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WOMEN AS SMALL SCALE ENTREPRENEURS

IN

ZAMBIA, CAMEROON AND GHANA

Addis Ababa, Ethiopia : (1987)

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FOREWORD

ECA/ATRCW's interest in Entrepreneurship Development is found on its twin role and concern for ensuring the fulfilment of Africa's Economic Development and the full participation and contribution of women towards this end.

Research has proven that the effective performance on the role of women in all dimensions of Africa's Economic recovery and development is vital.

Since 1983, ECA/ATRCW has been implementing projects aimed at positively impacting on women's participation in Economic Development especially on entrepreneurial development and management.

This survey, based on fieldwork in three countries in Africa, made an important contribution to understanding the situations, environment and problems within which women entrepreneurs operate. It highlights the need for promotion of women in this area and proffered recommendations to planners on how to integrate women in this sector.

In each of the three countries covered the survey was directed essentially at three main aspects of small scale enterprises, the need for small scale enterprises, the problems and the operations of small scale enterprises thereby bringing out first-hand information on "women as small scale entrepreneurs in the survey countries.

The constraints identified and conclusions and recommendations underscored by the survey constitute useful guide for policy-makers, project designers and trainers in formulating programmes of action which would benefit and promote the interest of women entrepreneurs and the economy in general.

We gratefully appreciate the sincerity and openness with which the women interviewed expressed their concerns, constraints, successes and factors in the entreing and operation of their businesses. We wish them success and hope that this document will be found useful by other women who are in business or thinking of going into one.

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Preface

Terms of Reference

The African Training and Research Centre for Women (ATRCW) commissioned this survey on business women in the small scale sector in three specific countries: Zambia, Cameroon and Ghana. It was thought that this choice would ensure a broad regional perspective so that a general picture could be drawn of the various socio-economic and political constraints which women commonly face as small scale entrepreneurs. In a sense it follows from the past endeavours of ATRCW to promote income generating projects for women. The concentration of effort in this area is understandable, since most African governments have pursued development policies based on large scale enterprises. Moreover previous studies have indicated the need for further inputs to enhance management skills among women, so that they are involved more in viable projects.

As a result, ATRCW has organized seminars and entrepreneurial training programmes, with the assistance of the Swedish International Development Authority (SIDA). Courses here organised at the College of Adult and Distance Education of the University of Nairobi in Kenya for English-speaking countries and in Ivory Coast for French-speaking countries. It was felt that the time was now ripe for an assessment of the effect of the training programmes and that there was also a need to study the actual conditions under which business women operate, so that their problems might be identified, with a view to identifying the problems & recommendations made: hence the present study. This response is also in line with recommendations of the Arusha strategies. It is hoped that the data generated will provide basic information which will allow the relevant agencies to assist women in the formulation of project proposals and the organization of small scale businesses, so that their performance in the sector may improve. There was considerable evidence of an awareness at senior government levels of the importance of small businesses which is heartening for the future.

Objectives of the Survey

As a result of this survey, in the long term it is hoped that the employment opportunities for women will be increased, that their efficiency and productivity will be improved and thus, their contribution to the overall development of their countries strengthened.

The immediate objectives are:

- (a) to collect empirical data on women in the small-scale business enterprise sector;
- (b) to identify activities where women are predominant;
- (c) to define the problems they face in establishing and managing businesses, particularly those related to their status as women;
- (d) to analyse the current situation and make recommendations for increasing women's productivity in business.

Methodology

The available background material was studied on the situation of business women in Africa in general and on the three countries in particular.

Within each country, representative samples of women in business were selected for interview, both from the rural and the urban areas and in cooperative as well as individual businesses. Furthermore, local officials, organizations and funding agencies were interviewed.

Oral interviews and personal observation were the major methods of collecting data. Individual interviews were carried out by means of the loosely structured questionnaires which are to be found in the Annex. Interpreters were used in the rural areas. The survey began in the urban areas and an attempt was made to compare these with the rural areas. In Cameroon, Yaounde, Douala and the major towns of South West Cameroon were visited. Time was the major constraint mitigating against a thorough survey.

An analysis was undertaken on the basis of the material collected and recommendations were drawn up

CHAPTER I

Zambia

Background to small scale industries

In common with many other developing countries, Zambia has economic difficulties. Since independence in 1964, copper has been the principal foreign exchange earner and the mining industry a major source of employment. The drop in demand from the industrialized countries in the mid-seventies, therefore, seriously affected the Zambian economy. The price of copper fell, production was cut and many workers laid off.

The government reaction was to expand the agricultural and manufacturing sectors, but with limited success; extensive food production was not within Zambian tradition, and manufacturing was dependent on imported raw materials, machinery and technology. As a result, a number of manufacturing industries operated below capacity and some were closed down due to lack of raw material inputs, spare parts and skilled personnel.

Government effort on industrialization was concentrated on parastatals such as INDECO, since these were seen as the best way of controlling the major means of production, then under foreign control, in order to achieve economic self reliance. Small scale enterprises were not appreciated as vital components of economic development. The demise of the parastatals both as a result of mismanagement and the fall in the price of raw materials on the international market led to a realisation that the small scale sector was a crucial contributor to the gross domestic product and could alleviate the chronic unemployment crisis. In time, the importance of this sector was further realised in terms of meeting the basic needs of the people, in the development of managerial skills and in stimulating indigenous entrepreneurial activities.

Government policy shifted, to envisage increasing employment opportunities under tight foreign exchange constraints. In 1978, the Village Industry Service (VIS) was set up to promote industries and crafts on the basis of small-scale, labour intensive units, which would maximise rural employment and generate additional income. ^{1/}

The new industrial strategy saw the creation of other complementary institutions; in 1981, the Small Industries Development Organization (SIDO) was established by Act of Parliament ^{2/} and in 1983 the Development Bank of Zambia together with the Friedrich-Ebert Foundation of West Germany set up the Small Scale Enterprises Promotion Limited (SEP). ^{3/} Both are of great importance, since their operational functions are geared to alleviating the technical, managerial and financial constraints faced by most small and medium-sized business operators. Such activity is in line with the proclamation of the Monrovia Strategy in 1979, the Lagos Plan of Action in 1980 and the Final Act of Lagos by Heads of State and Government.

One of the results of the Village Industry Service has been to enhance the integration of women into the national economy, which constitutes a considerable breakthrough in national development. In Zambia, a combination of the traditional subordinate status of women and the racially segregated colonial system has led to exploitation. The small scale business sector is particularly important for women, especially rural women, as the forthcoming analysis based on field work will show.

The need for a small scale enterprises sector

Before discussing the role and importance of women in the small scale business sector, it is necessary to define that sector within the context of Zambia's industrialization programme. It is defined by the Zambia Small Scale Industries Development Organization as an "enterprise with identified fixed assets of a maximum of half a million Zambian Kwacha (US\$70,000) and by the University of Zambia Rural Development Studies Bureau as one with "employment of up to 50 people".^{4/} These definitions are clearly not comprehensive. For the purpose of this survey, a small scale enterprise will refer to a modern sector business with an identified managerial specialization, as opposed to the informal traditional venture, with identified fixed assets of up to US\$250,000." ^{5/} It is, however, important to stress that the criteria used vary from country to country.

^{1/} VIS Pamphlet, Lusaka - July, 1979.

^{2/} The Small Industries Development Act. 1981 No. 18 of 1981 Government of Zambia, Government Printers, Lusaka

^{3/} SEP Pamphlet, Development House, Lusaka

^{4/} Rural Small Enterprises in Zambia. University of Zambia, Rural Development Studies Bureau, Report No. 25, (September 1985) p.8

^{5/} G.F. Mbowe, Report of a Survey on Development of Industrial Entrepreneurship in Africa, (1981) p.69.

As so defined, this sector is very important in the economic development of the country, especially in relation to the integration of women into Zambia's economic activities. Government and other organizations have recognized this importance, and a wave of new entrepreneurs have entered the sector as a result of the assistance offered so far.

