; Mathews & Moser, 1995;).

Legal barriers and lack of women's access to resources have particularly been reported in the literature relevant to developing countries (El Namaki, 1985, 1990, El Namaki and Gerritsen, 1987; House *et al.*, 1993; Van Der Wees and Romijn, 1987; Wahome. 1987; Yunus, 1983). Women's lower levels of education and their lack of independent access to capital in developing countries have been widely documented. Sex stereotyping in vocational training have also been reported (McCormick, 1988). Apprenticeship programmes (pertinent skills development strategy) and on-the-job training appear more common for male than female employees (House *et al.*, 1993). In the literature, a strong association between education, capital and business performance has frequently been reported (Rutashobya, 1998)

Finally, women's lack of proper management skills, poor management of working capital, lack of business information (Kilby's functional approach), lack of networks, and competitive pressures have been reported to constrain women's survival in business (El Namaki, 1990). Perhaps, among the most documented problems facing female owned small business is the poor management of working capital. El Namaki (1990), for example, corroborates the point that women's small businesses "start with under capitalization, continue with bad management of working capital (especially inventory

and receivables) and culminate into delayed search for solutions including essential additional capital input. He attributes this to cultural variables especially when a firm is family owned and run and business tasks are divided among the members.

Constraints to women's entry and effective performance in business identified in the literature relevant to Tanzania include lack of access to capital, especially institutional capital, raw material problems, lack of skills and technology, lack of markets and low profitability (Meghji and Vivji, 1987; Kimbi, 1989; Mbughuni and Mwangunga, 1989; Malambugi, 1991; Omari, 1991; Rutashobya, 1991; Mbise, 1992; Mbughuni, 1994;). Kimbi (1989:79), for example, found out that non-availability of capital and credit facilities was a major factor limiting women's effective participation in business in Dar es Salaam, Tanzania. She attributed this to many bureaucratic procedures and complexities which women entrepreneurs cannot afford to undergo. This view is also shared by Malambugi (1991); Mbise (1992); Meghji and Vivji (1987) and Rutashobya (1991).

Coupled with time constraints, women's opportunities in business are greatly restricted (Mbughuni, 1994). Other constraining factors such as the legal system, the lack of equal access to education (sex stereotyping in post primary education and training) have also been reported in Tanzania (Mbughuni, 1994). It is however, noted that studies on female entrepreneurship in Tanzania are very few. It is further noted that most of the studies have followed the environmental approach. Subsequently, a comprehensive analysis and empirical evidence of the critical factors that restrict women's entry into business and those that adversely affect their performance are missing. Unlike previous studies in Tanzania, the analysis of the barriers to women's

entry and survival in business has also addressed both the trait and the environmental approaches.

2.2.6 Factors for stimulating entrepreneurship

2.2.6.1 Social factors

It has been found that one of the most critical social factors for stimulating entrepreneurship is the *family* of the individual. Studies conducted in Asian countries by the University of Philippines Institute for Small-Scale Industries (UPISSI, 1981) showed that permissive, middle class family environments encourage the emergence of entrepreneurial youth. According to findings from these studies, entrepreneurs were also found to have parents who inculcate the spirit of independence in their children.

The individual's peer group is another social factor disclosed by the studies. Entrepreneurs are reported to have associated with friends whose career aspirations are high, or who are involved in enterprising activities. The studies also revealed that *membership in certain types of communities* is highly correlated with entrepreneurship. For example, analyses of the background of enterprising men in India showed that these individuals come from business communities. Studies by UP ISSI, (1981) have also reported that various cultural factors have a bearing upon entrepreneurial behaviour, although very little empirical evidence has been obtained regarding their specific effect on entrepreneurship. It is nevertheless pointed out in the studies, that researchers do agree that values, especially those relating to religion, affect the individual's entrepreneurial inclinations. The studies also mention Oliver Popenoe (in UP ISSI, 1981) as suggesting basing on his study of Malay entrepreneurs that, entrepreneurship evolves out of *strong religiosity*, where harmonious relationship between individuals are stressed.

2.2.6.2 Personality traits

By far, what has attracted the most attention from students and researchers of entrepreneurship has been the *personality traits* or orientations of entrepreneurs. (UPISSI, 1981). The entrepreneur is *self-confident*. He is optimistic: he believes in the possibility of change or mastery of the environment, through himself. He is flexible and receptive to change. He prefers independent work where his individuality shows. He is dynamic and is a leader wherever he goes, in whatever he does (GIDC, 1971). The entrepreneur is also *creative and innovative*. He is not only knowledgeable in his field of interest, but on general matters as well. He is versatile and achieves on his own initiative and resourcefulness (GIDC, 1971).

Problems are seen by the enterprising man as challenges. He *likes to take risks* after he has calculated his chances for success. Moderate risks appeal to him (UP ISSI, 1981; Anderson *et al.*, 1995; Kato *et al.*, 1996). Perhaps the most frequently mentioned trait of the entrepreneur, is the high need for achievement called *n-Ach*. In psychological tests, scores of entrepreneurs are significantly higher for *n-Ach* compared to non-entrepreneurs. Entrepreneurs, almost invariably, display a concern for excellence and to excel in competitions. They also appear to have a specific attitude towards work, because they show persistence, perseverance, determination, handwork, drive and energy in their activities (UP ISSI, 1981).

2.2.6.3 Entrepreneurial environment

Several requirements are essential before a healthy environment for entrepreneurship development can be created. First, the requirement is that the *social structure of the society must be open and competitive* rather than *ascriptive*. In ascriptive social system,

economic roles are distributed according to the status a person has, not his competence to fill the role. Because competitive self-reliance is not rewarded in an *ascriptive society*, it is almost impossible to create within it an environment for ED (Charlesworth, 1973).

However, merely creating an open society is not sufficient. Prospective small entrepreneurs must become motivated to overcome two major deficiencies prevalent in traditional societies: *fatalism* about their own destiny and *lack of orientation* towards the future (UP ISSI, 1981). There are other factors that contribute to entrepreneurship development. The role of the *economic environment*, specifically, access to capital, as a stimulus to ED cannot be overemphasized. The problem of credit availability is a major set-back in entrepreneurial entry. On the other hand, where credit is available, the paperwork and other requirements involved in approving loans considerably delay the actual disbursement of funds, thus rendering the whole financial scheme untenable (Saeng, 1978).

Government programmes designed to assist entrepreneurs often suffer from an acute lack of manpower to effectively implement such programmes. Limited incentives are given to enterprising individuals such as investors, thus restraining the development of the entrepreneurial spirit (UP ISSI, 1981). Moreover, the technology that is transferred from foreign countries is rarely suited to the particular needs and limitations of domestic small scale ventures. As a result, entrepreneurs do not develop interest in and appreciation of technology (UP ISSI, 1981).

The role of a good government in stimulating successful entrepreneurship cannot be overlooked. The government provides internal security, the maintenance of law and

order, the enforcement of contracts, the efficient administrative machinery to support industry, fiscal and tax incentives, and a sound and stable currency (UP ISSI, 1981). Other factors like reliable infrastructure, availability of local resources and reliable information on entrepreneurship are also necessary for ED (Kato et al., 1996).

2.2.6.4 ED as an interplay of variables.

The stimulation of entrepreneurship is apparently seen as a function of both internal and external variables. The presence of certain personal qualities (internal factors) in an individual is a requisite. However, these trait qualities must be supported by other variables to ensure entrepreneurial effectiveness. Studies and experience support the contention that even the most strongly motivated individual possessing high degree of entrepreneurial qualities will fail without the opportunities and the resources that the environment offers (external factors). Hence, for ED programmes to be effective, a total approach (holistic) is necessary (UP ISSI, 1981).

2.3 Approaches to ED

The approaches to ED can be broadly classified into two categories: (i) Method and coverage and (ii) Specific type of intervention

2.3.1 Method and coverage (M & C)

ED in terms of M & C is the formulation of the strategies or courses of action to be adopted in the promotion of entrepreneurship. Before an approach is selected, two major points of view for developing entrepreneurship should be considered. One is that entrepreneurship is generated through the development of the human factor: the entrepreneur himself. Another view point is that entrepreneurship is stimulated through

government interventions, like policy measures for the creation of an environment where entrepreneurial activities can flourish and grow.

A survey of the various programmes in many countries show that the development of the human factor is carried out in three dimensions. The first is the *cultivation of the attitude or desire for achievement in the individual*. The second is the *development of capabilities to perceive the environmental changes which will occur in the future*. And the last is the *cultivation of abilities necessary to solve the problems which the entrepreneurs will face in the future* (EWC, 1977). Accordingly, the entrepreneur and the environment where he will operate are important factors for the development of entrepreneurship. Once it is understood who an entrepreneur is and what his functions are in society relative to his development, identification, stimulation and nurturing of entrepreneurial activity can be done. On the other hand, an understanding of the environment is useful in developing appropriate programmes necessary for the perpetuation of entrepreneurship (UP ISSI, 1981).

The methods commonly used in Asian countries to develop entrepreneurship are the *selective*, *shotgun* and the *multiplier* method. The *selective method* involves identification and selection of individuals with latent aptitudes and appropriate attitudes towards entrepreneurial careers. Individuals thus selected are considered *desirable* receivers or beneficiaries of ED programmes. This approach presumably increases the chances of success of the development scheme, having screened the right person, in terms of his attitude and aptitude in receiving the assistance needed and, at the same time, satisfying a special need of the entrepreneur (Magdalena, 1976).

On the other hand, the *shotgun method* may be described as a multi-directional approach but which is wanting in coordination and integration of effects. The result is a *hit* or *miss*. Although there is an attempt to develop programmes for entrepreneurs, there is a lack of operational machinery to carry these effectively and thoroughly (UP ISSI, 1981). A classic example of such an approach is the experience of Hong Kong (Sit *et al.*, 1979). In the context of Hong Kong's *laissezfaire* economy, enterprise development is the responsibility of the owners and does not require government interventions. Although there are semi-government and private organizations existing to help small and medium enterprises, their functions are not coordinated. As a consequence, there is a duplication of efforts, on the one hand, and unsatisfied needs of the small enterprises on the other. Such a situation may occur in any type of economy, and particularly that which is still in the initial stages of development. The ED process of both developed and developing countries has therefore been primarily a case of trial and error at the start (Zinkin, 1961).

The *multiplier method*, on the other hand, utilizes intermediaries or catalysts of change, - trainers, extension officers, consultants, etc. to bring about ED. These intermediaries propagate and promote entrepreneurship through their respective training, extension or consultancy functions which in turn trigger off a chain of events leading to the development of entrepreneurship (UP ISSI, 1981). The training of an extension officer, for instance, reels off a chain reaction. It develops the extension officer's personality and advances his professional skill in extension work and at the same time increases the productivity level of the enterprise he serves and in turn that of the total perspective of ED. In this way, it is said that the multiplier approach maximizes the results of ED with a minimum expenditure of *resources* (the training of the extension officer, in this case).

It is important to note that these three approaches are not mutually exclusive. The distinctions made between them do not imply that any one of them is the best and only approach for a given situation. In fact, a country or development agency might choose not a single approach but a combination of approaches. In the absence of any resources and depending on its political ideology a country may adopt a *laissezfaire* policy in the same way that Hong Kong does (UPISSI, 1981). On the other hand, with available and qualified manpower, one could pursue the development of entrepreneurs by using the *multiplier* and *selective* approaches. It would be evident that the choice of approach will be influenced not only by the conceptual framework of entrepreneurship but also the availability of resources like funds and qualified manpower.

2.3.2 Types of interventions in entrepreneurship development.

The interventions in this case may take the form of *training, consultancy, sectoral development, incentives and changes in the educational system.*

2.3.2.1 Training

Mobilisation or promotion of entrepreneurship entails appropriate or strategic education and training while considering the different abilities and levels of entrepreneurship in the society. The important thing here and most fundamental at all levels is the creation of entrepreneurial awareness and direction. There is general agreement that entrepreneurship training (ET) increases productivity and a substantial literature exists documenting the positive effects of this training on human capital development (McConnell & Brue, 1990; Kato *et al.*, 1996; Gran, 1993; Rathore & Saini, 1998; Riodan *et al.*, 1997).

