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SMALL AND MEDIUM SCALE ENTERPRISES IN AFRICAN SETTING: THE PLACE OF WOMEN

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Abstract

Objective of the study was to examine the contribution of women to SME, the factors that limit the success of women-owned SMEs in African setting. The study adopted survey approach. The respondents were randomly selected and primary data were collected using questionnaires designed and administered by the researchers. The study utilizes chi-square test of hypothesis and logit regression model. The study reveals that female entrepreneurship represents a vast untapped source of innovation, job creation and economic growth in the developing world. However, in addition to general barriers that affect SMEs and entrepreneurship in Africa (such as low income per head, dearth of infrastructure, harsh economic environment), the African woman still battles with certain peculiar barriers such as gender-induced low access to finance, poor social network, demeaning value system in African setting, multiple roles of woman, among others. Hence, study recommended that African women leaders should help women to form business groups that will enhance their networks, easy access to information and credit. NGOs also should embark on sensitization and education campaign aimed at gender equality and changing societal perspective on the social status of the African woman in African setting.

Keywords: SMEs, African setting, Women-owned SMEs, Entrepreneurship, Gender equality

INTRODUCTION

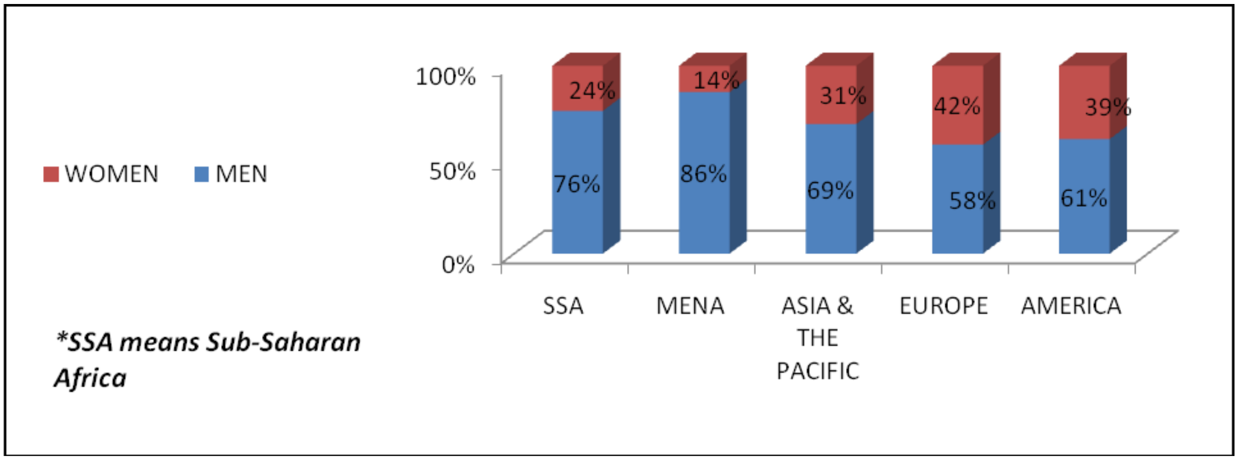
The dynamic role of small and medium scale enterprises (SMEs) as a major growth driver in developing economies is well established in development literature. One of the significant characteristics of a flourishing and growing economy is a vibrant and blooming SME sector. They contribute to socioeconomic development in various ways; namely, by creating employment for a rural and urban growing labour force and providing desirable sustainability and innovation in the economy as a whole (Egunjobi, 1995; Odoemene, 2003; NCR, 2011). For example, UNIDO (1999) estimates that SMEs represent over 90% of private business and contribute to more than 50% of employment and of GDP in most African countries (see also Fjose, Grunfeld and Green, 2010), and for Fatai(2011), most of the current multi-million dollar enterprises have their origin in SMEs. Hence, SMEs, in the time past, have been seen as essential panacea for improving the standards of living in a society and the stability of a country.

Women entrepreneurs running SMEs play a meaningful and significant role in contributing to economic development by creating jobs, promoting greater economic growth, and harnessing the productive capacity of women. There are an estimated 8-10 million formal SMEs across the world, of which about 31% to 38% of all SMEs, are fully or partially owned by women (IFC, 2014).