The small Scale Industries Development Organization of Zambia (SIDO), in an attempt to meet the aspirations of the people in the sector, carried out a study of the raw materials available nationally and the employment potential in the respective source areas. One hundred and three different materials were identified which, it was felt, could form the core of the small business sector. The low investment cost of K3000-K4000, would certainly be within the reach of the average entrepreneur. This compares with the K40.000 - K50.000 which a modern industrial concern would require, to set up a viable enterprise.

Several distinct areas of operation were put forward:

1. Food processing

- (a) oil extraction from groundnuts, soya beans, sunflowers etc.;
- (b) fruit and vegetables preservation;
- (c) milled grains - maize, rice and wheat;
- (d) milk processing into butter and cheese;
- (e) bee-keeping and honey processing.

2. Mineral and chemical processing

- (a) soap making;
- (b) pottery and chalk making;
- (c) candle, shoe and floor polish making;
- (d) brick making.

3. Miscellaneous

- (a) leather manufacturing;
- (b) carpentry;
- (c) basketry and bead work;
- (d) textile weaving, knitting, tailoring, printing etc. (SIDO Pamphlet.)
- (e) forest based industry.

SIDO also organized technical and business management workshops, but lack of finance has inhibited some planned programmes, for example, assistance to emerging businesses by the setting up of warehouses for storing raw materials and collecting goods ready for sale. Nevertheless, the need for the intensification and integration of the small scale enterprise in the national economy is vital if the living standards of the people are to be raised. There is, however, an acute shortage of capital, technical skills and entrepreneurial expertise, but the low level of investment cost should give the sector priority in economic development. It is in this context that a survey is vital since the data engendered is necessary for those concerned with development planning.

The operation of small scale enterprises

The field study concentrated first on seeking information from the different organizations involved in promoting the small scale business sector. VIS is financed by government, the ruling party (the United National Independence Party), foreign diplomatic missions and commercial firms. It assists the small scale sector in project design and development, techno-economic advice, managerial training, marketing of finished items, supply of raw materials, equipment and financial credit.

The University of Zambia Rural Development Studies Bureau (UZRDSB) carried out a research project in seven of the nine provinces in the country, concentrating on rural and small township enterprises. Lusaka and the Copperbelt provinces were excluded, because of their high urban concentration of commercial and industrial activities. The problems of the small scale rural entrepreneurs were found to be:

- (a) lack of imported raw materials - crucial tools and spare parts;
- (b) weak business skills i.e. limited knowledge in organizing and running the enterprise.

Much useful information on the involvement of women in business was gained during this study.

The Canadian University Overseas, set up in 1983, deals specifically with the development of rural women and has set up women's cooperatives in agriculture and textile manufacturing, mostly in the Northern and Southern Provinces. The major problem is lack of land tenure; traditionally a women has only usufructuary rights to land owned by her husband or the community. They emphasised the importance of making women first realise their capabilities before embarking on any new ventures.

Interviews were also conducted with officials from the Ministry of Labour and Social Development, Zambia Council for Social Development, the Zambian Agriculture and Finance Corporation and the Provincial Women's League. Most attributed the low level of female participation in business enterprises to a lack of the appropriate information on the services available in the country. Basic education was also seen as a constraint, together with the lack of recognition by funding agencies. As a result of all the interviews, several operational factors emerged, for example, the effective performance of an enterprise seems to be related to the level of education of the proprietor, the initial capital invested in the venture and the size of the work force. The following tables show this correlation.

Tables 1 and 2 are self-explanatory. A comparison of both tables shows that individual ownership by women is prevalent in Lusaka Urban as opposed to Lusaka Peripheral. The entrepreneurs appear to be mature women, though their businesses were established mainly during in 1980s. The confidence shown by the business women in Lusaka Urban may be attributed to their level of education and possibly to experience overseas. Many enjoy considerable support from their husbands, some of whom have given up their own jobs to run aspects of the business such as:

- (a) book-keeping and accounting;
- (b) procurement of raw materials; and
- (c) marketing.

TABLE 1: Lusaka urban - a sample of business women and their enterprises

| No. Type of Age M/S No. of Educational Depen. own. | Type of Enterprise | Year Started | No. of Workers | Initial Physical Structures | Investment Machinery | Per Month | | | | | |
|--|--|--------------|----------------|-----------------------------|-----------------------|-------------------------|----------------|----------------|-------------------------------|-----|---------|
| | | | | | | Revenue Kw | Inputs Kw | Expenditure Kw | (in Zambian Kwacha) Profit Kw | | |
| A Indiv. 47 M 2 | Diploma in Book-keeping | 1976 | 3 | 1 | K55,000 | - | 17,550 | 5,378 | 430 | 100 | 11,642 |
| B " 27 M 1 | Diploma in Tailoring industry | 1984 | 8 | 11 | Rented K600 per month | 16 Industr. K80,192 | 20,000 | 6,000 | 3,700 | - | 10,300 |
| C " 48 M 3 | PHD in Social Science | 1980 | 55 | 65 | 85,000 | 25 and Industr. K25,000 | 350,000 | 20,000 | 25,000 | 200 | 304,800 |
| D " 40 M 4 | Diploma in Dress Making and Designing | 1986 | 2 | 6 | Rented K350 per month | 21 Industr. K220,000 | 35,930 | 12,415 | 4,850 | - | 18,665 |
| E " 35 M 4 | Diploma in Tailoring Fashion Designing | 1981 | 4 | 5 | Rented K350 per month | 8 Industr. K45,000 | 40,000 | 13,000 | 3,500 | - | 23,500 |
| F " 33 M 4 | Diploma in Textile Social Science | 1981 | 2 | 9 | K62,000 | 4 Ordinary K5,000 | 24,000 | 10,000 | 4,000 | 65 | 9,935 |
| G " 46 S 1 | Degree Travelling Agent | 1983 | 12 | 3 | Rented | Type-writer K70,000 | NOT REVEALED - | | | | |

Key notes: No. - Number, M/S - Marital Status, M. - Married S. - Single, M. - Male, F. - Female, Own. - Ownership, Depend. - Dependent, K - Zambia Kwacha

Source: Survey Data, Zambia, June 1986

Lusaka Urban

Most small scale concerns are able to break even though a good number of the proprietors do not allow themselves salaries. Many either plan expansion, or some form of diversification. The number of employees is still relatively small, averaging some 26.5 per enterprise, which reflects the scope, viability and profitability of the business. The physical condition of these enterprises is often proof of the hard struggle which characterises the sector. Table 1 shows that most businesses are in rented accommodation, which may or may not be suitable; for example, one concern with 21 industrial machines can only use 12, and production even for those is below capacity.

In both rural and urban areas, despite the fact that a credit guarantee scheme was set up under the Development Bank of Zambia, most proprietors were not happy with present credit facilities. It would seem that the banking practice is at variance with the intended objective -(SIDO Pamphlet 1982). Thus the majority of small scale business women started on a small scale village industry basis within the city, until they could save enough money to open larger concerns having a fixed operational base and with additional capital goods. Others began with the investment of their own savings, rather than using loans.

Once established, the possibility of additional financial assistance is better, although competition is fierce for limited resources. The provisions for the granting of loans are constantly under review, with the aim of facilitating credit. Thus, SEP granted Skyline Shoes Limited a K7,000 loan to start manufacturing shoes - (Monday June 16, 1986 Business Mail page 3).

It has been seen that most female run small businesses are involved in the garment trade. Despite the colonial legacy of an interest in this trade, it seems that the major motive is economic rather than cultural for, high profit margins within a short time are possible. The inputs are obtainable locally and the capital requirement in terms of imported machinery is low. Local manpower need have minimal skills to carry out most functions in manufacture. There is also the factor that new business women tend to prefer to operate in a familiar environment, and in this sense garment manufacture may be regarded as an extension of domestic skills. Often the trade was begun from a home base, with low overhead expenditure.