Riodan *et al.*, (1997) investigating the relationship between educational training and entrepreneurship among Tanzanian women, noted that a major factor influencing women's productivity is the extent to which they have access to education and training. They also noted that this was the major cause of failure and poor performance of untrained women in trade or service activities geared towards local markets because they faced stiff competition. Access to education and training has therefore been identified as critical in contributing to the potential of the informal sector enterprises operated by women to realise their transformative potential in increasing entrepreneur's economic positions, and decreasing in the process their vulnerability to poverty.

Kato *et al.*, (1996) also notes that since women constitute more than fifty percent (50 %) in almost every country in the world, it is difficult to generally discuss development without referring to women specifically. This is because development and poverty alleviation can only occur when all members of a society contribute at their optimum level to the economic growth of a nation. They cite education and training, particularly scientific and technological education and training as an important prerequisite for development, yet very few women get access to this type of education. They also note that the majority of women can be transformed into successful contributors to industrial and ED if given the necessary opportunities, knowledge, tools and facilities. This means that the present and future role of women in ED must be recognised, acknowledged and supported by governments and all responsible organisations for better national development. Taylor (1998) further noted that training is a fundamental aspect of both technology development and small businesses. Creevey and Edgerton (1997) in their studies among women in India, found that training has economic impacts that can be distinguished from those achieved by having access to loans. They further reported that training appears to increase village women's political participation in their

communities, and to be a valuable tool for poverty reduction among the poorest women.

Women may be trained for entrepreneurial careers through the five levels i.e development, achievement motivation, management skills development, attachment training, and training of trainers. Any training programme for entrepreneurship, however, must face up to a paradox:

"It takes an optimist, a great optimist, to start a new business; anyone who thoroughly understands the odds against him will not take the gamble. Yet, the potential entrepreneur must be helped to understand the problems that cause so many failures among new ventures; if he is not trained to analyse these problems, and to cope with them, he will almost surely fail." (Buchele, 1979)"

But this will depend on the particular needs of the women in question. The training should in all circumstances, apart from motivating the trainees, also provide them with all the skills necessary to successfully run their enterprises. Studies show that the most common management problems met by small entrepreneurs include: poor records management; inadequate system of internal administration (i.e. production planning and control, cost control, etc.) inefficient production system; lack of marketing knowledge; and lack of financing (EWC, 1997).

2.3.2.2 Consultancy

Training oriented intervention in itself is an incomplete vehicle for developing entrepreneurship. Other interventions that will supplement training are needed if fuller ED were to take place. Indeed, small entrepreneurs do not only need training but extension and consultancy services as well. Consultancy is defined as "the service provided by an independent and qualified person or persons in identifying and investigating problems concerned with policy, organization procedures, and methods recommending appropriate actions and helping to implement these recommendations." (Kubr, 1977).

It has been observed that, because of the problems inherent in small businesses, guidance and assistance are needed by small entrepreneurs in the entire range of management concerns such as production and technology, product costing, finance and labour management. And this is where consultancy comes in (UP ISSI, 1981). Also, among developing countries, the need for consultancy services is acutely felt especially by small businesses which cannot afford to hire the services of a specialized staff to perform various management functions (Kubr, 1977).

2.3.2.3 Sectoral development

Sectoral intervention, as a vehicle for inducing entrepreneurship singles out a particular sector or industry for development. On the basis of its potential for growth and maximum contribution to the economy, a particular industry is identified and then provided with all kinds of assistance it needs: financing, training, marketing and technology. According to UP ISSI (1981), the selection is research-based. South Korea, Indonesia and the Philippines are cited examples which concentrate their resources on the so called *growth* industries in their respective countries. In the case of the Philippines, priority was placed on the metals, garments, food processing, and wood-furniture industries.

2.3.2.4 Provision of incentives

It has been noted that entrepreneurship can be further stimulated through support systems (Kato *et al.*, 1996). An entrepreneur is attracted to take the risks of going into business if there is a perceived opportunity as well as incentives from his environment. In developing countries, incentives for ED may be provided through policy

measures - legal, institutional, structural and organizational (UP ISSI, 1981; Kato *et al.*, 1996). These come in various forms, such as:

- i) Social incentives, like stable political condition, presence of infrastructure facilities and adequate human resources.
- ii) Economic incentives, including accelerating economic growth, increased purchasing power of local currencies, adequate investment incentives, tax and other tariff controls and liberal financing schemes for small enterprises.
- (iii) Technological incentives, such as adequate research and development efforts for the development of small enterprises and sufficient market for the product.

2.3.2.5 Educational system

In spite of the prevalent concern for entrepreneurship development in developing countries, very little has been done to inculcate entrepreneurship among the youth who will take over entrepreneurial responsibility in the future. The educational system of most developing countries generally orients the youth towards stable, conventional careers. In other words, it prepares the youth to look for employment and not to use their talents to create or even to develop employment (Mwanyika, 1994). The schools turn out professional and organizational men, even corporate managers, but seldom yield entrepreneurs. Thus, the need for a meaningful juxtaposition of the goals of the education and the objectives of socio-economic development has become urgent (EWC, 1977).

While it is commonly believed that entrepreneurs are born and not made, there is an emerging school of thought which maintains that entrepreneurs can be developed through the educational system. It advocates the improvement of the system through the institution of reforms in the curriculum by incorporating entrepreneurial concepts

and values. The ultimate results are attitudinal changes and a new level of entrepreneurship consciousness which becomes a rich ground for exploration and self-development (UP ISSI, 1981; Kato *et al.*, 1996; EWC, 1977). As a strategy for growth, this intervention can also increase the entrepreneurial supply of a country in a significant, though long-term way.

2.4 Entrepreneurship and small enterprises

It is a recognized fact that the natural habitat of entrepreneurs is the small enterprise. Therefore, entrepreneurship has a lot to do with development of small enterprises. As is the case with entrepreneurship, small enterprises cannot be defined with unanimity. Its concept is variously understood in different countries depending on economic and social conditions prevailing in a particular country (UP ISSI, 1981; Kato *et al.*, 1996).

The definitions for small enterprises vary greatly. Some of the definitions use the number of employees while others use amount of fixed assets (Minga, 1998). Yet others refer to the way decisions are made in small enterprises. Often, the definition of small enterprise is based on two criteria, namely: *quantitative*, which includes size of the enterprise in terms of number of workers, consumption of energy, capitalization or value of sales; and *qualitative*, which refers to the organization and management of the enterprise, methods of production or influence on the market.

In Ghana, the Ghana statistical service (GSS) in its Industrial statistics, defines small enterprises as those that employ less than ten workers and those with ten or more employees as medium and large scale (Sowa *et al.*, 1992). In Zimbabwe, small enterprises are defined by a donor funded survey as those enterprises which were unregistered, non-agricultural income generating activities of the poor (Helmsing,

1993). Yet some researches in Zimbabwe defined SEs as those unregistered economic activities which have potential to be viable, registered formal sector enterprises (Van Raay *et al.*, 1989; Helmsing, 1993; ESRF, 1996).

In the context of Tanzania, a small enterprise is defined as a unit where capital investment in plant and machinery does not exceed sixty million Tanzanian shillings (UD 75,000) and where the number of regular employees does not exceed 50 (ESRF, 1996). All other enterprises with more assets and greater number of employees are regarded as medium or large scale. On the other hand, much small production units which employ up to 9 people are commonly referred to as micro-enterprises (Van Raay *et al.*, 1989; Bagachwa, 1995; ESRF, 1996). For the sake of this study, micro-enterprises are defined as small business units where the manager is not a specialist in management but is chiefly occupied in carrying out the main functions of the enterprise. Typically such an enterprise can employ less than five people. This definition has been chosen because of the nature and smallness of the enterprises covered by the study. No attempt has been made to distinguish between 'enterprises' and 'non-enterprises'. Any income generating or any activity that supports livelihood has been considered an enterprise.

2.5 Conceptual Framework

There are various approaches to entrepreneurship development which policymakers, development planners and others involved in development may choose from. But whatever approaches used, entrepreneurship development for women should be viewed from a holistic or total perspective which should integrate entrepreneurial training, provision of incentives, consultancy services, sectoral development, gender perspective and other essential strategies or interventions. These go with the creation

of an environment conducive to the emergence and perpetuation of entrepreneurs (Magdalena and Canela, 1976).

From the above concept, the conceptual framework for assessing the impact of an entrepreneurship development programme/project can be envisaged as a cycle or a continuous process in which each subsequent stage is dependent on the previous one. The conceptual framework developed for this study is shown in Figure 1.1. It shows the various theoretical underpinnings and their implications to the projects' resources and capabilities. It can therefore be used to assess the impact of the project at any point.

The starting point in the framework is the Entrepreneurship Development Programme/Project (EDP) which is executed through the holistic perspective, to change the behaviour of the target women (i.e to make them entrepreneurs) in order for them to be able to run micro-enterprises successfully and improve their incomes. This will in turn improve their standards of living and bring about economic development. There are however factors (both internal and external) which influence the capability of the women to run and develop their enterprises. In the framework, women entrepreneurs are placed centrally in the cycle because they are the intended output as well as the target of the effects of the cycle. In essence and for the sake of this study, the cycle can sequentially be viewed as

EDP → APPROACHES → WOMEN ENTREPRENEURS → WOMEN'S MICRO-ENTERPRISES → INCREASE IN WOMEN'S INCOME.

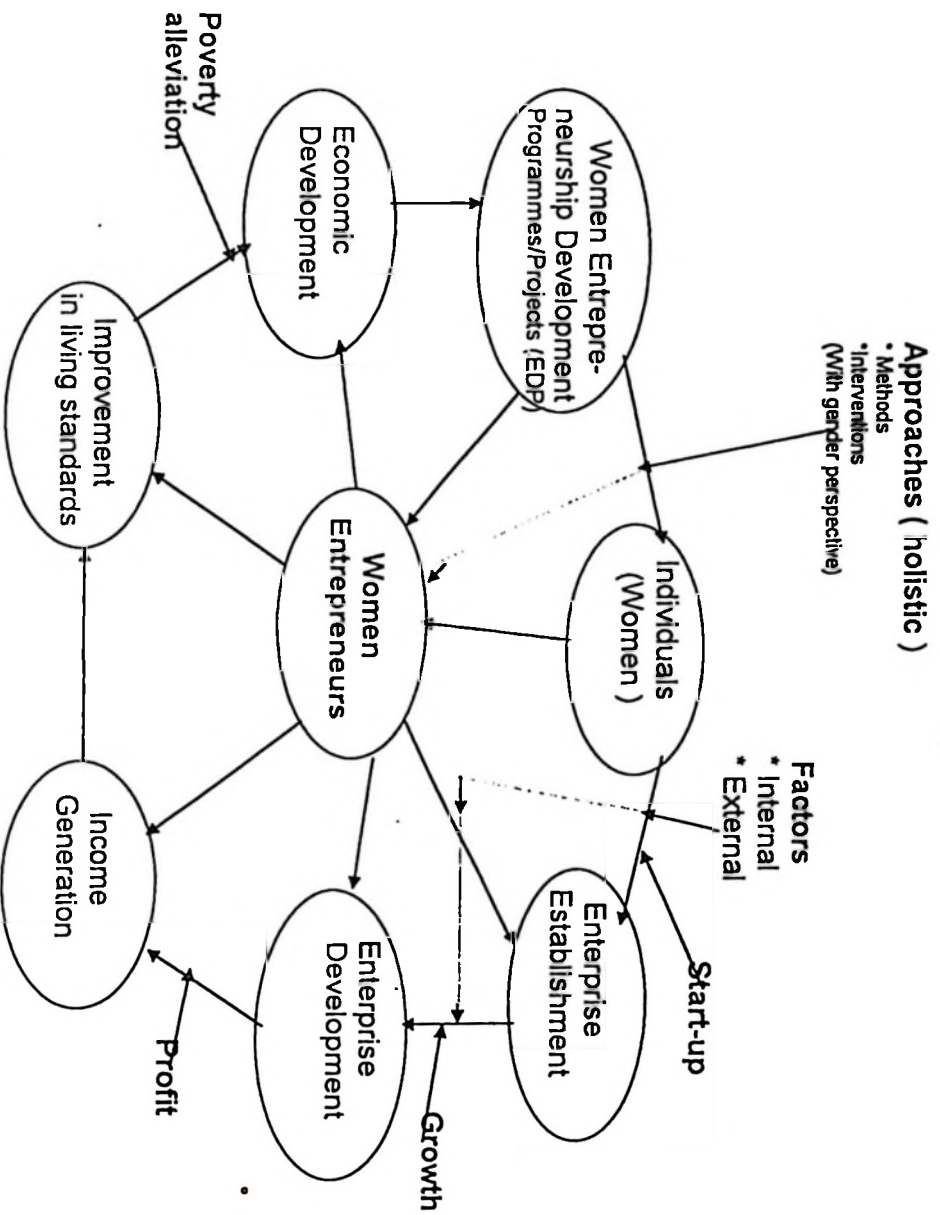


Figure 1.1 Women entrepreneurship development cycle

CHAPTER THREE

METHODOLOGY

In this chapter the location of the study and research design are described. Description is also given of the study population, sampling procedures, instrumentation for data collection, pre-testing and data collection methods. Furthermore, data analysis, procedures used and limitations of the study are also described.