The contributions of women to SMEs in transition economies in general and Africa in particular, are no longer disputable. For example, Aina and Salau (1992) noted that the African women provided 60-80% of food for family consumption and that the economic growth of some nations is attributable to female entrepreneurs. Consequently, women are making significant contributions to their families and country at large, particularly in the current era of economic distress.

It is, however, worrisome that the participation of women in SME in Africa is comparatively low when compared to Asia, Europe, America, etc. The figure below shows vividly that the share of women-owned SMEs in Sub-Saharan Africa is 24% while the male counterparts represent 76%. The situation is even worse in North Africa where women own only 14% of the sub regional SMEs. Contrasting this with situation elsewhere (such as America, Europe and Asia) suggests that there are obvious impediments to the growth of women-owned SMEs in Africa other than the general barriers to SMEs.

Figure 1: Relative shares of men and women owned SMEs, by region: 2003-2010



Source: Computed by the researchers from IFC, 2014

Most importantly, the contribution of women to SMEs is not independent of the African value system-whether it restricts or encourages entrepreneurship. The African woman has been unfairly and arbitrarily assigned certain roles by the African value system. These roles have been viewed in recent time as limiting and restrictive. Many sociological and anthropological commentators believed that this unfair role assignment is un-african. According to Dadirep (1995) (in Jekayinfa, 1999), the naturalistic movements of the period in England in the 18th and 19th centuries re-emphasized the fact that the physiology of women naturally made them timid, feeble and unable to think because they hold 'smaller' brains than men. He argues that Nigeria's association with the British as its colonizers led to a significant role change with respect to women. According to Dadirep, Nigerian men have carefully selected and interpreted from the British, a model that relegates women to the kitchen thus destroying the indigenous courage and capabilities displayed by their great grandmothers in service to their communities.

This problem is even worsened by the adoption of certain un-African religion. For example, a traditional Hausa-Fulani woman is industrious and participates unrestrictedly on wide range of economic activities. However, this hallowed character of the Hausa-Fulani woman changed radically with the adoption of Islamic religion by the Hausa-Fulanis. The religion reduced the woman to a 'house stayer' (*iweregida*). This makes it abominable for the woman to be seen (especially) in active economic participation. Her office is the house and her role assignments include child-bearing, housekeeping and sexual gratification to the man. She is even forbidden to interact with any man other than her husband. However, the researchers found no empirical investigation with respect to women SME and African value system.

This study therefore aims at re-examining the place of women-owned SMEs in Africa with a view to investigating the women-related and gender-induced barriers to SME growth in Africa. The study therefore intends to answer such questions as: What is the role of women-owned SMEs in Africa? What are specific barriers that inhibit the growth of women-owned SMEs in Africa? And, what is the interaction between African setting or value system and women-owned SMEs?

CONCEPTUAL CLARIFICATION

Conceptualising Small and Medium Sizes Enterprises

There is no single or uniform accepted definition of SME (Storey, 1994). Firms differ in their levels of capitalisation, sales and employment. The criteria for defining the size of a business differ from country to country. According to UNIDO, the definition of SMEs is a significant issue for policy development and implementation and depends primarily on the purpose of the classification.

Although most countries have disaggregated definition of SMEs, Nigeria has a unified operating definition for SMEs. The Central Bank of Nigeria sees small and medium scale enterprises from the view points of asset base and number of staff employed. The criteria are an asset base between N5 million and N500 million, and a staff strength between 10 and 100 employees. Below are views of other countries other than Nigeria.

Table 1. Definition Of SME By Countries Other Than Nigeria

	EUROPE	USA	EGYPT	GHANA	SOUTH AFRICA
	Small and Medium Enterprise	Small and Medium BUSINESS	Micro, Small and Medium Enterprises	Micro, Small and Medium Enterprises	Small, Medium and Micro Enterprise
NO OF EMPLOYEES					
MICRO	<10	0	1 to 4	Up to 5	<20
SMALL	<50	<100	5 to 14	6 to 29	50 to 99
MEDIUM	<250	<500	15 to 49	30 to 99	100 to 200
TURNOVER					
MICRO	≤€2m	0	0	$10,000	<R150,000
SMALL	≤€10m	0	0	$100,000	R2m to R4.5m
MEDIUM	≤€50m	0	0	$1m	R4.5m to R50m

The difficulty in having a unified definition of SME is not far-fetched when you look at the table above as industrilisation, economy size and policy thrust of different countries differ. Nothwithstanding, certain general features are collectively acceptable. Small and medium scale enterprises are certainly not transnational company, multinational cooperation, publicly owned enterprises or large facility of any kind. SMEs, depending on the business and ownership structure, can become a large business unit. However, over 80% of the financing of SMEs come from owners, friends and families. Also the business can take different forms like private ownership, limited partnership, contract and sub-contracts, cooperatives or associations (Macqueen, 2006; Kozak, 2007).