Particularly in the rural areas, other types of industry are found, as shown in Table 2, but it will also be noticed that these are less lucrative. This is at least partly explained by:

- (a) insufficient raw material, due to lack of financial base;
- (b) short operational time, due to commitments in the subsistence agricultural sector and family chores.

In this situation, it is difficult to determine the criteria for a viable business, for such concepts as investment, capital and returns and accounting are not understood and indeed are often irrelevant at this level. Perhaps the most important aspect is that these women are trying to improve their lot, and so should be given assistance. By this means women can be integrated into the Zambian economy and their economic well-being enhanced.

Table 2: Lusaka peripheral - a sample of business women and their enterprises

| Type of ownership | Educational Level | Type of Enterprise | Year Started | No. of Workers | Initial Investment | Per Month | | | | | Profits Kw |
|------------------------------------|---------------------------|---------------------------------------|--------------|----------------|---|------------------------------|-----------|--------------------------------|-----------|-----------|------------|
| | | | | | | M. F. Structures | Income Kw | Inputs Kw | Labour Kw | Others Kw | |
| Co-op. | Primary | Bakery and Clothes Manufaturing | 1984 | - 36 | Council Premises and 25 Sewing Machines | 3 stoves | 5,000 | 1,000 | - | - | 4,000 |
| " | Primary | Soap Production | 1985 | 10 20 | Council Premises | Use Leased Utensils | 2,015 | 200 | - | 200 | 1,200 |
| " | Secondary School Drop-out | Soap-making and Soya Beans Processing | 1984 | - 35 | Council Premises | Use Borrowed Equipment | 1,200 | 150 | - | 100 | 950 |
| " | Primary | Wood Carving & Pottery | 1982 | - 15 | Workshop K4,400 | K3,170 Carving Tools | 2,015 | - | 1,500 | - | 515 |
| " | Primary | Textile Production, Poultry Rearing | 1984 | 5 15 | K2,000 | Feeding Bays Donated by PPAZ | NOT KNOWN | By PPAZ | IN KIND | - | ? |
| " | Primary | Weaving Industry | 1982 | - 13 | Council Premises | Donation From USA Embassy | - | Closed down at the end of 1985 | | | |
| TOTAL NUMBER OF WORKERS BY GENDER: | | | | - 15 134 | | | | | | | |

Key: No. - Number, K. - Zambian Kwacha, Co-op. - Co-operatives, PPAZ - Planned Parenthood Association of Zambia

Source: Oral Interviews, Zambia, June 1986

Tables 3 and 4 show the areas of business dominated by women and men in the western and eastern provinces in Zambia. The most striking feature is that the involvement of women in business is still very low, at only 16 per cent in the western provinces and 33 per cent in the eastern provinces. In the latter, the large number in banking accounts for the higher percentage. Women are more involved in subsistence farming, and so have less opportunity of going into business.

Marketing

Product demand was not a constraint on the businesses. Some could not fulfil demand because of limited capacity. There was some feeling among a few of those interviewed that aliens or naturalized Zambians, mainly Indians, were an inhibiting factor on local activity. They have long experience in manufacturing; thus a strong hold over some marketing outlets and their profits are not ploughed back into the national economy. Strict control on business ownership was advocated as was a more aggressive marketing policy to enable export to neighbouring countries. At present only the leather manufacturing concerns sell their goods abroad.

The analysis of the field survey results revealed a clear pattern. To ensure the viability of the business and to develop the economic potential of the women, certain fundamentals must be ensured:

- (a) availability of credit facilities
- (b) the availability of raw materials
- (c) dedicated and skilled work force
- (d) good business management
- (e) good business environment
- (f) proper book-keeping
- (g) good transport and communication system
- (h) supportive husband

To these must be added the human factor for initiative and imagination may play a greater role than physical resources.

Lusaka Peripheral

The women in the Lusaka rural cooperatives are held back by several factors; a lack of developmental facilities, in terms of both formal and non-formal education, limited communication between the urban and the rural areas and a lack of business skills. Furthermore, there is a very limited infrastructure, which leads to a great deal of wasted time, even during the short production season, since there is no planned division of labour. It is essential that supportive agencies, such as the Planned Parenthood Association of Zambia, and extension workers from the Department of Social Development should undertake a commercial training role, rather than supplying capital goods or undertaking the management functions themselves.

TABLE 3: Western Province - the sex of small scale enterprise owners

| NO. | Type of Industry | District | Male | Female | Total |
|-----|------------------|-----------|------|--------|-------|
| 1 | Food processing | Mongu | - | 1 | 1 |
| 2 | Bakery | " | 2 | 1 | 3 |
| 3 | Carpentry | " | 11 | 1 | 12 |
| 4 | " | Kaoma | 4 | - | 4 |
| 5 | " | Limulunga | 3 | - | 3 |
| 6 | " | Kalabo | 3 | - | 3 |
| 7 | " | Sesheke | 9 | - | 9 |
| 8 | Tailoring | Mongu | 14 | 2 | 16 |
| 9 | " | Kalabo | 3 | - | 3 |
| 10 | " | Sesheke | 4 | 4 | 8 |
| 11 | " | Kaoma | - | 1 | 1 |

Totals:

| | | | |
|--------------------|-----|-----|------|
| A. Carpentry | 30 | 1 | 31 |
| B. Tailoring | 21 | 7 | 28 |
| C. Bakery | 2 | 1 | 3 |
| D. Food Processing | - | 1 | 1 |
| Total | 53 | 10 | 63 |
| % | 84% | 16% | 100% |

TABLE 4: Eastern Province - the sex of small scale enterprise owners

| No. | Type of Industry | District | Male | Female | Total |
|-----|------------------|----------|------|--------|-------|
| 1 | Tailoring | Katete | 4 | 2 | 6 |
| 2 | " | Chadiza | 2 | - | 2 |
| 3 | " | Lundazi | 11 | - | 11 |
| 4 | " | Chama | 1 | - | 1 |
| 5 | Carpentry | Petauke | 3 | - | 3 |
| 6 | " | Katete | 3 | - | 3 |
| 7 | " | Chadiza | 4 | - | 4 |
| 8 | " | Lundazi | 11 | - | 11 |
| 9 | " | Chama | 10 | - | 10 |
| 10 | Bakery | Petauke | 2 | 2 | 4 |
| 11 | " | Katete | - | 3 | 3 |
| 12 | " | Chadiza | 2 | 8 | 10 |
| 13 | " | Lundazi | - | 12 | 12 |
| 14 | Food Processing | Katete | 1 | - | 1 |

Totals:

| | | | |
|--------------------|-----|-----|----|
| A. Tailoring | 18 | 2 | 20 |
| B. Carpentry | 31 | - | 31 |
| C. Bakery | 4 | 25 | 29 |
| D. Food Processing | 1 | - | 1 |
| Total | 54 | 27 | 81 |
| % | 67% | 33% | |

Source: Report No. 25
Rural Small Enterprises in Zambia, September 1985

Despite being new to business, most proprietors have established themselves in a business-like manner, recruiting labour with the relevant skills. There is a predominance of garment manufacturing and most businesses have at least one qualified (college diploma) fashion designer on the staff. Some concerns employed their own accountant. Everyone was occupied, with an organization of labour similar to that found in modern larger industry.

CHAPTER II

Cameroon

Introduction

Cameroon has a population of approximately 10.2 million people. In colonial times the country comprised two mandated territories; the British run south west, and the rest which was administered by the French. Independence in 1960, brought partition to an end, but each region still reflects its particular history and the whole country is bilingual.

Agriculture accounts for 80-90 per cent of the national revenue and coffee, cocoa, cotton and groundnuts are ranked the most important crops. The remaining 10-20 per cent comes from palm-oil, gas and oil.

It is one of the few African countries self sufficient in food, for climatic conditions are favourable. Drought occurs only in the dry northern region, as in 1983/84, but even then surplus food from the other nine regions mitigated the effect. An abundance of food is usually taken for granted.