3.1 Location of the Study

The study was conducted in two districts of Muheza and Handeni in Tanga Region in March and April 2000. In Muheza district two contiguous villages were covered by the study. These are Kivindo A and Kivindo B. The villages covered by the study in Handeni were Kabuku Ndani and Kabuku Nje which are also contiguous to each other. The choice of the study area was compelled by the fact that the villages are easily reachable and were included in the first phase of the UNIFEM project - the "Credit scheme for Productive Activities of Women in Tanzania". Furthermore, the villages display typical characteristics of Tanga rural life.

3.2 Research Design

A cross-sectional survey method was used to gather data at a single point in time from a selected sample of respondents. This design is most appropriate for simple descriptive interpretations as well as determination of relationship between and among variables (Babbie, 1990).

3.3 Study Population

The target population of this study consisted of all women in the purposively selected villages in the two districts of Muheza and Handeni in Tanga region. The sampling frames consisted of all women project beneficiaries (i.e received entrepreneurship training and credit) and those who were not.

3.4 Sampling Procedure

A stratified sampling procedure was employed. The first strata consisted of project women beneficiaries and the second non project women beneficiaries, that is trained credit borrowers and non-trained-non-borrowers. The stratification of the women into the two groups was guided by the UNIFEM's approach of providing loans (credit) only to the women who received entrepreneurship training. These are the women who received all the favours and benefits of the UNIFEM project.

Samples were then obtained from each of the strata by a random sampling technique using random numbers. A total of 32 women were sampled from each of the two major areas covering the villages in the two districts. Thus a total sample of 64 respondents was selected for the purpose of this study.

3.5 Data Collection Methods

3.5.1 Primary data

A structured questionnaire was used to collect primary data. The questionnaire was constructed using closed and open-ended questions deemed relevant for this study. Likert-type items were also included in the questionnaire. These result in a single score that represents the degree to which a person is favourable or unfavourable with respect

to the attitude objects (Ajzen *et al.*, 1980). The initial draft of the questionnaire was prepared and pre-tested on a sample of 10 women who were not part of the final sample. The results obtained were used to modify the initial draft before its use in data collection.

The questionnaire was supplemented by personal observation, informal discussions and interviews with key informants. The collected data included :

- (a) number and performance microenterprises established by the women
- (b) women's capacity to run small enterprises
- (c) improvement of the economic status of the women and
- (d) factors hindering or influencing women entrepreneurship development.

3.5.2 Secondary data

Primary data were complemented by secondary data which were obtained from the following sources: Project reports, Ministry of Community Development, Women Affairs and Children (MCDWC), CREW Tanzania (Credit Scheme for Productive Activities of women in Tanzania), Handeni Folk Development College (HFDC) and Mabughai Training for Rural Development College (MTRDC). The information collected include feasibility studies, community needs assessment, monitoring and evaluation reports, performance, entrepreneurship training and lessons learned.

3.5.3 Measurement of Level of Enterprise Development

The measurement was guided by a five level scale - the Level of Enterprise Development (LED) as follows:

(a) Lowest level-(Level 0)

Enterprises assigned this level showed rudimentary level of economic activity. Also activity ceased during certain seasons or difficult periods in the family economy and there is no appreciable investment of capital or skill development

(b) First level-(Level 1)

Enterprises falling into this level have the following characteristics; inadequate working capital – quantity/diversity goods or primary materials deficient, drawings made from working capital, no separation of business operation funds and sales/production are sporadic due to insufficient capital.

(c) Second level-(Level 2)

Second-level enterprises are characterised by; separation of working capital and profits, maintenance of working capital, owner drawings do not exceed business profit and there is stable or growing level of profits and sales.

(d) Third level-(Level 3)

Enterprises falling into this level have; 25 percent increase in working capital or investment of profits in business. Also there is a mastery of cash flow, supply, control of debtors and possibility of new markets, refinement of products and services.

(e) Fourth level-(Level 4)

Enterprises in this case are characterised by; identification of "optimum level" of working capital, ability to do feasibility analysis (good understanding of interrelationship of supply, production, marketing, finance and management requirements). Also there are savings and investment plans.

(f) Fifth level-(Level 5)

These enterprises are able to work with larger systems like banks, tax/licence, NGOs and government. They are also engaged in wholesale buying or distribution and have important impact on other businesses.

The advantage of the LED (level of enterprise development) scale is that it focuses on maintenance of working capital, and is particularly important for the non-agricultural enterprises. This is because it is a more sensitive indicator than jobs created, sales or profits to show ones ability to stay in business. In addition, detailed assessment of respondents' enterprises was made in terms of levels of enterprises development and cost/revenue calculations (depending on the stated figures) given by the respondents.

3.6 Data Analysis

Data from each interview were examined for its accuracy immediately after collection to detect any mistakes, before proceeding to another respondent. Data verification was made by the researcher himself immediately after field data collection to ensure all questionnaire forms had been filled in accurately. The data from questionnaire forms were coded and analysed using the statistical package for social sciences (SPSS) programme. Descriptive statistics such as frequencies, percentages and means, were used in the initial interpretation of the results. Chi-square tests were used to determine whether there was a significant difference between women with and those without UNIFEM project benefits (i.e. entrepreneurship training + credit).

3.7 Limitations of the study

1. This kind of study naturally touches people's emotions, fears, cultures and taboos which are associated with wealth and fortunes. It was therefore not easy to get

straight answers as some respondents looked suspicious to disclose information on their ways of life and enterprises.

2. Because of the nature of the study and resource constraint particularly finance and time, it was not possible to take samples from all villages covered by the project from all districts of Tanga region. Thus the study results may not reflect the true situation in all villages and districts in the region.

CHAPTER FOUR

RESULTS AND DISCUSSION

This chapter presents and discusses the findings of the study on respondents ("entrepreneurs") characteristics ; characteristics of the women's micro-enterprises; the UNIFEM project's entrepreneurship development programme and factors affecting women's micro enterprises and entrepreneurship development.

4.1 Characteristics of the respondents ("entrepreneurs")

Age

Table 4.2 presents the survey results on the age distribution of the sample respondents. The results reveal that the ages of most (78.1%) of the sampled PBs range between 31-50 years, 6.3% range between 18-30 and 15.6% were above 51 years old. Most sampled NPBs are relatively younger with 81.3% in the 18-40 age band. Women in the age category 31 –50 years old are mature individuals fully responsible about their future and families. It is therefore not surprising to note that women (both PBs and NPBs) operating micro-enterprises such as food vending (mama mtilie) are found in that age group, because perhaps to them this is a way of life and survival. Young women particularly those in rural areas are not very well decided about their future and this usually affects their seriousness and commitment to micro-enterprises, although their potential in enterprise development is high. The reason might be that young women in rural areas tend to adore urban life and see rural life as full of drudgeries and short of basic human necessities.

According to Minga (1998) the age range between 25-45 years old is considered a very active age group. The same was observed by Mead and Liedholm (1998) in Botswana,

Kenya, Malawi, Swaziland and Zimbabwe. As most PBs are within that active age group, it seems their inclusion in the project might have been their activeness in matters concerned or related to running of small enterprises.

Table 4. 2: Age distribution of the respondents

Age Category (in years)	PBs		NPBs		Total	
	n	%	n	%	n	%
18-30	2	6.3	12	37.5	14	21.9
31-40	12	37.5	14	43.8	26	40.6
41-50	13	40.6	5	15.6	18	28.1
51 and above	5	15.6	1	3.1	6	9.4
Total	32	100	32	100	64	100

Source: Survey data (2000)

Education level

Table 4.3 presents the study results on education levels of the respondents. The results show that 6.2% of PBs and 25% of NPBs had never attended any formal school, while 18.8% of PBs and only 6.2% of NPBs had only attended adult literacy classes. Also 75% of PBs and 68.8% of NPBs had primary level of education. Further analysis from the table also reveals that most (93.8%) of the sampled PBs had at least attended some classes (formal or non-formal) while in the case of NPBs the figure is 75%.

Low level of education can be one of the limiting factors in enterprise and entrepreneurship development programmes. The implication of this is that investment

in human capital could be an important factor in the growth of enterprises and entrepreneurship, especially if that investment is directed towards development of entrepreneurial capabilities. Kemer (1988) noted that higher levels of education are thought to be a contributory factor in improving women's social and economic positions. Further, the author found that restricted access to educational and training facilities is a key constraint to female informal sector entrepreneurs.

Table 4.3: Distribution of respondents according to level of education

Level of education	PBs (n=32)		NPBs (n=32)	
	n	%	n	%
No education	2	6.2	8	25
Adult literacy	6	18.8	2	6.2
Primary education	24	75	22	68.8
Total	32	100	32	100

Source: Survey data (2000)

Marital status of the respondents

Table 4.4 shows that 65.6% of PBs and 71.9% of NPBs were married, while 18.8% of PBs and 9.4% of NPBs were single. Furthermore, 6.2% of PBs and 15.6% of NPBs were divorced while 9.4% of PBs and 3.1% of NPBs were widowed. The proportion of all married respondents is 68.8%.

The study revealed that most micro-enterprises found in the study area were run by married respondents. This seems to suggest that married women venture into micro-enterprises as a way of finding means of relieving financial problems facing their

families or increasing their families income. In this regard they are apt to be more serious and more responsible in running the micro-enterprises.

Table 4. 4 Distribution of respondents according to marital status.

Marital status	PBs		NPBs	
	n	%	n	%
Single	6	18.8	3	9.4
Married	21	65.6	23	71.9
Divorced	2	6.2	5	15.6
Widowed	3	9.4	1	3.1
Total	32	100	32	100

Source: Survey data (2000)

4.2 Number and Performance of the Micro-enterprises

4.2.1 Number and types of the enterprises

A total of 96 enterprises were identified during the study. These enterprises were then classified according to the following categories:

(a) Category I – Petty Businesses.

Micro-enterprises which fall into this group are those less defined small enterprises with very small working capital and which operate in a very low and simple business fashion like food kiosks, food vendors, fish selling, buns/pastries selling etc.

(b) Category II – Trade and service

These are micro-enterprises with small but appreciable working capital operating in a more defined business fashion such as those dealing with selling of clothes, retail shops, tea rooms/restaurants, selling of agricultural products, bars, salons etc.

(c) *Category II-Agriculture*

This category encompasses all kinds of agriculture enterprises such as horticulture crop farming, animal husbandry etc.

(d) *Category IV – Manufacturing*

These are micro-enterprises concerned with the processing or production of new things/items like lamps, mats, agricultural processing, brick making, sewing, oil extraction etc. The results of the classification is presented in Table 4.5

Table 4.5: Number of micro-enterprises owned (by category) by district

Category of enterprises	Muheza(Kivindo A & Kivindo B)		Handeni (Kabuku ndani & Kabuku nje)		Raw Total	Total%
	No	%	No	%		
I (Petty businesses)	5	5.2	7	7.3	12	12.5
II (Trade and Service)	9	9.4	14	14.6	23	24
III (Agriculture)	29	30.2	29	30.2	58	60.4
IV (Manufacturing)	-	-	3	3.1	3	3.1
Total	43	44.8	53	55.2	96	100

Source: Survey data (2000)

The data presented in Table 4.5 show that majority (60.4%) of the enterprises are agricultural, while 24% are trade and service enterprises, 12.5% are petty businesses and only about 3.1% are manufacturing enterprises. The Table also shows that the women who were involved in the UNIFEM project had comparatively a higher percentage of enterprises in categories I, II, and IV while those not involved in the project had the highest percentage of enterprises in category III.