Nevertheless, for the purpose of this study the following definition of SME is proposed: *An SME is business enterprise with annual turnover, in U.S. dollar terms, of between 10 and 1000 times the mean per capita gross domestic product, at purchasing power parity, of the country in which it operates.*

THEORETICAL LITERATURE

Several theories have been put forward by scholars to explain the field of SMEs within the contexts of empowerment and entrepreneurship and these theories have their roots in economics.

Theory of Empowerment

Empowerment theory as presented in the work of Solomon and Freire grew out of a social reform movement which emphasizes the value of people's self-determination. It is a product of a democratic climate and its goal is to deal explicitly with problems of powerlessness created by structures and systems operating in democratic societies [Clutterbuck (1994) in Nagarajan, 2012]. This theory links individual well-being with the larger social environment, individual strengths with competencies, natural helping systems with proactive behaviours to social policy and social change [Douglas & Zimmerman (1915) in Nagarajan, 2012]. One of the premiers of empowerment theory sees proper empowerment as that which elicits the knowledge and response of the participant. The participant becomes not just that docile listener but also an independent critical co-investigator in dialogue, not just a mere worker but a co-developer of the organization.

Empowerment as a theory includes a process that suggests actions, activities, or structures that may be empowering, such as participation with others in SMEs in order to achieve specific goals or economic growth. The theory is seen more clearly in its three intermingling dimensions. They are:

- Personal empowerment, i.e., developing individual consciousness and confidence to confront a situation,
- Relational empowerment, i.e., an increased ability to negotiate and influence relational decisions and

- Collective empowerment, i.e., joint action at the local or higher level to change oppressive or inadequate social structures.

Peter Drucker's Theory of Opportunity

According to Peter Drucker (in Nagarajan, 2012), entrepreneurs always search for change, respond to the change and exploit it an opportunity. Entrepreneurs shift resources from areas of low productivity and yield. Innovation is the specific instrument of entrepreneurship. Innovation need not necessarily be an innovation of technology. According to Drucker (in Nagarajan, 2012), whatever that changes the wealth producing potential of already existing resources constitutes innovation. Entrepreneurship calls for the practice of systematic innovation. Systematic innovation consists in the purposeful and organized search for changes and in the systematic analysis of the opportunities such changes might offer for economic or social innovations.

According to Drucker (in Nagarajan, 2012), entrepreneurship is behaviour rather than a personality trait. The behaviour can be cultivated by a systematic process of innovation. Innovation creates a resource. For a person, there is no such thing as 'resource' until the person finds a use for something in nature and thus endows it with economic value. In other words, an entrepreneur spots an opportunity which others do not. Drucker (in Nagarajan, 2012), spells out seven areas for innovative opportunity. They are as follows:

1) The unexpected success, the unexpected failure and the unexpected event: Drucker advocates looking for areas of unexpected success for possible opportunities that it may offer. He finds that the reason for management to ignore unexpected success is that all of us tend to believe that anything that has lasted a fair amount of time must be 'normal' and go on 'forever'; we consider such 'normal' issues as laws of nature and that they can't be contradicted; contradicting such beliefs is generally considered abnormal and unsound by us. Hence, majority of people fail to perceive the unexpected success. An entrepreneur is one who will find fortunes through exploiting the opportunity of 'unexpected success.' Unlike success, failures always get noticed. But failures are not seen as symptoms of opportunity. People, in general, fail to see the opportunities that lie behind any failure. Many failures are nothing but mistakes committed in one form or the other. If one is patient enough to go through a 'post-mortem' of failed ventures, it will reveal the mistakes committed and will throw open a vast opportunity for succeeding again. An entrepreneur is one who is shrewd enough to spot the opportunities that are hidden behind failures.