The government of Cameroon in common with other developing African countries, is trying to build up the small and medium industrial sectors, which utilize local manpower, raw materials and technology. The country enjoys a relative prosperity but equally faces the problem of restructuring the economy. There is unemployment and characteristically women are the hardest hit, so there is a movement towards small scale enterprises.

Of the three countries visited, Cameroon has the most successful small scale sector, partly because the women there have the strongest business tradition and thus their activities have a sounder economic base than those elsewhere.

The need for a small scale enterprises sector

In 1984, the Ministry of Women's Affairs was set up, towards the end of the United Nations Decade for Women. Together with the Ministry of Planning a survey was then commissioned to evaluate the level of participation of women in the national economy. Some statistical material from the survey report was made available and is shown below.

Table 5: Distribution of the female population

| Population | 1970 | 1985 |
|-------------------|-----------|-----------|
| 6 years and above | 2 917 946 | 3 880 000 |
| Active | 1 101 732 | 1 404 976 |
| Employed | 1 056 648 | 1 404 229 |
| Unemployed | 10 689 | 14 213 |
| First job seekers | 32 995 | 46 534 |
| Total unemployed | 43 684 | 60 747 |

Source: Report on Ev. of Women's Decade 1985, page 67.

The figures show the scale of the unemployment problem and the numbers of those entering the job market for the first time. The rising trend of both these totals gives cause for concern and this has stimulated the movement towards the founding of small businesses as a means of combatting unemployment. The relevant ministries are working on plans to increase female employment, in line with national development strategies, particularly by increasing the viability of the small scale business sector. Thus a survey has been carried out on the reason for the low proportion of loans granted to female credit seekers by the commercial banks and other financial institutions. The experience of other countries in this field has been investigated. The major obstacles were defined as:

- (a) Lack of credit facilities, because of the lack of the fixed assets needed as security for the loan;
- (b) Lack of data on the success of women in business, which would facilitate planning;
- (c) Inadequate dissemination of information on the services available;
- (d) Government policy on the providing of credit facilities to promote small scale enterprises does not specifically favour women. The Ministry of Women's Affairs feels that positive discrimination in favour of women is necessary;
- (e) Lack of an overall business organization specifically looking after women's interests and presenting their grievances to the authorities.

These factors are seen to be common in many countries. The inability of many third world governments to implement satisfactory lending policies is indicative of a general scarcity of funds rather than a lack of awareness of the problems.

The operation of small scale industries

The definition of the major problems was confirmed by a group of business women in Yaounde, who cited the following difficulties:

- (a) Bias against women by funding institutions;
- (b) Customary practice does not allow women to hold land; this is a severe handicap, since land holding is a major asset to set as collateral in loan negotiations;
- (c) Aggressive competition, for example, in textile manufacture, because of well established foreign investors;
- (d) Lack of institutional structures offering part time courses on management and business skills;
- (e) Lack of transport facilities.

These women hoped to establish a National Business Women of Cameroon Association, to take concerted action on some of the problems.

Government measures to aid the sector have included the setting up of technical and credit guarantee institutions to cater for the small and medium-sized industries in the country. The National Center for Assistance to small and medium-scale enterprises (CAPME) was established in 1970 ^{6/} and the Aid and Loan Guarantee Fund for small and medium sized undertakings (FOGAPE) in 1984. ^{7/}

CAPME's operational mandate is to promote the national policy of development by and for Cameroonians. To this end, two training centres have been set up in Basa-Douala and in Bamenda in the south west region, and technical assistance is offered in assessing the feasibility of a venture, the operational practice and in marketing. Despite government effort, however, women's participation as entrepreneurs is very low. No accurate statistical figures are available, but out of 100 applicants, only 20-30 are women. Cost is not a factor in this, however, for services are offered very cheaply, for example, the cost of the feasibility study on a project with a proposed initial investment of one billion francs CFA was only 6,000 francs CFA.

FOGAPE was set up in June 1984 to an earlier body established in 1975, to provide financial and technical assistance to Cameroonian small and medium-sized undertakings. Financial assistance may be given either on an individual or a corporate basis for setting up, modernising or enlarging businesses. The organisation is more radical than similar bodies elsewhere, in that preferential treatment is given to women; loans may be granted to them, even though there is no collateral, as long as feasibility studies have been carried out and the project certified as viable. Despite this, however, Table 6 shows that the proportion of women receiving assistance is very low; only 15% of the total.

^{6/} CAPME Pamphlet - Douala 1971

^{7/} FOGAPE Booklet, Concorde Premises - Yaounde 1984.

Table 6. Credit Awards 1985/86

| No. of qualified applicants 314 | No. of awards to women 42 | No. of awards to men 272 |
|------------------------------------|------------------------------|-----------------------------|
| Total awarded | value | value |
| 3,545,317,717 francs CFA | 605,359,000 francs CFA | 2,939,958,771 francs CFA |

Source: Extracted Information, FOGAPE 1985/86.

Unfortunately, there is no information on the numbers of unsuccessful applicants, the proportion of women in that total, or on the reasons for rejection.

Field Survey

Three areas were chosen for the investigation of small scale businesses, Yaounde, the South West Region and Douala. In each area a random sample of 10 enterprises run by women was chosen. The results of the survey are shown in Tables 7, 8 and 9. Table 7 for Yaounde shows that garment manufacturing, for example, of women's clothes and uniforms is dominant, though service industries are also well represented. The women are well motivated, working 5-6 days per week, in the hope of expanding to medium or even large scale industries by the year 2000. ^{8/} Most businesses make considerable profit, although old equipment in the hotel and bakery needs updating to increase efficiency and thus, profit.

Table 8 shows that profit margins in the South West Region are generally lower than in Yaounde and they are far too low in the cooperatives; 940,000 francs CFA for a group of 40 women is clearly not enough for their daily needs let alone ploughing money back to run the venture. This group, the Kumba Women's Cooperative Marketing Society, retails palm oil and beans, but they appear to be struggling, largely through a drop in demand for their products because of competition, but also because of transport problems caused by aging equipment; the one lorry is too old to be run economically, repairs in 1985 cost 2 million francs CFA, and transport hire was prohibitively expensive. As a result of low returns, lay offs of personnel had been necessary, including that of the manager. Attempts were also being made to diversify into other products, such as sugar, ground nuts and flour. Some government assistance was thought to be necessary, however, to ensure success, possibly by the secondment of qualified managerial personnel.

^{8/} Maslow, A.H. 'Motivation and Personality' (New York, Harper & Row 1970) p.80.