It can also be seen from the table that the total number of micro-enterprises in the Handeni villages (Kabuku Ndani and Kabuku Nje) is higher than those in Muheza (Kivindo A and Kivindo B). In Muheza there were a total of 43 enterprises whereas in Handeni there were 53 enterprises. This seems to suggest that the influence of a project may have different impact in different locations or environments. The reason for this might be that the villages in Handeni District are better placed in terms of transport and marketing opportunities. For example, the two villages in Handeni are served by the Chalinze-Segera highway. The proximity of the two villages to the National Service Camp of Mgambo is another additional advantage which makes Kabuku to act as a shopping center for the camp inhabitants. All this means an added opportunity for the Kabuku women entrepreneurs. Thus the environment in Kabuku villages is more enabling than that of Kivindo in Muheza District where transport and marketing opportunities are very limited.

A Chi-square test showed a significant difference between category and number of enterprises owned by PBs and NPBs at ($P \leq 0.05$). This implies that the project had influenced the women to establish micro-enterprises. It can also be inferred that the project had enabled the women to scan their environment and identify new opportunities apart from agriculture. It is, however, interesting to note that, as observed by Rutashobya (1998), women like to undertake low risk, easy to enter economic activities that are compatible with their reproductive roles and that can be undertaken around the home. These include small retail businesses, agriculture and hair salons that are in most cases low profit businesses. Rutashobya also notes that for women, the primary motive for participating in income generating activities has been the need to supplement family income. In this regard, they resort to horizontal expansion, low risk but low turnover/profit micro-enterprises due to competition.

Table 4.6: Number of enterprises by category by level of respondents' involvement in the project

Category of enterprises	PBs (Number of enterprises)	% of (GT)	NPBs (Number of enterprises)	% of (GT)	Raw Total	% of (GT)
I (Petty businesses)	7	7.3	5	5.2	12	12.5
II (Trade and Service)	17	17.7	6	6.3	23	24
III (Agriculture)	26	27.1	32	33.3	58	60.4
IV (Manufacturing)	2	2.1	1	1	3	3.1
Total	52	54.2	44	45.8	96	100

Chi-Square = 15.854, Significance = 0.035, Df = 3, N = 64

GT= Grand Total

Source: survey data (2000)

4.2.2 Performance of the enterprises

4.2.2.1 Level of enterprise development

The scale (five levels) adopted to measure the level of enterprise development, made it possible to assign levels to the enterprises according to their stages of development as described in section 3.6. Table 4.7 shows that majority (65.1%) of the respondents had enterprises falling into the lowest level (0-1) of enterprise development. That is most enterprises are operating in a very low or simple fashion. Only (22.2%), that is those in level 2 showed a somewhat positive inclination. It can also be seen from the table that the level of enterprise development (LED) in the sampled respondents is generally low ranging only from level 0 to 3. Comparison of LED between PBs and NPBs reveal that PBs have generally a higher level than NPBs. For instance, most (77.4%) of NPBs

showed a very low LED (level 0) while PBs have a comparatively lower percentage (53.1%) in that level. Also 46.9% of PBs showed a higher LED (level 1-3) as compared to only 22.6% of NPBs in these levels. Cross tabs (Chi-square) showed significance at $P < 0.1$. This seem to imply that the UNIFEM project have had some beneficial impact on the women in the study area in terms of improving to some extent their skills or capacity to run their micro-enterprises.

Table 4.7: Comparison between level of enterprise development and level of involvement in the UNIFEM project

Level of enterprise development (LED)	PBs(n=32)		NPBs (n=31)		Total	
	N	%	N	%	N	%
Level-0	17	53.1	24	77.4	41	65.1
Level-1	4	12.5	3	9.7	7	11.1
Level-2	10	31.3	4	12.9	14	22.2
Level-3	1	3.1	-	-	1	1.6
Total	32	100	31	100	63	100

Chi-square = 4.895, Significance = 0.09, Df =3, N= 63

Source: Survey data (2000)

4.2.2.2: Profitability of the micro-enterprises

Table 4.8 shows the comparison of gross margins of the micro-enterprises of PBs and NPBs. It can be seen from the table that in general the gross margins of micro-enterprises of PBs in all categories is higher than that of NPBs. This difference can be attributed to the benefits which the PBs got from the UNIFEM project. Nevertheless, as

was observed by Rutashobya(1998), the gross margins are low. For example, a daily gross margin of Tsh 1013.37 (30401.07/30) for PBs and Tsh 604.75 (18142.37/30) for the NPBs (non-agricultural enterprises) can hardly meet their daily basic needs, considering the current economic situation. The same applies to the agricultural enterprises for which the gross margins are also too low (Tsh 670.83 and Tsh 379.88). This indicates, as argued by Rutashobya (1998) that the women micro-enterprises are low turnover low profit business activities. The reason for this may be that since women are low risk takers they tend to choose "easy to enter", horizontal expansion instead of vertical expansion enterprises. This is because their primary motive is to guarantee livelihood and ensure survival by supplementing their families income. Also such enterprises are the ones which can be undertaken close to their homes, and this allows women to combine their reproductive, economic as well as domestic roles.

Table 4.8: Average monthly gross margins of women's micro-enterprises

Item	Non-agricultural micro-enterprises		Agricultural micro-enterprises	
	PBs n = 22	NPBs n = 12	Pbs n = 10	NPBs n = 10
a. Revenue	1550071.30	630012.60	469666.60	260717.00
b. Costs	881247.80	412304.20	268416.60	146752.60
c. GM (a-b)	668823.50	217708.40	201250.00	113964.40
d. Mean (GM/n)	30401.07	18142.37	20125.00	11396.44

Source: Survey data(2000)

4.2.2.3 Enterprise records

Enterprise records are important because they are the indicators of performance of the enterprise. If properly kept and analysed regularly, they could help to pin point major

flaws in the management of enterprises as well as in decision making. Unfortunately this is an area where most small enterprises and particularly micro-enterprises flounder, perhaps because of lack of knowledge or experience. Thus most small businesses keep no useful records (Harper, 1976)

Table 4.9 shows that 62.5% of the respondents keep no records. Of the 37.5% enterprises which were found to keep records, all of them kept simple and scattered records of costs and revenues, some of which looked very unrealistic. The table also shows that all of the micro-enterprises which kept some records were run by women who were involved in the UNIFEM project. The implication of this is that the women might have acquired this knowledge from the projects entrepreneurship training programme.

Table 4.9: Distribution of respondents according to state of record keeping (N=64)

Keeping records	PBs (N=32)		NPBs (n=32)		Total	
	n	%	n	%	n	%
Yes	24	37.5	-	-	24	37.5
No	8	12.5	32	50	40	62.5
Total	32	50	32	50	64	100

Source: Survey data (2000)

4.2.2.4 Enterprise improvements

Enterprise improvements are difficult to assess especially when comparing PBs and NPBs to see those changes which are only attributable to the development project in question. This can, however, be done by making comparisons between PBs and NPBs

in terms of their responses on pre-determined variables. Thus, since enterprises are the direct recipients of project resources, it is possible to record changes in the micro-enterprises (and hence the family income) by considering a variety of financial indicators such as fixed assets, working capital, inventory, credit availability and its use, level of purchases and sales, net profit, organisation of the workplace and locale improvement. These can provide the information for a very simple financial statement on the enterprise, as well as highlight some of the factors that contribute to improved and increased production, and which are only attributable to the project in question. This is because such changes are easy to assess, see and remember as being associated or not associated with the project under consideration.

Table 4.10 shows the results of assessment of the indicators based on the interviews conducted with the respondents. The table reveals that PBs had generally fared better percentage-wise as compared to the NPBs, in terms of positive change or improvement in all indicators. These results seem to imply a positive change in the family incomes of PBs as compared to that of NPBs, meaning that the incomes of women who were involved in the project had generally increased, if one considers their situation before and after the project.

Table 4.10: Distribution of respondents according to changes in financial indicators

Financial indicators	PBs			NPBs			Total (respondents)
	Not available (0)	Not changed (1)	Increased/Improved (2)	Not available (0)	Not changed (1)	Increased/Improved (2)	
•Changes in Fixed assets	4(7.1)	7(16.7)	10(23.8)	3(7.1)	19(45.2)	2(7.1)	42
•Changes in working capital	1(1.9)	6(11.5)	20(38.5)	-	18(34.6)	7(13.5)	52
•Changes in Inventory	1(2)	5(9.8)	20(39.2)	-	20(39.2)	5(9.8)	51
•Changes in credit availability	1(2.2)	5(11.1)	21(46.7)	9(4.4)	14(31.1)	2(4.4)	45
•Changes in level of purchases	1(1.9)	6(11.5)	20(38.5)	-	17(32.7)	8(15.4)	52
•Change in net profit	1(1.9)	6(11.5)	20(38.5)	-	18(34.6)	7(13.5)	52
•Changes in workplace organisation	1(2)	8(16)	18(36)	-	18(36)	5(10)	50
•Locale improvement	1(1.9)	10(19.2)	16(30.8)	-	21(40.4)	4(7.7)	52

Note: Figures in bracket indicates percentage

4.2.2.5 Credit and repayment

Access to credit is a crucial determinant of differences in the growth of resource endowments (wealth) through time, e.g. between credit borrowers and non-borrowers assuming their initial endowments at the beginning to be about the same (Kashuliza, 1986). Credit is potentially of value in augmenting the flow of returns to the enterprise. But benefits from credit also depend on the ability to use resources productively. Thus, credit access has to be augmented with sufficient entrepreneurial capabilities to optimize the credit benefits. Baker and Barry (1981) indicate that credit also plays an important role in liquidity management when it is thought of as the borrowing capacity instead of the real money lent (Kashuliza, 1986). That is, readily available credit will enable the entrepreneur to use own cash revenues for production and rely upon credit

to meet unforeseen needs and adjustments to seasonal patterns of income and expenditure.

Although financial support is necessary to small and micro-enterprises as seed money or input resources to allow them to grow, it may be detrimental or even fatal if careful analysis of the benefits expected are not worked out. Many small business enterprise owners fail to realise that if they do get a loan they will have to repay it with high interest charges over many years (Harper, 1976).

Table 4.11 shows that most (81.3%; n=32) PBs were able to repay loans, 12.5% paid back over 50 percent of the loan and only 3.1% paid back less than 50 percent of the loan within the specified period of one year. However, the results from Table 4.13 reveal that despite the good loan repayment picture, only 53.1% of enterprises established under UNIFEM project are still surviving. The high percentage of failure can perhaps be attributed to lack of capital and technical support after the project phased out. It is, however, interesting to note that other still smaller micro-enterprises were started in place of the failed ones as evidenced by Table 4.12 which shows an appreciable number of enterprises established between zero and / or span of five years ago.

Table 4.11: State of loan repayment by PBs under the UNIFEM project (n =32).

Loan repayment	PBs	
	n	%
Fully paid	26	81.3
Not paid	1	3.1
≥ 50% paid	4	12.5
≤ 50% paid	1	3.1
Total	32	100

Source: Survey data (2000)

4.2.2.6 Period of establishment of enterprises

The study results show that a big proportion (42.7%) of all micro-enterprises were started between 5-9 years ago and 0-5 years ago, and most were non-agricultural enterprises (Table 4.12). It can also be seen that 75.6% of these enterprises were established by women who were involved in the project and only 24.4% by women who were not involved in the project. The data in the table also show that 96.4% of all enterprises which were established more than nine years ago are agricultural enterprises. This implies that before the project (project period was 1991 –1995) the main occupation of almost all sampled respondents was predominantly agriculture. From these results, one can infer that the project might have had both a direct and indirect influence on the establishment and running of micro-enterprises in the area of study. The results also seem to suggest that the project might have enabled the women to scan their environment and identify new opportunities apart from concentrating only in agriculture.