Table 7: Yaounde - a sample of the proprietors and their enterprises

| Type of Own. | Age | K/S | No. of Dept. | Educational Level | Type of Enterprise | Year Started | No. of Workers | Initial Investment Physical | Machinery | Revenue | Inputs | Per month Expenditure Labour/Wages | Others | Profits in '000' s |
|----------------------------|---------------|-----|--------------|----------------------------------|-------------------------|--------------|----------------|-----------------------------|------------------|------------------|-------------|------------------------------------|-------------------|--------------------|
| | | | | | | | M. | F. | Structure | | | | | |
| Indiv. | 30 | S | 1 | Degree in Textile Manufac-turing | Textile Manufac-turing | 1984 | 37 | 16 | 1,000,000 | 50 m 1.5 million | 20 million | 35,000 1.5 million | 110,000 | 18,355 |
| " | not re-vealed | M | 7 | Up to Secondary | Tourist Hotel | 1984 | 6 | 2 | 3 million | - | 2.5 million | 1 million | 600,000 130,000 | 770 |
| " | 50 | D | 4 | Secondary Education | Household Equipment | 1977 | 1 | 3 | Rented at 10,000 | - | 3 million | 1,990,000 | 215,000 37,000 | 748 |
| " | 36 | M | 10 | Secondary Level | Dry Cleaner | 1985 | 5 | - | Rented at 8,000 | 900,000 | 1.5 million | 192,000 | 250,000 150,000 | 900 |
| " | 40 | S | 5 | Degree in Business Studies | Retail Shop | 1981 | 2 | 2 | Rented 11,000 | - | 3 million | 989,000 | 240,000 10,000 | 1,750 |
| " | 50 | S | 6 | Diploma in Nursing | Polyclinic | 1976 | 16 | 14 | 210 million | 150 million | - | 1 1/2 million | 3,724,000 750,000 | ? |
| " | 36 | M | 10 | Diploma in Textile Production | Textile Production | 1981 | 9 | 13 | 500,000 | 12,500,000 | 3.5 million | 450,000 | 985,000 74,000 | 1,991 |
| " | 28 | S | 10 | Secondary Education | Clothes Manufac-turing | 1981 | - | 1 | 150,000 | 20,000 | 2.5 million | 1 million | 45,000 40,000 | 1,415 |
| " | 37 | D | 2 | Diploma in Marketing | Retail Shop Office eqp. | 1984 | 8 | 2 | Rented 10,000 | 1,700,000 | 20 million | 55,000 | 900,000 40,000 | 19,995 |
| " | 30 | M | 9 | Diploma in Fashion Modeling | Tailoring Clothes | 1980 | 5 | 6 | Rented 10,000 | 59 million | 2.5 million | 990,000 | 50,000 48,000 | 1,402 |
| Total Number of Employees: | | | | | | | - | 88 | 39 | | | | | |

Key: No. - Number, M/S - Marital Status, S. - Single, M. - Married, D. - Divorced, Dept. - Dependant, Own. - Ownership
M. - Male, F. - Female, Indiv. - Individual, Eqp. - Equipment
Source: Survey Data: Yaounde, July, 1986

TABLE 8: South West Cameroon - a sample of the proprietors and their enterprise

| Type of Ag ^o Own. | M/S Depen. | No. of Educational Level | Type of Enterprise | Year Star. | No. of Workers | Initial Investment Physical | Revenue | Per Month Expenditure | | Francs CFA | Others Profit |
|------------------------------|-----------------|--------------------------|---|------------|----------------|--|------------------------------------|-----------------------|----------------------|------------|---------------|
| | | | | | | | | Inputs | Labour | | |
| Co-op. | - | - | Varies from Marketing Diploma in Palm-oil Ed. Primary & Beans Educ. | 1970 | 2 | 40 22 stores | 150,000 (30,000) x 40 1,200,000 | 410,000 | 30,000 | - | 940,000 |
| Indiv. | not sta- ted | 8 | Elementary Building Teacher Constrac- tor Training | 1972 | 3 | - Operates from the Residence | ? | 20,000 | 65,000 + 50,000 | 15,500 | ? |
| " | 45 M | 4 | Primary Interior Decoration | 1985 | 1 | 1 Uses part of her house | 906,000 | 500,000 | 40,000 + 100,000 | 16,000 | 250,000 |
| " | 36 M | 5 | Diploma in Hotel Home-Economics | 1985 | 5 | 3 20 million | 1,500,000 | 600,000 | 210,000 + 200,000 | 170,000 | 320,000 |
| " | 41 S | 5 | Primary Grade 6 Transport Business | 1986 | 2 | - Use part of the house as an Office | 300,000 | - | 65,000 + 150,000 | 20,000 | 65,000 |
| " | 59 W | - | Primary Grade 7 Restaurant | 1976 | 6 | 2 65,000 | 380,000 | 25,000 | 104,000 + 60,000 | 36,000 | 105,000 |
| " | 50 M | 8 | Primary Restaurant | 1977 | 2 | 2 Renting | 1,000,000 | 20,000 | 40,000 | 20,000 | 920,000 |
| Co-op. | - | - | Varies from Palm-oil Primary to and Food Illiterate Retailers | 1970 | - | 120 Given on Donated: + Lease - Deep Freezer | 184,000 | 20,000 | 47,000 | 32,000 | 85,000 |
| Indiv. | 34 M | 6 | Primary Hotel Standard 6 | 1978 | 9 | 4 On Lease from Govt. | 3,255,000 | 1,500,000 | 420,000 | 535,000 | 800,000 |
| " | 39 M | 9 | 3 Years College Dipl. | 1983 | 3 | 3 Operates from House | Low level of business stated | | | | |

TOTAL NUMBER OF WORKERS: - 33 175

Key Note: No. - Number, Own. - Ownership, M/S - Marital Status, Depen. - Dependants, Star. - Started, M. - Male, F. - Female, D. - Divorced, M. - Married, S. - Single, Dipl. Diploma Source: Survey Data, July 1986

E. 9: Douala - a sample of the proprietors and their enterprises

| cf er. | Age | M/S | No. of Depen. | Educational Level | Type of Enterprises | Year Star. | No. of Workers | | Initial Investment Physical Structures | Machinery | Revenue | Per Month Expenditure | | Francs CFA | Others | Profit |
|-----------|-----|-----|------------------|----------------------------------|-------------------------------|---------------|-------------------|----|---|--------------------------------|---------------|--------------------------|-------------------------|---------------|--------|------------|
| | | | | | | | M. | F. | | | | Inputs | Labour | | | |
| v. | 37 | M | 4 | Secondary Education | Textile Manufac- turing | 1984 | 2 | 5 | Rented | 10 Indus- trial Machines | 2,650,000 | 680,000 | 400,000 | - | | 1,570,000 |
| | 36 | M | 10 | Secondary Education | Transport | 1981 | 48 | 2 | Rented | 30 Vehicles | 30,735,231 | 735,230 | 12,500,000 | 61,628 | | 17,438,300 |
| | 46 | M | 1 | Degree in Computer Science | Computer Business | 1973 | 21 | 10 | Rented Office | 3 Computers | 20,000,000 | 1,839,132 | 1,521,695 | 446,604 | | 16,192,580 |
| | 43 | M | 5 | Law Degree | Travel Agency | 1984 | 20 | 6 | 50,000,000 | 4 Type- writers | not stated | 450,000 | 2,800,000 | 128,000 | | ? |
| | 42 | M | - | Secondary Education | Travel Agency | 1980 | 3 | 3 | Rented | 5 Type- writers | not stated | 725,000 | 700,000 + 400,000 | - | | ? |
| | 37 | M | 8 | Secondary Education | Private Primary School | 1973 | 9 | 5 | 30,000,000 | - | 30,000,000 | 2,100,000 | 400,000 + 600,000 | - | | 26,900,000 |
| | 37 | M | 9 | Diploma in Designing | Designing and Tailoring | 1984 | 3 | 7 | Rented | 10 Indus- trial Machines | 2,500,000 | 500,000 | 90,000 | 90,000 | | 1,820,000 |
| | 29 | M | 3 | Law Degree | Lawyer | 1984 | 3 | 2 | 4 Premises 40,000,000 | 6 | 1,500,000 | not applicable | 909,000 + 300,000 | 34,000 | | 266,000 |
| | 34 | D | 1 | Degree in Computer Science | Computer Business | 1985 | 2 | 4 | 130 million | 2 | 25,000,000 | 300,000 | 1,200,000 | 30,000 | | 23,470,000 |
| | 52 | M | 2 | Law Degree | Law practice | 1978 | 1 | 5 | 120 million | 80 million | 20,000,000 | 500,000 | 500,000 + 375,000 | - | | 18,625,000 |
| | | | | | | | 112 | 49 | | | | | | | | |

NUMBER OF WORKERS:

Key: NO. - Number, Owner. - Ownership, Indiv. - Individual, M/S - Marital Status, Depen. - Dependant, Star. - Started,
M. - Male, F. - Female, D. - Divorced
Money in Francs CFA
e: Oral interviews - July 1986

The other cooperative, marketing palm oil in Buea, suffers many of the same constraints. They have diversified into tea, sugar and vegetable retailing and have set up a small restaurant. Lack of space is a major inhibiting factor, giving rise to a desperate need for more capital. A limited amount of help had come from a Canadian agency to increase the security of the premises by installing burglar bars. The deep freeze and cooker had also been donated by the Ministry of Women's Affairs. Nevertheless the very low profit margin of 35,000 francs CFA must be regarded as wholly unsatisfactory for a 120 strong membership.