Table 4.12 Number of enterprises by category by period of establishment

Category	Years ago							
	< 5		5–9		> 9		Total	
	PBs	NPBs	PBs	NPBs	PBs	NPBs	PBs	NPBs
I (Petty businesses)	2	3	5	2	-	-	7	5
II (Trade & Service)	7	3	10	1	-	2	17	6
III (Agriculture)	-	-	5*	-	21	32	26	32
IV (Manufacturing)	-	-	2	1	-	-	2	1

Source: Survey data (2000)

*Agricultural enterprises which received project support

Nevertheless, it is surprising to note from table 4.13 that 46.9% of sampled enterprises established by PBs during project period are no longer in operation. Stated reasons include high interest rates, short grace periods, short loan repayment schedule enforced by the project and drought which affected most of the agricultural enterprises. It could also be that the women were compelled in a haste to initiate micro-enterprises in order to benefit from the project's credit provision system, without themselves taking enough time to judge on their own capabilities, priorities and profitability of the enterprises. Further, since the micro-enterprises were in a start-up phase, they could have not generated enough profit to make them take off. So the project terminated at a time when the micro-enterprises needed most support (both technical and financial) from the project. As a result, there was a downward shift to much smaller micro-enterprises due to low capital and insufficient skills. Another reason for the failure could perhaps be the inability of the women to conduct an effective SWOT (Strength, Weakness, Opportunities, Threats) analysis for their business enterprises. Poor and unreliable records was also found to be a major setback in the micro-enterprises. It can

therefore be concluded that the high loan repayment rate (table 4.11) was not necessarily due to profitability of the enterprises.

Table 4.13: State of operation of micro-enterprises established by PBs under the UNIFEM project (n=32)

Category of enterprises	Number established	%	In Operation	%	Not in Operation	%
I (Petty businesses)	2	6.2	2	6.2	-	-
II (Trade & Service)	20	62.5	10	31.3	10	31.3
III (Agriculture)	10	31.3	5	15.6	5	15.6
IV (Manufacturing)	-	-	-	-	-	-
Total	32	100	17	53.1	15	46.9

Source: Survey data (2000)

4.3 UNIFEM project's Influence on Women's Capacity to run Micro-enterprises

4.3.1 Respondents' source of knowledge of running micro-enterprises

Table 4.14 shows that all PBs obtained their knowledge of running micro-enterprises from the project's ET programme. On the other hand, 26.6% of the NPBs, obtained their knowledge from friends and neighbours while 23.4% obtained it only by trial and error.

Table 4.14: Distribution of respondents according to source of knowledge of running micro-enterprises (N=64)

Source	PBs (n=32)		NPBs (n=32)		Total	
	n	%	n	%	n	%
UNIFEM project	32	50	-	-	32	50
Neighbours/Friends	-	-	17	26.6	17	26.6
Trial and Error	-	-	15	23.4	15	23.4
Total	32	50	32	50	64	100

4.3.2 Effectiveness of the project's entrepreneurship training

The data presented in Table 4.15 reveal that all training effectiveness variables scored high percentages of "Yes" showing that the entrepreneurship training was highly effective.

Table 4.15: Distribution of respondents according to training effectiveness variables (N=32)

Variable	Yes		No		Total	
	n	%	n	%	n	%
•If training was beneficial	31	96.9	1	3.1	32	100
•If skills improved after training	30	93.8	2	6.2	32	100
•If training length (time) was proper	30	93.8	2	6.2	32	100
•If training was timely	27	84.4	5	15.6	32	100
•If training was geared to needs	29	90.6	3	9.4	32	100
•If training was presented clearly	30	93.8	2	6.2	32	100
•If understood the training	29	90.6	3	9.4	32	100

Source: Survey data (2000)

Statistical analysis of independence (Chi-square) between involvement of the respondents in UNIFEM project and the variables; ability to calculate profit; separation

and maintenance of working capital; control of drawings not to exceed net profit; ability to analyse records for decision making; effective method for debtor control; ability to set prices; planning cash needs and cash on hand to operate business plans; savings and investment plan; marketing strategy and policy for inventory management; were all significant at the levels indicated in Table 4.16. This implies that the project EDP and particularly the ET programme have had a profound impact on the development of entrepreneurial capabilities and capacity of the sampled women to run micro-enterprises.

Also crosstabs between involvement in the project and the social gains variables; access to means of production; security of family food supply; family welfare (consumer goods, clothing, housing, school fees, health); and self-confidence and hopefulness showed significant difference as presented in table 4.17 implying that there had been some improvements in the incomes of the sampled women.

However, statistical analysis showed no significant difference between respondent's understanding of the entrepreneurship training course and the entrepreneurial variables (entrepreneurial co-operative spirit attitude; analytic approach to problem solving; hardworking; openness to learning, innovative spirit; tendency to solve problems not excuses; honesty, integrity; good judgement, common sense; and service oriented - willingness to teach others) (Table 4.18). One can infer from these results that there is no direct relationship between training understanding and development of entrepreneurial abilities. This is perhaps because the latter depend on a number of factors including, the nature of the individual to whom the training is directed, the beliefs, attitudes and the individual's immediate environment.

Table 4. 16 Relationship between respondent's level of involvement in the project and production and management skills variables. (N=62)

Variable	PBs				NPBs				Total resp	χ^2 Value	Df	χ^2
	No (0)	Low (1)	Medium (2)	Mastery (3)	No (0)	Low (1)	Medium (2)	Mastery (3)				
•Ability to calculate profit	3	8	9	11	7	15	4	5	62	7.904	2	0.024***
•Separation & maintenance of working capital	5	6	8	12	20	4	3	4	62	15.673	3	0.001***
•Control of drawings, not to exceed net profit	4	7	11	9	22	5	3	1	62	23.766	3	0.000***
•Ability to analyse records for decision making	4	12	9	6	16	13	1	1	62	17.211	3	0.001***
•Effective method for debtor control	5	8	10	8	21	7	1	2	62	20.876	3	0.000***
•Ability to set prices	4	9	8	10	8	17	3	3	62	9.837	3	0.010**
•Planning cash need, cash on hand to operate business	4	10	9	8	20	7	2	2	62	19.251	3	0.000***
•Setting and pursuing practical business plans	6	8	10	7	24	3	2	2	62	21.184	3	0.000***
•Savings and investment plan	6	6	12	7	19	10	-	2	62	22.538	3	0.000***
•Marketing strategy	4	8	13	6	14	13	-	4	62	20.146	3	0.000***
•Policy for inventory management	6	7	12	6	23	7	1	-	62	25.273	3	0.000***

* * * = Significant at 5% level

* * * * = Significant at 1% level

Source: Survey data (2000)

Table 4. 17: Relationship between respondent's level of involvement in the project and social gains variables (N =63)

Variable	PBs				NPBs				Total	χ^2 Value	Df	χ^2
	Worse (0)	No change (1)	Better (2)	Much better (3)	Worse (0)	No change (1)	Better (2)	Much better (3)				
•Access to means of production	2	7	19	4	3	17	8	3	63	8.977	3	0.030**
•Security of family food supply	2	5	20	5	2	14	13	2	63	7.020	3	0.036**
•Consumer goods	2	4	21	5	3	15	11	2	63	10.966	3	0.012**
•Clothing	2	4	22	4	2	14	13	2	63	8.523	3	0.036**
•Housing	3	6	19	4	2	17	9	3	63	9.162	3	0.027**
•School	2	4	21	5	1	15	12	3	63	9.643	3	0.022**
•Health	2	4	21	5	2	15	11	3	63	9.980	3	0.019**
•Self confidence, hopefulness	2	4	21	5	2	16	11	2	63	11.98	3	0.009**

** Significant at 5% probability level

Source: Survey data (2000)

Entrepreneurship training is aimed at effecting change in an individual. The components of change include knowledge, attitudes and skills relevant to the entrepreneurship function. But there are always unique difficulties in the training or teaching of adults, to which the change strategy is addressed. The task of the trainer should be more than just giving them new information. Adults have more stabilized life systems, having more permanent attitudes, values and goals. Thus, new information, values or ways of behaving as espoused by any trainer or change agent are apt to be challenged or take a considerable time before their effects are realized or seen in the adult individual.

It is only when the environment is conducive and the individuals are able to relate the new information to their own individual personal experiences that they can incorporate it into their life systems. Psychologists asserts that those entrepreneurial motives which relate to an individuals' need for self- actualization are the ones which exert the most influence on behaviour because actions motivated by these needs tend to persist in time; they are long-lasting.

Table 4.18 Relationship between respondents' understanding of the ET and entrepreneurial attitudes and qualities assessment variables (N=30).

Variable	Need improvement (0)	Average (1)	Above average (2)	Exemplary (3)	Total	χ^2 Value	Df	χ^2
•Entrepreneurial co-operative spirit attitude	8	16	3	3	30	2.845	3	0.416 NS
•Analytic approach to problem solving	9	13	6	2	30	2.414	3	0.491 NS
•Hard working	7	7	11	5	30	3.399	3	0.334 NS
•Openness to learning, innovative spirit:	7	11	9	3	30	3.399	3	0.334 NS
•Tendence to solve problems, not excuses	10	11	4	5	30	1.787	3	0.618 NS
•Honesty, integrity	9	8	8	5	30	2.414	3	0.491 NS
•Good judgement, common sense	11	11	5	3	30	1.787	3	0.618 NS
•Service oriented – willing to teach others	6	13	7	4	30	4.138	3	0.247 NS

NS = Not Significant

Source: Survey data (2000)

4.4 Enterprise Capital and Financing

Table 4.19 presents the study results on the source of capital for the respondent's micro-enterprises. It can be seen from the table that 87.5% of PBs obtained their initial capital from UNIFEM project only, while 12.5% obtained it from both own savings and the project. The findings also show that 40.6% of NPBs used their own savings as initial capital for their micro-enterprises. Others, 15.6% obtained their initial capital from money lenders; 18.8% from family sources and 25% from both family and money lenders.

Table 4.19: Source of initial capital for sample respondents (N=64)

Source	PBs		NPBs	
	n	%	n	%
Own savings	-	-	13	40.6
UNIFEM Project	28	87.5	-	-
Money lenders	-	-	5	15.6
Family	-	-	6	18.8
UNIFEM project and own saving	4	12.5	-	1
Money lenders and family	-	-	8	25
Total	32	100	32	100

Source: Survey data (2000)

The effort of the NPBs to secure financial support from various sources within their reach, might have been motivated by their desire to compete with their fellow friends and neighbours who had managed to acquire capital from the project. As this "competitive" behaviour was not very noticeable in the past, (i.e before the UNIFEM

project most women relied on small agricultural enterprises which needed no credit) it can be argued that the project might have created a spirit of competitiveness and dynamism in the target women population, which is a health environment for development of entrepreneurship among the women. This can partially perhaps explain why there were more micro-enterprises after the project than before. The evidence of this observation is provided by data in Table 4.20 where all (100%) respondents indicated that there was an increment in goods and services from micro-enterprises in category II (Trade and Services). Also 19% of the respondents indicated increment of goods and services from enterprises in category I (Petty businesses) and 13% indicated increment in category IV (manufacturing) enterprises.

Table 4.20 Increment of goods and services (in categories) currently available but not available before the UNIFEM project (N=64)

Marital status	PBs		NPBs		Total	
	n	%	n	%	n	%
I (Petty businesses)	5	8	7	11	12	19
II (Trade & Service)	32	50	32	50	64	100
III (Agriculture)	4	6	4	6	8	13
IV (Manufacturing)	8	13	7	11	15	23

Note: Respondents indicated more than one option

Source: Survey data (2000)

4.5 Contribution of PEDDA in the Economic Status of the Women.

It has been revealed in previous sections that there has been some indications of improvement in the economic status of the sampled women. The economic status variables; income and social gains all seemed to have shown a positive inclination. In addition, Table 4.21 show that 23.4% of the women indicated that their incomes had improved as compared to before the project. Further, 43.8% indicated a "some what improvement" and only 32.8% of all the women respondents indicated "no improvement". That is, majority (67.2%) of all the women indicated that, there had been at least some improvements in their incomes as compared to before the project period. The data in the table also reveal that 45.3% of all the sampled women who indicated at "least some improvement" were PBs, and only 21.9% were NPBs. A Chi-square test of level of involvement in the UNIFEM project and income improvement was highly significant ($P \leq 0.001$). It can therefore be concluded that the project has had some impact on the improvement in the incomes of the sampled women.

Table 4.21: Level of improvement of income of respondents as compared to before the project (N = 64)

Income	PBs (n=32)		NPBs (n=32)		Total	
	n	%	n	%	n	%
•Not improved	3	4.7	18	28.1	21	32.8
•Somewhat improved	19	29.7	9	14.1	28	43.8
•Improved	10	15.6	5	7.8	15	23.4
Total	32	50	32	50	64	100

Chi-square =15.952; Significance=0.000; Df=2; N=64
Source: Survey data (2000)

Table 4.22 shows that the mean percentage income expenditure on food of PBs is lower than that of the NPBs, while the expenditures on clothing, housing, assets and health are generally higher for the PBs than the NPBs. This seems to suggest some difference in the standard of living of the two groups of respondents, indicating a higher level for the PBs than the NPBs. Nevertheless, the incomes of most women in the study area are still very low as was observed from the general standard of living. (i.e housing, clothing, food security, health etc.). As is the case with most Tanzanians, the income situation of the women, still reflects that of a poverty stricken society. This is revealed in Table 4.22 where it can be seen that the average mean percentage income expenditure on food and food related expenditures is 69.2, while that of clothing was 4.9%, housing 5.8%, assets 7.6% and health 6.5%. This implies that a large proportion of the respondents income is spent on food and food related expenditures.

According to Elliot (1978), the severity or extent of poverty is indicated by the proportion of the total income that is used for food. Table 4.23 shows estimates of rural poverty in five African countries in the years from 1965 –1975. The study supports Elliot's (1978) observation and seems to indicate that the situation of poverty among the rural women hasn't changed despite some improvements in their incomes.

Table 4.22 Distribution of respondents according to their indication of income expenditure outlets

Income expenditure outlets	PBs			NPB			Average mean % expenditure
	Mean expenditure	%	n	Mean expenditure	%	n	
•Food and related expenditures	60		32	78.4		32	69.2
•Clothing	6.8		27	3.0		26	4.9
•Housing	9.0		13	2.6		12	5.8
•Assets	10.6		10	4.6		10	7.6
•Health	8.0		32	5.0		32	6.5

Source: Survey (2000)

Table 4.23 Miscellaneous estimates of rural poverty from household survey data

Country or Region	Year	% of Households in Poverty	Poverty standard used
•Sierra Leone	1970	70	•At least 70% of total household income spent on food
•Kenya (Nyanza)	1974/75	88	•At least 70% of total household income spent on food
*Tanzania	1969	88	*More than 60% of total income spent on food.
•Lesotho	1967/69	91	•Rs 250 derived from poverty datum line which allowed for calorie intake of 2813 calories and for 55% of total expenditure to be spent on food
•Northern Nigeria	1970/71	51	•At least 70% of total expenditure spent on food
•Ghana (Eastern Region)	1965/66	74	•At least 50% of total income spent on food

Source: Elliott (1978)

4.6 Factors Affecting Entrepreneurship Development.

4.6.1 Factors affecting enterprise development

Table 4.24 presents the study results of respondents distribution according to major difficulties they faced when starting and running their micro-enterprises. It can be seen from the table that the major problems indicated were enterprise threats (43.8%) e.g. thieves, vermin, diseases, competitors, drought, fire, accidents etc which ranked number one followed by problems associated with capital (31.3%), enterprise management (20.3%), transport (17.2%) and marketing (14.1%). Most of these problems could have been avoided if the respondents had acquired enough experience and skills to manage and run micro-enterprises. Furthermore, enterprise threats could have been avoided or kept to a minimum if the owners of the micro-enterprises had performed a SWOT (Strength, Weakness, Opportunity, Threats) analysis.

According to Tables 4.24 and 4.25, there are two major categories of factors, namely the internal and external that affect or influence entrepreneurship or enterprise development. Internal factors are factors which are under the control of the enterprise owner while the external ones are beyond her control.

Table 4.24: Respondents' distribution according to major difficulties faced when starting and running their micro-enterprises

Difficulty	n	%
Capital problem	20	31.3
Loan repayment problem	6	9.4
Transport problem	11	17.2
Enterprise management Problem	13	20.3
Enterprise threats	28	43.8
Marketing problems	9	14.1
Social problem	1	1.6

Note: respondents indicated more than one option

Source: Survey data (2000)

When asked to identify factors which generally affect or influence development of micro-enterprises, the respondents identified the factors as presented in table 4.25. As can be seen from the table the availability of credit facilities (87.5%) ranked number one for both PBs and NPBs. This was followed by the following factors; technical support and training (PBs 75%; NPBs 81.3%), and reliable infrastructure (PBs 43.8%; NPBs 56.3%). Other factors were; reliable information on entrepreneurship opportunities (PBs 21.9%; NPBs 40.6%), government policies to favour micro-enterprises (PBs 9.4%; NPBs 25%). Although reliable information on entrepreneurship opportunities and government policies to favour micro-enterprises were found least important in the Tanzanian context, these factors were found important for invigorating entrepreneurship and small enterprises development in other studies conducted in Asia (UP ISSI, 1981).

Table 4.25: Respondents' identification of factors influencing or affecting development of micro-enterprises. (N=64)

Factor	Pbs n=32	%	NPBs n=32	%
• Availability of credit facilities	28	87.5	28	87.5
• Technical support and training	24	75.0	26	81.3
• Too high interests on credit	6	18.8	-	-
• Short grace period for loans	4	12.5	-	-
• Reliable infrastructure	14	43.8	18	56.3
• Reliable information on entrepreneurship opportunities	7	21.9	13	40.6
• Government policies should favour micro-enterprises	3	9.4	8	25
• Availability of resources	2	6.3	7	21.9

Source: Survey data (2000)

CONCLUSION AND RECOMMENDATIONS

The overall aim of the study was to assess how the UNIFEM entrepreneurship development approach have contributed to development of micro-enterprises and improved the economic status of rural women in Tanga region. The study presents results of a survey that was undertaken with the view of finding information on how development of entrepreneurship and micro-enterprises can be fostered among Tanzanian rural women as a strategy for poverty alleviation by focussing on the pilot project.

The major emphasis of the study was therefore on the number and performance of micro-enterprises established as a result of the project, improvements on the income and capacity of the women to run micro-enterprises, and identification of the factors that hinder or influence development of entrepreneurship among women. The study also provides suggestions useful in the formulation of entrepreneurship development programmes and policies as well as solving women's entrepreneurship problems. This chapter presents the conclusions and recommendations of the study as guided by the study objectives presented in section 1.6 of this thesis.

CONCLUSION

1. Number and performance of micro-enterprises

The study results showed that although there had been a dramatic increase in the number of micro-enterprises established after the project, most of these are in a very low level of development. For instance many micro-enterprises were found to be in level-0 (65.1%), a few in level-1 (11.1%), level-2 (22.2%) and a very small percentage in level-3 (1.6%). None were in level-4 and 5. Also the profitability of the micro-

enterprises was low as depicted by their low profit margins. It is of interest to note that there was a spectacular difference between the number of micro-enterprises established by the PBs and those established by NPBs. This study confirms that the UNIFEM project had managed to some extent to invigorate the establishment of micro-enterprises among rural women in the study area. Nevertheless, the influence of the project had different impacts in different environments or localities. Findings from this study also reveal that a high proportion of enterprises established under the project are no longer in operation, although some new still smaller ones had been established in their place. The study also revealed that loan repayment record was very good, but this was not necessarily due to profitability of the micro-enterprises, rather it was due to the pressure from the loan repayment enforcement system of the project, which made the women to fear defaults on their loans.

2. Improvement in the capacity of the women to run micro-enterprises

The study shows that before the project, agriculture was the predominant kind of activity (enterprise) that was carried by the women. With the advent of the project, the women, particularly those who were involved in the project were able to identify other opportunities apart from agriculture. This positive attribute, is attributable to the project and indicate that the women were able to understand their environments, and therefore their outlook had changed showing that they were dynamic and more receptive to change. It is therefore evident from the study that, the ET intervention of the project had managed to some extent to raise the entrepreneurial spirit of the women. However, chi-square tests between understanding of the training and the entrepreneurial variables, showed no significance indicating that, there was no direct relationship between the variables.

The positive change was not only seen in the PBs but also in the NPBs some of whom had managed to secure some funds from their own efforts (savings), and other sources like friends and relatives to launch their own micro-enterprises. This can be looked upon as a trickle down effect from the project. The ability to identify opportunities in other types of enterprises had resulted in a sort of shift from agricultural activities to non-agricultural ones. Also it can be seen that PBs have a higher number and percentage in category I, II and IV enterprises.

3. Improvement in the economic status of the women

The study has shown that there has been some improvements in the economic status of the women particularly those who were involved in the UNIFEM project (PBs). This was particularly revealed from the analysis of the economic status variables; income, and social gains all of which showed a positive inclination. In addition, the women who were involved in the project (PBs) indicated that their incomes had improved as compared to before the project period (Table 4.21). This was further confirmed by Chi-square test of involvement in the UNIFEM project and income improvement which was highly significant at ($P \leq 0.001$) (Table 4.21). It can therefore be concluded that the project might have had some impact on the improvement in the incomes of the sampled women, although other indicators showed that poverty was still high among them.

4. Factors hindering or influencing women entrepreneurship development

Entrepreneurship development can be hindered or influenced by certain social, political, economic and cultural circumstances or factors. Thus several requirements are essential before a healthy climate for entrepreneurship can be created. In this study, three factors were identified as most critical to the development of women entrepreneurship in the study area. The factors are; availability of credit facilities, technical support and training and reliable infrastructure.

Furthermore, the overall environment for micro-enterprises in the study area did not encourage fast growth of enterprises and entrepreneurship due to the generally poor infrastructure, low level of technology, small market for the enterprises products, low technical skills, inaccessibility to flexible credit, and limited entrepreneurial and management capabilities of the women. Lack of a general support system for small enterprises is also another predicament.

RECOMMENDATIONS

In light of the above conclusions, the following recommendations are made which might be useful to entrepreneurship development planners, policy makers, and development agencies for small enterprises in the study area and the rest of the country

1. Projects, Organisations or Banks dealing with financing, monitoring and provision of technical support and training to small entrepreneurs (particularly rural women) can help very much to develop and improve micro-enterprises and spearhead entrepreneurship development and therefore mark an important step towards poverty alleviation among rural women in the country.

2. Small-scale Industries networks particularly those which can tap the talents and skills of women in rural areas should be encouraged and supported because they will act as a nucleus for entrepreneurship development.
3. It is a recognised fact that the natural habitat of entrepreneurs is the small enterprise. Therefore any entrepreneurship development programme for women must focus on the provision of knowledge and skills that are suitable for a particular environment, and which will develop the entrepreneurial capabilities of the women and enable them to initiate, manage and develop profitable small enterprises.
4. Success of any entrepreneurship development programme (EDP) is dependent upon the approach used, the target population and the environment under question. In this respect a "total" approach (holistic) is advocated because the process of entrepreneurship development is a system that is multiple-forked and full of interactive loops. The "total" in this case refers to the choice of methods and interventions that will suit a particular target population (in this case women) in a given environment. To succeed in effecting change, any EDP must be able to induce the right achievement motivation to individuals. Psychologists asserts that those entrepreneurial motives which relate to an individual's need for self-actualization are the ones which exert the most influence in individuals and therefore have a high possibility of bringing change to them. Also entrepreneurship programmes to be effective continuous technical, financial supports and follow-ups are of paramount importance.

5. Creation of a good enabling environment in rural areas will encourage establishment and development of women micro-enterprises. Thus, government support in monitoring and providing a good enabling environment for rural women entrepreneurs and an assurance of a marketing network in the country will provide a good substrate for entrepreneurship development among the women.