The service industries which are individually owned, are much healthier, particularly the restaurant and hotel enterprises. The exception was that of the decorator, whose prospects were bleak; a factor which she blamed on sexual discrimination in the awarding of contracts. A noticeable feature in many business is that many proprietors seem to prefer to employ men, especially for administrative jobs and heavy work, for example in the transport business. In this context women's cooperatives help to redress the imbalance in employment.

The results for Douala in Table 9 show these to be the most successful group of businesses overall, with high profit levels. A number of them are in normally male dominated spheres, such as transport, computer services, and legal practice. This reflects a high educational level and also perhaps explains the large number of men employed in the concerns. The women showed considerable initiative, drive and confidence, but nevertheless the constraints which they defined were very similar to those put forward in the other regions.

The relative success of the Cameroonian women in comparison with those in the other countries studied clearly reflects the state of the national economy. The Cameroon business women appear to have easy access to foreign exchange. If government and non-government agencies can solve the major constraints, then the future looks bright for the small scale sector. Indeed the strong and favourable position of the Cameroonian business women augers very well for the concept of self reliance and self sustainance as envisaged in the Lagos Plan of Action and the Final Act of Lagos.

CHAPTER III

Ghana

Background

In 1957, Ghana was the first black African state to attain independence from Britain. An ambitious development programme was begun, which included, road construction, the building of hydro-electric power stations and the provision of compulsory free education up to the secondary school level. The agricultural sector was revitalised and so were the mining industries and sea ports.

The overthrow of Kwame Nkrumah initiated a long period of instability and repeated military coups, with increasing economic problems. Thus the country was on the verge of economic collapse when the present regime assumed power. Cocoa production was at its lowest level ever and import substitution industries, which necessitate foreign inputs, were operating below capacity or were closed because of the lack of foreign exchange for raw materials or spare parts. Industrial production was disastrously low.

Radical restructuring of the economy was obviously essential. Funds from the International Monetary Fund and from donors such as Japan and West Germany enabled foreign exchange to be made available for necessary imports and shut down industry was able to restart.

During this phase of the recovery period, priority was given to agriculture, mining and road construction. After a time of great hardship there are now signs of a fundamental economic recovery; cocoa output has increased by 33 per cent and a bumper harvest is forecast for the current season.

Phase 2 of the Economic Recovery Programme (1986-1991) has now been initiated. The emphasis is on the development of communications, the promotion of small and medium sized enterprises using local inputs and the consolidation of the agricultural sector.

Women have a role in the establishment of the new socio-economic order in Ghana as they constitute a majority in the population. Because of customary constraints, their efforts are concentrated in the small scale business sector, or in agriculture. The present survey established the need for government and other agencies to pay more attention to the role of women in economic development and this need will be discussed in the next section.

The need for small scale enterprises sector

The integration of women into the national development programme, which finds expression in the current Five Year Plan (1986-1991), is largely the responsibility of the National Council on Women and Development. Its major concern is rural women, 60-70% of whom are illiterate, who account for 75% of the total female population. In collaboration with various government and non government agencies, cooperatives are being established in agriculture and in food processing. There is also a technical research section working on the reduction of drudgery in women's daily lives, through the introduction of appropriate technology, for example in fish smoking and the processing of palm-oil and garri. On the job training is provided. Despite these efforts, however, life for women is very hard. Very similar constraints on women as entrepreneurs are listed as in Zambia and Cameroon, namely:

- (a) Businessmen do not take women entrepreneurs seriously;
- (b) Women are not interested in viable long term businesses, because they want quick returns,
- (c) Feasibility studies are rarely carried out but when they are done, the quality is poor;
- (d) A large number of small scale business women are not registered for tax purposes and so when apprehended face large bills for arrears;
- (e) Lack of data, which results in problems of monitoring and servicing.

Furthermore, lack of economic success has caused a loss of faith in government assistance. Two major sources of mistrust are put forward:

- (a) Cooperative management is often in the hands of extension workers which can cause resentment and loss of interest among members;
- (b) The keeping of accurate cash flow accounts. Financial mismanagement has been the cause of the collapse of many cooperatives in all the countries visited.

Attempts to improve this situation involve a three fold strategy:

- (a) encouraging a corporate sense of identity among members;
- (b) giving appropriate training to the people selected by the group for managerial jobs;
- (c) encouraging a better division of labour, so as to improve output and thus, ensure an economically viable venture.

The most important element in establishing cooperatives is training, to ensure that management comes from within the corporate body, so fostering a sense of identify and preventing the loss of motivation which leads to falling production and financial difficulties.

The operations of small scale industries

The economic recession and the consequent rise in unemployment has posed serious problems for the Ghanaian authorities. Consequently, attention has been given to the National Board for Small Scale Industries, which was established by Parliamentary Act. 434, of 1981 and formally constituted in 1985. New officials were appointed in 1986 with the task of drawing up a programme to promote and develop small industries, by the training and organization of small viable groups.

The Board has defined a small scale enterprise as one with fixed assets of not more than 10 million Ghanaian Cides. The lower limit may be as little as 10 Cides. 9/

Assistance is given to enterprises within the sector in the form of technical assistance, loans without collateral and credit guarantee facilities. The Board is also an inspectorate, setting standards of operation, and a public relations body informing entrepreneurs of areas of government priority. Earlier this year the Board secured a budget of US\$400,000 for the bulk purchase of electrical equipment needed for production. 10/ All small scale businesses have to be registered with the Registrar General's Department, before the Board can offer any form of assistance.

9/ Pamphlet: Programme of Action; Accra 1985.

10/ People's Daily Graphic, (Thursday, July 31, 1986 p.1).

The major problem faced by women entrepreneurs is the lack of financial assistance, for the majority usually begin as lowly paid workers, without financial reserves. Such people are not regarded as being credit worthy by banks. The Ghanaian Enterprises Development Commission, (established by Decree in 1975 to ensure the rapid take-over of control of the economy by Ghanaian) can assist them, however, by providing technical and financial help as well as a general advisory service. ^{11/} Some 12,000 people have benefitted, but a lack of capital inhibits the full development of its potential; it has to depend on a revolving fund, created with 1.5 million cedis in 1975 but since increased to 32 million.

A field survey was carried out in the Accra, Eastern Volta region and the results are shown in Table 10. It can be seen that there is great variation in the level of success of the different concerns and on the whole the education level is low particularly in the cooperatives. These give employment opportunities to rural women, but they seem to be the most problematical commercially, with often short life spans.

Enterprise K is a typical example. It was established with USAID funds in Mafi Kumase in the Volta Region, to process Garri. Technical training was given for almost a year, but when the training personnel left, the business could only keep open for six months before having to close down. The 642 cooperative members returned to their old occupations of subsistence level farming. Several theories have been advanced to explain the failure. The National Council on Women Development feels that it was due to the interference by local chiefs, who did not want outsiders in their districts. There was also gross mismanagement - the tractor that should have been used for ploughing the cassava fields was used to carry firewood for the hired officials.

In contrast, the cooperative in the Eastern Region, Essam District is still doing very well. Many innovations have been introduced by the accounting secretary, but the most important factor may well be that all the members are part of one extended family. Production is also well integrated, using everything that can be produced from palm-fruits. The palm-fruits are processed, giving oil which is used for soap making and seeds which are used to make a special oil for soap, leaving a residue which is fed to pigs, while the fibres are used for making bricks.

Enterprise "H" is an example of an individually owned failure which has been shut down because of a lack of working capital. The proprietor invested all her savings during the initial stages, but now needs to raise 10 per cent of the required additional capital in order to get the 90 per cent from an Italian Organization; this she is unable to do. Several other such businesses at the present time, are marginal, operate at a loss or have ceased to function. The owners tend to have moved into buying and selling enterprises as characterised by I in Table 10.