Areas for further research

There are a number of issues, which have not been thoroughly covered by this study, which could be followed up by other researchers. This study looked at the impact of the entrepreneurship development programme of the UNIFEM project on the target women but actually no behavioural tests were conducted to measure how the project has managed to change the women's behaviour towards entrepreneurial undertakings. Such behavioral tests could include the Sentence Completion Test (SCT), whose measure reflects the respondents behaviour pattern towards money, security, independence, achievement, risk orientation, initiative and the fear of failure; the Paired Comparison Test (PCT) which measures certain traits which indicate the degree of achievement motivation in the respondent; the Thematic Apperception Test (TAT) which gives the respondent an opportunity to use imagination and also shows how one can create ideas and situations; and the self-report test – "who am I?" which measures the respondents personal efficacy level which is an important factor for entrepreneurial effectiveness. These tests although difficult to conduct especially in rural societies, can help to reveal a lot of information that can be used in the planning process of entrepreneurship development programmes (Mwanyika, 1994). Also of particular importance is the unravelling of the factors that underlie female entrepreneurship in

Tanzania. Such studies will help to put development efforts for women in focus for more enhanced poverty alleviation strategies.

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APPENDICES

**APPENDIX I: QUESTIONNAIRE FOR ASSESSING RURAL WOMEN MICRO-
ENTERPRISES**

SOKOINE UNIVERSITY OF AGRICULTURE

DEPARTMENT OF AGRICULTURAL EDUCATION AND EXTENSION

**TITLE: ASSESSMENT OF ENTREPRENEURSHIP DEVELOPMENT ON RURAL
WOMENS' MICRO-ENTERPRISES IN MUHEZA AND HANDENI DISTRICTS:
THE CASE OF UNIFEM PROJECT IN TANGA REGION**

**QUESTIONNAIRE FOR WOMEN'S MICRO – ENTEPRISES IN
MUHEZA AND HANDENI DISTRICTS – TANGA REGION.**

Dear Ladies,

You have been randomly selected among the women from whom data are going to be collected so as to find out how entrepreneurship training and provision of credit have been instrumental in helping you to develop and run successfully micro – enterprises and therefore improved your economic status.

All information you give will be treated confidentially until policy recommendations about entrepreneurship training and provision of credit activities with regard to development and performance of the micro – enterprises are drawn from the information. Therefore kindly please respond truthfully and faithfully to all of the following questions/items.

BASIC INFORMATION

1. Respondent's name Ethnic origin
2. District Division Ward Village.....

RESPONDENT'S BACKGROUND INFORMATION

1. How old are you? years.
2. What is your marital status?
 - 1 = Single 2 = Married
 - 3 = Divorced .. 4 = widowed
3. Do you know how to read and write?
 - 1 = Yes 2 = No
4. What is your highest level of education?
 - a) No education []
 - b) Adult education []
 - c) Primary education []
 - d) Secondary education..... []

C. NUMBER AND PERFORMANCE OF MICRO – ENTERPRISES

i. Type and Number of Micro – enterprises

5. Do you have an enterprise? 1 =Yes2 = No
6. If yes in question 5, mention the type and date of starting of your enterprise

Type of enterprise	Number	Starting date

7. Were you involved in the UNIFEM project?
 - 1= Yes2 = No

8. If yes to question 7 did you establish any enterprise?

1 = Yes 2 = No

9. If yes to question 8 mention the types, starting dates and reasons of starting the enterprises under UNIFEM project.

Type of enterprise	Starting date	Reason (s)
1.		
2.		

10. Is/Are the enterprise(s) still in operation? 1 = yes 2 = No.....

Enterprise	In operation	Not in operation	Reasons
1.			
2.			

11. What other micro – enterprises do you have?

.....

II. Economic Performance of the Micro – enterprises.

12. Level of enterprise Development.

- 1. [.....]
- 4. [.....]
- 3. [.....
- 2. [.....]
- 1. [.....
- 0. [.....

Definition of Enterprises Development Scale

Level - 5

- Able to work with larger system (banks, tax/license, government (NGO))
- Whole sale buying or distributing
- Important impact on other businesses

Level - 4

- Identification of "optimum level" of working capital
- Ability to do feasibility analysis (good understanding of interrelationship of supply, production, marketing finance and management requirements)
- Savings and investment plan

Level - 3

- 25 percent increase in working capital or investment of profits in business.
- Mastery of cash flow, supply, control of debtors
- New markets, refinement of products/services.

Level - 2

- Separation of working capital, profits
- Working capital maintained
- Owner drawing do not exceed business profit
- Stable or growing level of profits, sales.

Level - 1

- Inadequate working capital – quantity/diversity
- Drawing made from working capital – no separation of business operation funds.
- Sales/production sporadic due to insufficient capital.

Level – 0

- Rudimentary level of economic activity
- Activity ceases during certain season or difficult period in the family economy
- No appreciable investment of capital or skill development.

13. Do you keep important records for your enterprise? 1 = Yes ...2 = No.....

14. If Yes to question 13 what records do you keep?

Costs[]

Revenues[]

Fixed assets[]

Current assets []

Selling expenses[]

Administrative expenses[]

15. How much on average do you spend on buying the resources/items for your enterprise each day?/week?/month?

.....

16. How much do you sell or earn per

Day

Week

Month

17. What are your costs per day/week/month?

Labour / day / week/month

Taxi/ day/ week/ month

Rent / day/ week/ month

Transport / day / week...../ month

Other (specify)

18. Is there a reliable market for the sale of your products?

1 = yes 2 = No.

19. If yes to question 18 who are the major customers for the sale of your products?

a) Individual []

b) Other enterprises []

c) Institutions[]

20. Do you get any profit in your enterprise? 1 = yes 2 = No.

21. Do you face competition from other enterprises in your area?

1 = yes.....2 =No.....

22. If yes to question 21 who are your competitors?

.....

23. How do you promote your business enterprise?

.....

24. Mention the changes in your enterprise that have contributed to improved and increased production..

Indicator	Change.
	1 = Not available 2 = Not changed 3 = Increased /Improved
a) Fixed Assets: (The equipment and machinery owned by the enterprise)	[.....]
b) Working Capital (Money available for purchases of raw material and other items necessary for production)	[.....]
c) Inventory (stock of finished or semi – finished products)	[.....]
d) Credit Availability and its use: (sources and uses of finance capital available to the micro – entrepreneur)	[.....]
e) Level of purchases and sales	[.....]
f) Net Profit (Amount remaining from sales after all production related expenses are paid)	[.....]
g) Organization of the workplace (Adequacy of arrangement of the work place)	[.....]
h) Locale Improvement (Additions to the work place that enhance productive capacity)	[.....]

25. Source of capital for enterprise

Amount (Tshs)	Source
a)	Own saving [.....]
b)	UNIFEM Project [.....]
c)	Friends [.....]
d)	Money lenders [.....]
e)	Family [.....]
f)	Bank loan [.....]

26. Were there any conditions for each of items b – f in question 25.

27. If you obtained loan (credit) for your enterprise mention how you used it.

- a) Working capital for the enterprise [.....]
- b) Purchase food [.....]
- c) Purchase clothes [.....]
- d) Hospital charges [.....]
- e) Other (specify) [.....]

28. Were you able to pay back the loan? 1 = yes 2 = No

29. Give reason for your answer in question 28.

.....

III. Employment trends

30. What is the form of ownership of your enterprise(s)

- a) Individual []
- b) Partnership/group []
- c) Cooperative []
- d) Others (specify) []

31. How do you devote your time in running the enterprise(s)?

a) Full time []

b) Part time []

32. How many workers are employed by your enterprise(s)

	Family members			Non – Family members.		
	Full time	Part time	Seasonal/casual employment	Full time	Part time	Seasonal/casual employment
Female						
Male						

33. Is the number of employees in your enterprise sufficient?

1 = yes 2 = No

34. Has the number of workers in your enterprise been increasing/decreasing/constant since the establishment of your enterprise?

.....

IV. Enterprise licensing and Registration.

35. Did you formally register your enterprise? 1 = yes 2 = No

36. Is it easy to obtain a license? 1 = yes 2 No

37. Do you hire or own the enterprise premises? 1 = yes 2 = No

38. If you hire (question 37) how much do you pay for rent per year?

..... Tshs.

D. IMPROVEMENT OF WOMEN'S CAPACITY TO RUN IMCRO –
ENTERPRISES.

I. Entrepreneurship training .

39. Did you participate in the entrepreneurship training programme organized by UNIFEM?

1: yes 2: No

40. If no to question 39 where did you get the knowledge to run your enterprise(s)?

a) Neighbors/Friends[]

b) Trial and error[]

c) Other institutions (specify)[]

41. If yes to question 39 for how long?

a) Full time[]

b) Half of the allocated time []

c) Quarter of the allocated time[]

d) Don't know []

42. If you were not able to participate full time what were the reasons?

.....
.....

43. a) Was the training beneficial to you? 1 = yes 2 = No.....

b) If yes in (a) how?

.....
.....

44. Did your skills of running the enterprise improve after the training?

1 = yes..... 2: No.....

45. If yes in what areas

.....
.....

46. Was the entrepreneurship training

- a) Timely 1 = Yes.....2 = No.....
- b) The right length of time (sufficient) 1 = Yes.....2 = No.....
- c) Held at a convenient time and location ... 1 = Yes.....2 = No.....
- d) Clear in its presentation 1 = Yes.....2 = No.....

47. Did you understand the content of the training? 1 = yes2 = No.....

48. Was the training geared to your needs? 1 = Yes 2 = No.....

49. Do you apply what you learned from the training? 1 = Yes.....2 = No.....

50. If no to question 49 why

.....
.....

51. Did you get any other technical assistance or training apart from that of UNIFEM?

1 = Yes 2 = No.....

52. Mention any other institutions/organisation/individuals who provided you with training or technical assistance

.....
.....

53. Entrepreneurial attitudes and Qualities assessment

Scale: 0 = needs improvement 1 = average

2 = above average 3 = exemplary.

Scale	0	1	2	3
a) Cooperative spirit				
b) Analytic approach to problem solving				
d) Hardworking				
e) Openness to learning, innovative spirit				
f) "Class" – tendency to solve problems instead of offering excuses.				
g) Honesty, integrity				
h) Good judgement, common sense				
i) Service oriented – willing to teach others				

II. Development of production and management skills.

54.

Scale	NO 0	Low 1	Medium 2	Mastery 3 3
a) Ability to calculate profit				
b) Separation & Maintenance of working capital				
c) Control of drawings so that they do not exceed net profit				
d) Ability to analyze records for business decision making				
e) Effective method for debtor control				
f) Ability to set prices				
g) Planning cash needs and having appropriate cash on hand to operate the business (cash flow)				
h) Setting and pursuing practical business plans				
i) Savings and investment plan				
j) Marketing strategy				
k) Policy for inventory management (raw materials/merchandise)				

III. Women empowerment

55. Who decide on income expenditure?

- a) Myself []
- b) Husband []
- c) Both []

56. Do you have your own savings 1 = Yes 2 = No.....

57. If yes how much? Tshs.

58. Has your savings been increasing/ decreasing/constant in the past five years?

.....

59. How do you manage to look after both your enterprise and family chores

.....

60. Do you have any problem with your husband as a result of looking after your enterprise? 1 = yes 2 = No.....

61. If yes how do you handle this issue

.....

IV. Links with other businesses

62. Do you have any contact with other businesses? 1 = Yes 2 = No.....

63. If yes to question 62, do you work together in the purchase of raw materials or other collective ventures? 1 = Yes 2 = No.....

64. Is there any business which started or expanded because of presence of other businesses. 1 = yes 2 = No.....

65. If Yes to question 64 mention such businesses

.....

.....

66. What things is your business enterprise buying locally?

Name of commodity	Amount	Source

E. IMPROVEMENT OF THE ECONOMIC STATUS OF THE WOMEN.

I. Availability of goods and services.

67. Have you noticed any increase in the availability of goods or services in the past five years? 1 = yes 2 = No

68. If yes to question 67, mention them.

.....

69. Mention products and services now available that were not available before the UNIFEM project.

.....

II Social Gains.