^{11/} Pamphlet: 'Ghanaian Enterprises Development Commission; Accra, 1975.

TABLE 10: Ghana: Accra, Eastern and the Volta Regions - a sample of the proprietors and their enterprises

| Type of Own. | Age | M/S | No. of Depen. | Educational Level | Type of Enterprise | Year Star. | No. of Workers | | Initial Investment Physical Structures | Machinery | Revenue | Per Month Expenditure | | | Profits |
|-------------------------|-----|-----|---------------|---|-----------------------------|------------|----------------|-----|--|---------------------|------------------|---------------------------------------|-----------------|--------|-----------|
| | | | | | | | M. | F. | | | | Inputs | Labour | Others | |
| Indiv. | 33 | S | 3 | Primary | Transport | 1981 | 7 | | | 5 Buses 2 Trucks | 90,000 | 70,000 | 14,000 | 1,200 | 4,800 |
| " | 37 | D | 10 | Illiterate | Soap Making | 1977 | 13 | 2 | 5 million | 2 million | 1.5 million | 500,000 | 85,000 | 3,000 | 912,000 |
| " | 48 | M | 2 | Secondary Leaving Certi. | Chemical Industry | 1979 | 1 | 2 | 250,000 | | 1.5 million | 58,000 | 9,000 | 3,000 | 1,425,000 |
| " | 47 | M | 3 | Secondary Form 5 | Industry Tye-Dye | 1970 | | 3 | 1.5 Million | 4 Sewing Machines | 121,000 | 86,000 | 9,000 | 6,000 | 20,000 |
| " | 46 | M | 10 | Leaving Certificate | Poultry Bakery | 1973 | 19 | 2 | 1 million | 2.5 million | 735,000 | 400,000 | 90,000 + 10,000 | 45,000 | 200,000 |
| " | 42 | W | 6 | College Diploma | Garment Manufacturing | 1977 | 3 | 7 | | 400,000 | 80,000 | 40,000 | 35,000 + 6,000 | 450 | 4,550 |
| " | 52 | W | 4 | Degree B. Sc. | Publishing House | 1971 | 1 | 2 | Operate from house | 3,000 | Not revealed | Not revealed | 9,000 | | ? |
| " | 40 | S | 2 | Diploma in Nursing | Brick Making | 1982 | 20 | 11 | 2.5 Million | 1,209,000 | * Project Halted | - | | | - |
| " | 44 | S | " | Primary | Trading | 1980 | - | 4 | Shop Rented | | not revealed | share proceeds at the end of the sale | | | |
| Co-op. | - | - | - | Illiterates 30, Grade 4 - 9 - 10 Form 6-1 | Palm-oil Processing Soap M. | 1983 | 5 | 35 | ILO Donation | 3,000 | 80,000 | 5,000 | 32,000 | " | 43,000 |
| " | - | - | - | Illit. 95% Secon. 5% | Garri Processing | 1981 | 42 | 600 | Donated by US AID | CLOSED DOWN | | | | - | - |
| TOTAL NUMBER OF WORKERS | | | | | | | 111 | 668 | | | | | | | |

Key: No. - Number, Own. - Ownership, Indiv. - Individual, Coop. - Cooperatives, M/S - Marital Status, Depen. - Dependant, Star. - Started, M. - Male, F. - Female, S. - Single, D. - Divorced, M. - Married

Source: Survey Data, July 1986 Money in Ghanaian Cedis

In comparison with Cameroon, the level of business activity in Ghana is low. Many neglect the main concern in order to diversify into other products to make a quick profit, for example, buying country produce for either wholesale or retail re-sale in the markets, or travelling overseas to buy cheaply and then sell at exorbitant prices, for instance cheap shoes from London. The integration of such activity into the national economy is problematical. Control must be exercised, over the small scale section, however, if the new social order is to be realised.

It has been shown by the field examples that despite the differences in culture, climate and orientation, the constraints and problems faced by women in small scale businesses are similar in all three countries. There is everywhere a great interest in this vital sector of third world economies and it is felt that the material presented here could be useful to policy makers. Thus it is hoped that ECA efforts in initiating this survey will not have been in vain.

CHAPTER IV

CONSTRAINTS, RECOMMENDATIONS AND CONCLUSIONS

Constraints

The basic constraints in the operation of small scale enterprises have been referred to in the country profiles. It is thought useful, however, to list them together, regardless of whether they refer to the entrepreneurs themselves or result from national short comings.

- lack of capital and technical skills;
- lack of business acumen in the sector due to inadequate training, resulting in few people with the necessary organisational skills, technical and management capability, or willingness to undertake business and risk bearing activities all of which are conducive to a sustained prosperous business;
- shortage of working space and utilities for production and inadequate access to production infrastructure for potential entrepreneurs. These problems are caused by a feeble command over financial resources and by the lengthy bureaucratic procedures involved in acquiring these facilities;
- low levels of internal resources and a lack of access to credit facilities for long term and short term loans;
- lack of working capital, resulting in below capacity operation because of a shortage of raw materials;
- lack of government programmes for motivating individuals and stimulating business creation;
- too few training schemes to enhance managerial skills;
- little assistance from either government or other agencies in marketing, either internally or export;

- a bias in society against women in business. (This is more applicable to Zambia than to West or Central Africa where women have long been involved in commerce;
- family responsibilities prevent many women giving maximum attention to their enterprises;
- lack of flexible lending systems to help ameliorate normal rigid loan criteria, such as the possession of tangible assets as collateral;
- a shortage of information on the degree of women's participation in the national economies;
- problems arising from the need for foreign exchange to import machines, spare parts and raw materials. This problem has become more acute since the introduction of auctioning of foreign currency in Zambia and the devaluation of the Cide in Ghana.

Recommendations

The general pattern of small scale enterprises reflects varying regional features, for example, the technological level, religious beliefs and social, cultural and political systems of the area. These factors help determine the aspirations of the populace. Success in business depends on several factors but motivation is essential.

In all three countries the dominant motivating factors were the acquisition of basic needs, the search for family security, the enhancement of social status, personal ambition and the need for self-fulfilment. These factors must be taken into consideration when drawing up recommendations.

The small scale business sector must be viewed in the context of the overall national and regional industrial strategy. Many of the problems of development are a legacy of the past, for the colonial heritage accounts for the paucity of professional, technical, entrepreneurial and managerial skills. Thus any recommendations on increasing women's productivity must involve a restructuring and re-orientation of training. In order to do this effectively, each country must assess the role of its small business sector within the framework of the overall economic objectives. Policies must be coordinated to give more emphasis to this rather neglected sphere of economic activity.

To this end, the following recommendations are put forward:

- (i) Governments must turn the emphasis of production away from export orientated, often large scale industry in favour of a nationally planned self-reliant small scale sector; African governments need to change the colonial orientation of over emphasis on export oriented industries which necessitates focusing on large scale enterprises to the exclusion of a nationally planned small scale sector.
- (ii) As with the modern industrial sector, all small businesses should be registered for the purposes of control and planning.
- (iii) All businesses should have access to loan capital rather than having to depend on personal savings or family loans.
- (iv) All employees should be registered and paid adequately and regularly in order to ensure official commitment to the enterprise.
- (v) Governments need to institute legislation that positively discriminates in favour of women in the various training schemes, in view of the low educational level which results from the continuance of traditional ideas on the role of women in society.
- (vi) The principles of equal pay and opportunity must be recognized universally, in both industry and training, so that women have the chance to accumulate or borrow enough capital to start, their own business and to transfer their technical skills to the sector.