70. What is your situation now in comparison with before the UNIFEM project?

	WORSE 0	NO CHANGE 1	BETTER 2	MUCH BETTER 3
a) Access to means of production				
b) Security of family food supply				
c) Family welfare.				
i) Consumer goods				
ii) Clothing				
iii) Housing				
iv) School fees				
v) Health				
d) Self – confidence, hopefulness				

71. How do you spend your income from the enterprises.

Expenditure	Percentage.
a) Food.....
b) Clothing
c) Housing
d). Assets
e) School
f) Health
g) Others (specify)

F. FACTORS HINDERING OR INFLUENCING EFFECTIVE DEVELOPMENT OF ENTREPRENEUSHIP IN THE WOMEN.

I. Enterprise Logistics.

72. Where do you acquire inputs/resources for your enterprise?

a) Surrounding environment[]

b) Distant place[]

73. If from a distant place how do you ferry the inputs/resources?

a) Public transport..... []

b) Self []

c) Other means (specify)[]

.....

.....

74. Is it easy to acquire the inputs?

1= Yes..... 2= No.....

75. Is the situation of acquiring inputs good/worse?

1 = Yes..... 2 = No

76. What are the reasons for the answer in question 65 ?

.....

.....

II . Enterprise Bottlenecks.

77. What major difficulties did you face when starting your enterprise?

.....

.....

78. What difficulties are still prevailing in your enterprise?

.....
.....
.....

79. What issues do you think need to be looked at in order to help you run your enterprise(s) more successful?

a). Government policies

b). Availability of credit facilities

c). Reliable infrastructure

d) Availability of resources

e) Reliable information on entrepreneurship activities

f). Technical support and training

.....

g). Other (Specify).

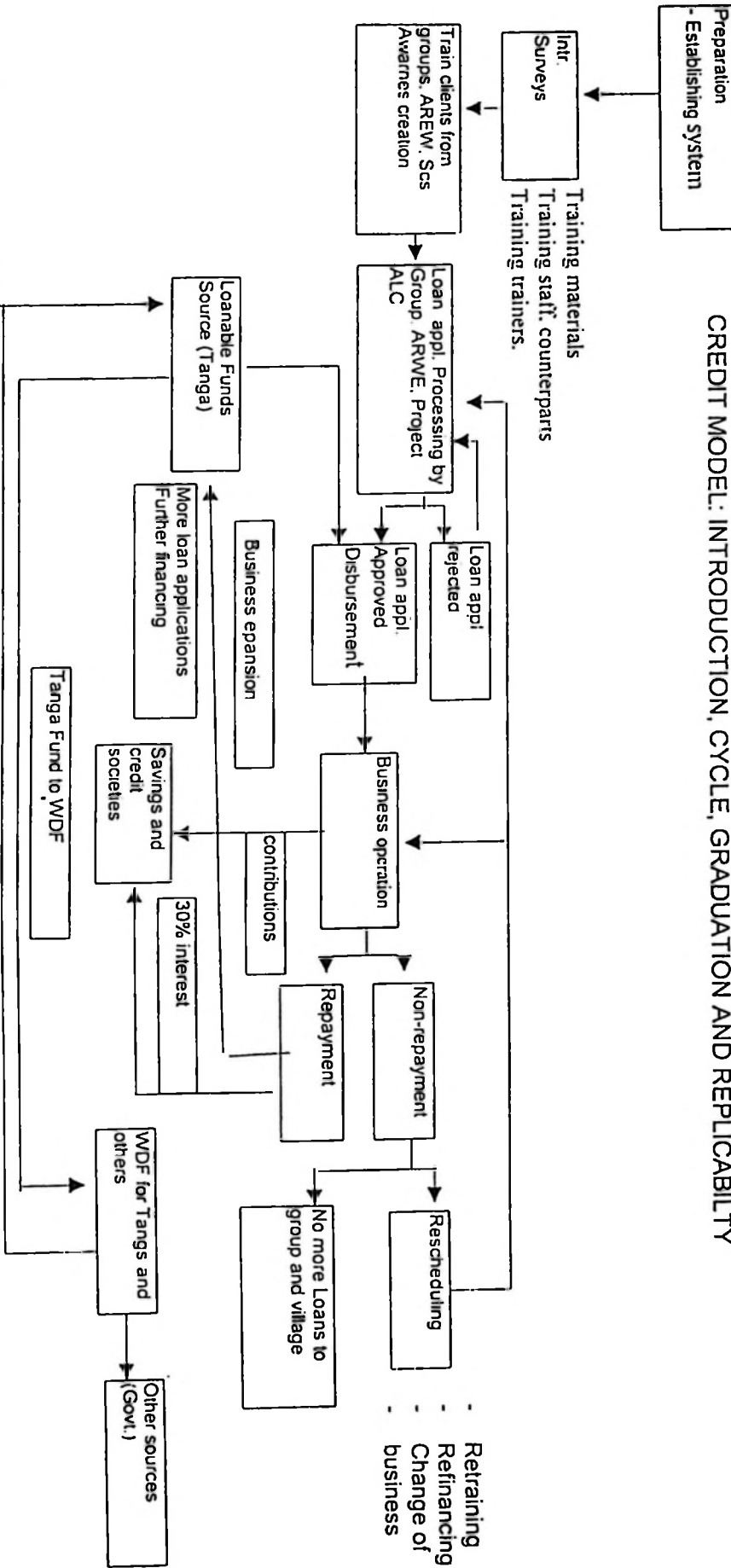
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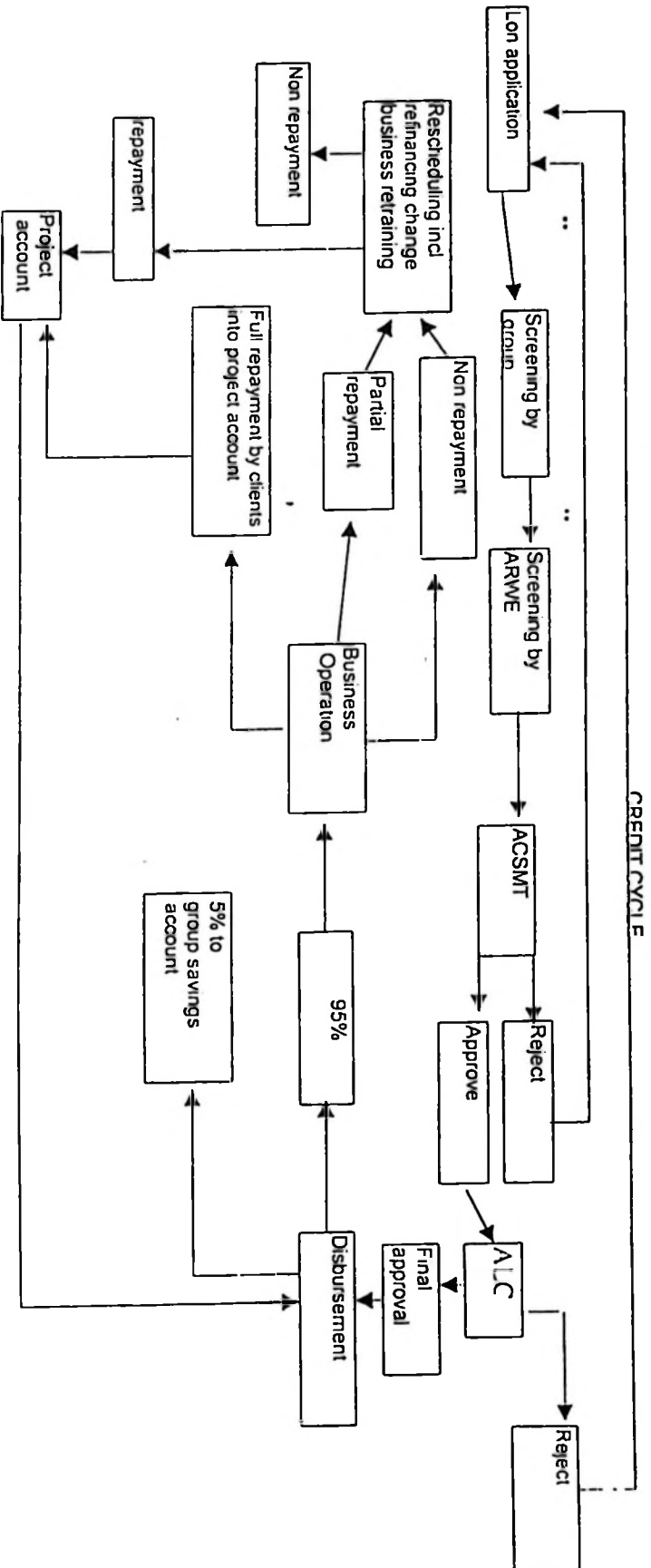
Appendix 2:Tanga Women Entrepreneurship Development Project

CREDIT MODEL: INTRODUCTION, CYCLE, GRADUATION AND REPLICABILITY



Source: Nzaji et al., (1994)

APPENDIX 3: THE UNIFEM PROJECTS CREDIT CYCLES



- Non repayment at this stage leads to:
 - use of group pressure to urge defaulters to pay
 - The group can sell the assets of their colleague to settle the debt
 - Group savings account can be used to settle the debt
 - As a last resort, writing off the bad debt will be considered
- ** Loan application and screening at ARWE level are both done with outside assistance from project and other counterparts.

Source: Nzagi et al., (1994)

APPENDIX 4: HOLISTIC APPROACHES TO ENTREPRENEURSHIP DEVELOPMENT ADOPTED BY TECHNOnET ASIA COUNTRIES

PARTICIPATING ORGANIZATIONS		BANGLADESH	HONG KONG	INDONESIA	SOUTH KOREA	MALAYSIA	PHILIPPINES	SINGAPORE	SRI LANKA	THAILAND	FIJI ISLAND		
APPROACHES	1 Promotion of Entrepreneurship (Method)	a Selective	>	>	>	>	>	>	>	>	>		
		b Shotgun	>	>	>	>	>	>	>	>	>		
		c Multiplier	>	>	>	>	>	>	>	>	>		
	2 Promotion of Entrepreneurship (Intervention)	a Training	1 Awareness development	>	>	>	>	>	>	>	>	>	
			2 Achievement motivation	>	>	>	>	>	>	>	>	>	
			3 Management skills development	>	>	>	>	>	>	>	>	>	
			4 Attachment training	>	>	>	>	>	>	>	>	>	
			5 Training of trainers	>	>	>	>	>	>	>	>	>	
		b Constancy	1. Technical	>	>	>	>	>	>	>	>	>	>
			2. Marketing	>	>	>	>	>	>	>	>	>	>
			3. Financial	>	>	>	>	>	>	>	>	>	>
			4. Personnel	>	>	>	>	>	>	>	>	>	>
5. Pre-feasibility studies			>	>	>	>	>	>	>	>	>	>	
c Sectoral Development	d. Provisional of Incentives	1. Social	>	>	>	>	>	>	>	>	>		
		2. Economic	>	>	>	>	>	>	>	>	>		
		3. Technological	>	>	>	>	>	>	>	>	>		
e Educational system		>	>	>	>	>	>	>	>	>	>		

Source: Up ISSI (1981)

APPENDIX 5: EXTENT OF THE UNIFEMS' ENTREPRENEURSHIP DEVELOPMENT
APPROACH AS COMPARED WITH THE WHOLISTIC APPROACH
ADOPTED BY TECHNONE ASIA COUNTRIES

Approaches	Holistic approach	UNIFEM Project
1 Promotion of Entrepreneurship (method)		
(a) Selective	✓	
(b) Shotgun	✓	
(c) Multiplier	✓	✓
2 Promotion of Entrepreneurship (Intervention)		
(a) Training	✓	✓
1. Awareness development	✓	✓
2. Achievement motivation	✓	✓
3. Management skills development	✓	✓
4. Attachment training	✓	
5. Training of trainers		
(b) Consultancy		
1. Technical	✓	✓
2. Marketing	✓	✓
3. Financial	✓	✓
4. Personnel	✓	
5. Pre-feasibility studies	✓	✓
(c) Sectoral development	✓	
(d) Provision of Incentives		
1. Social	✓	
2. Economic	✓	
3. Technological	✓	
(e) Educational system	✓	