- (vii) Customary land tenure in all the countries visited militates against women. They have no rights over land, and so no tangible assets to set as collateral against loans. They are often obliged to work on the husband's land. There is also the problem of interference from landlords should women rent land for business reasons. The most striking example encountered by the survey, was in part of Ghana, where by tradition the proceeds of selling palm oil go to the men who gathered the palm, even though the processing is done by women; the latter receive only the income from the sale of palm by-products. There is obviously an urgent need to legislate against outdated customs which lead to abuse.
- (viii) Particularly in Central Africa, where there is not a tradition of strong associations among market women, there is an urgent need for such organizations in the small scale sector, so that women can effectively press demands for better services, such as nursery schools, and can inaugurate mutual assistance schemes, for example in welfare. This need is particularly urgent in Zambia, where women have left the sector because of lack of support.
- (ix) Policy makers and funding agencies must collaborate with small business women to effect a modernisation and diversification of the sector. The predominance of the garment industry is based more on tradition than on commercial viability. The change over to more technical concerns, such as electrical products, tools, or transport, would not only fulfil a demand, but would also reduce competition in textile businesses so increasing their profitability.
- (x) The need to motivate women to break from the past is less tangible but no less important. Many traditions are barriers to the economic integration of women. In view of the sensitive nature of the topic, for many customs are very deep rooted and firmly adhered to, the necessary large scale education programme must be very carefully planned and presented. Aspects which need particular attention are the traditional family expectations for female children, bound up in the bride price, and the welfare expectations of responsibility to aged parents.
- (xi) The sector has an important role in the provision of employment and in overall production. Planners must recognize this and give more attention to the definition of sub-sectors and to the provision of additional resources either directly or by incentives.
- (xii) Seminars in basic managerial techniques as well as general campaigns by government and non government agencies to inform small scale enterprise owners of available assistance facilities would benefit the sector's efficiency. Such campaigns should include the distribution of appropriate educational literature.

- (xiii) The problems of crowded accomodation and unhygienic working conditions could be solved by the provision of industrial estates and commercial workshops at low or subsidized rents. Similarly, raw materials depots, established perhaps by a small scale raw materials organization or bank would be very helpful.
- (xiv) Some form of quality control systems should be introduced to set standards and ensure high demand levels.
- (xv) The greatest problem faced by small scale enterprises is indubitably the raising of the initial capital for fixed assets and as working capital. Easy credit provision is essential coupled with subsidized loans, moratoria on loan repayments, capital subsidies on investments, and transport subsidies. Equally important is price support for the products.
- (xvi) Governments could assist with the marketing difficulties experienced by many small sector operations, by setting up a marketing organization with links to established channels and trading outlets.
- (xvii) National training institutions should be set up to improve all aspects of business management, including organizaition technical capacity, labour relations, efficiency and quality control.
- (xviii) National data collection on the participation of women would help in the diagnosis and solution of problems and these could be stored in data banks set up by government with agency assistance. UNECA/ATRCW could perhaps help in this aspect.
- (xix) In the areas of technological know-how UNECA/ATRCW and aid agencies have much to offer by way of facilitating cooperation between international organizations and national training institutions, so as to make training available to many entrepreneurs at a reasonable cost.

Conclusion

The survey covering Zambia, Cameroon and Ghana has identified the sphere where women dominate and has outlined the problems they face. Some recommendations based on the analysis have been proposed in order to increase the productivity of the sector, also to serve as a guideline to planners.

In conclusion, mention must be made of the dichotomy facing planners concerned with the integration of women. The preponderance of women in small businesses is the result of an imbalance caused by the exclusion of women from the large scale sector. It follows, however, that in investing additional resources into sub-sectors defined as having high concentrations of women and thus needing capital injection, the planners are perpetuating the dominance of women in what are often

marginal jobs with low skill, income and opportunity levels. In the long run, they become vulnerable to displacement as technology and African development increases. At present, however, development of the sector is vital, since it is a matter of survival for many rural and urban families. There is no doubt that ECA/ATRCW needs to research further this area of cooperation with national governments. Despite the current budgetary constraints, it is hoped that more research will be possible, thus enriching the partnership between the United Nations and member States. While governments can and must find ways of promoting this vital sector of the economy within the national development strategies, they have neither the personnel nor the finance necessary to act alone.

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Approach

1. Review of relevant literature on small-scale industries.

2. Data for the Study

Liaise with government and non-governmental agencies involved in the integration of women in national development. Examine the appropriate statistical data from the relevant Data Banks e.g. the Statistical department in the Ministry of Commerce and Industry etc.

Discuss the scope of the research and delineate the study areas. For instance, selection of 3 Provinces out of which 3 Districts would be chosen for the survey, where a random sample of approximately 10-20 women entrepreneurs would be interviewed. The interview will be based on a structured questionnaire bearing in mind the objectives of the survey.

3. Objectives

- to identify areas where small-scale business women dominate,
- to assess their performances,
- to highlight problems they face in establishing and managing their businesses particularly those related to their status as women, and
- to make recommendations based on the analysis of the current situation with a view to increase women's productivity in the small-scale business sector.

Annex II

Questionnaire

Personal Data

Name: - - - - - Date of Birth: - - - - -

Marital Status: - - - - -

Number of Dependents: - - - - -

Business Address: - - - - -
- - - - -

Phone Number: - - - - -

Home Address: - - - - -
- - - - -

Telephone: - - - - -

Academic Record

| Primary | | Secondary | | College/University | | | | Degree Awarded |
|---------|----|-----------|----|--------------------|----|------|----|----------------|
| From | To | From | To | From | To | From | To | |
| | | | | | | | | |

Did you attend any of the following courses?

- (a) Vocational training;
- (b) Apprenticeship;
- (c) Management and Accounting;
- (d) Functional literacy;
- (e) Leadership training;
- (f) Co-operative management, and
- (g) Others.

The Enterprise

1.

| Type | Year Started | Initial Investment | |
|------|--------------|--------------------|-----------|
| | | Physical Structure | Machinery |
| | | | |

2. What motivated you?
3. From where did you get financial assistance?
4. Where are the inputs from?
5. How do you get the goods transported to your enterprise?
 - (a) car?
 - (b) lorry?
 - (c) train?
 - (d) other means?
6. How reliable is your transport system?
 - (a) very good;
 - (b) good;
 - (c) satisfactory;
 - (d) bad;
 - (e) very bad.
7. Do you have a reliable supply of commodities?
8. How do you market your products?
9. Is the demand consistent throughout the year?
10. How much do you roughly make per month?
11. Are you making a profit?

12. Workers

| Number | Male | Female | Salaries |
|--------|------|--------|----------|
| | | | |

13. Do you pay yourself a salary? If so, how much?

14. What are the operational costs per month?

| | Wages | Goods | Water | Electricity |
|-------|-------|-------|-------|-------------|
| Costs | | | | |

15. Is there competition in your sphere of business?

16. Have you got any plans for expansion? If so in which areas?

17. What other ways do you think could improve the marketing of your commodities?

18. Which of the following areas do you require some assistance:-

- (a) Marketing of goods;
- (b) Business management and accounting;
- (c) Quality control;
- (d) Food processing;
- (e) Project design and planning;
- (f) Leadership training;
- (g) Others

19. Are you satisfied with the business climate in this area?
20. Which are your spheres of concern?
21. Are customers satisfied with the service?
22. Are you able to cope with customers demands and tastes?

Supporting Institutions

- i) What has your government done to promote small-scale enterprises?
- ii) What assistance can you get from the government and/or non-governmental agencies?
- iii) Which financial institutions provide credit to small-scale enterprises?

Other questions

- (a) Give details of the national tax system.
- (b) Does it affect your profit margin?
- (c) Can you borrow money from any of the existing funding institutions?
- (d) What is the rate of interest per annum?
- (e) What do you think is required to make a success of Business women?
- (f) What makes you successful? Is it the:-
 - i. availability of material,
 - ii. good business management,
 - iii. dedicated and/or skilled work force,
 - iv. proper bookkeeping,
 - v. good business environment,
 - vi. good transport system,
 - vii. availability of credit facilities,
 - viii. other factors (please specify)