2) The incongruity between reality and the assumption about reality: Whenever the people in an industry misconceive reality, they make erroneous assumptions and their assumptions will be misdirected. They will put forth their efforts on areas where opportunities do not exist. The incongruity between reality and the assumptions about it can occur in any area of business/industry. Drucker advocates that correct perception of reality will throw light on the opportunities lost due to faulty assumptions. And perceiving the reality correctly does not require 'heroic' innovations; all that is required is a focused, unbiased attention to reality with a genuine interest to perceive things correctly, keeping in mind that an incorrect perception will lead top erroneous results.
3) Innovations based on process need: Innovation based on process need perfects a process that already exists, replaces a link that is weak and redesigns an existing old process. An entrepreneur spots the opportunity that exists in this area that will open up new business prospects.
4) Changes in industry structure or market structure that catches everyone unaware: A change in the industry structure and market structure may offer huge opportunities. Unless one is keen to observe and react to such changes, one will loose to capitalize on the opportunities.
5) Demographics: Demographics is defined as changes in population, its size, age structure, composition, employment, educational status, income level etc., these factors have the most predictable consequences. Successful exploitation of demographic changes will offer lot of opportunities.
6) Changes in perception, mood and meaning: Perceptional phenomenon is a fact. Often it can not be qualified; but it very exists. When a change in perception takes place, the facts do not change. But, their meanings change. Perception based innovation offers opportunities that can be tapped. But, since perception of consumers keep changing, one has to be 'first' in exploiting the perception based innovative opportunities. An entrepreneur has the ingenuity to spot the perception based innovative opportunities first.
7) New knowledge, both scientific and non-scientific: Knowledge based innovation is the 'super-star' of entrepreneurship. But, it has the longest lead time of all innovations. There is a long time span between the emergence of a new knowledge and its becoming applicable to technology. And then, there is another long period before the new technology turns into products, processes services in the market place. Knowledge based innovation pays rich dividends, but requires careful analysis of all connected

factors before spotting the opportunity; else, it may turn out to be a premature attempt and lead to failure.

As a matter of fact, the above two theories lend support to the contention of this study in that, as the study champions women-owned SMEs in African setting, it will go a long way to empower women to contributing to their countries' economic growth since many will not be dependent; it will increase their ability to negotiate and influence rational decision, as the empowerment theory employed in the study suggests. It will also bring unexpected success, correct African perception of women that will lead to enormous result by redesigning an existing old process, opening new business prospects and spot the opportunities that are hidden behind failures. As regards the gap to be filled by this study, the lacuna of a theoretical support for the argument against the limitation of women-owned SMEs in African setting has been filled.

Empirical Literature

Although vast literature on the contribution of (and barriers to) SMEs exist, a particular attention on women-owned SMEs has been neglected over time. For example, in a study of sub-saharan African countries, Fjose, Grunfeld and Green (2010) observed that SMEs constitute about 99% of firms in Africa. They also found that despite the enormous contribution of SMEs in Africa, they still face enormous challenges. They identified poor electricity supply, corruption and red tape associated with government officials, dearth of capital and lack of access to finance to be top on the list.

Etuk, Etuk and Baghebo (2014) also confirmed the extensive role of SMEs in sustainable development, especially in transition economies. They argued that, if fully developed, SMEs will be a veritable tool for poverty alleviation and job creation. In a study that utilized data on 23 OECD countries, Carree, van Stel, Thurik and Wennekers (2002) in an earlier research found that entrepreneurship reduces unemployment significantly in OECD countries. However, in another Sub-Saharan Africa study, Biggs and Shah (1998) find that large firms were the dominant source of net job creation in the manufacturing sector.

Tundui (2012) investigates gender and small businesses in Tanzania. Using survey design and a sample size of 310 owner-managers in Tanzania, she found that women are unlikely to aim high as compared to men due to different socialization experiences. Maziku, Majenga and Mashenene (2014) investigated the effects of socio-cultural factors on the performance of women SMEs in Tanzania. Using a survey design, the study concluded that women immobility, poor support from society members and ethnicity affect negatively the performance of women SMEs. In addition, Ukonu and Tafamel (2011) argued that women contribute significantly to the economic activities in Nigeria. The study was conducted in Gwagwalada in Gwagwalada Area Council in the Federal Capital Territory-Abuja, Nigeria using a questionnaire design that utilized a sample of 109 women. The study identified the following barriers to women SMEs: government regulations, piracy, initial capital and market fluctuation.

But, the barriers notwithstanding, there is overwhelming evidence that women are agents of development. For example, an ILO (2003a) survey in Zambia involving a sample of 118 women entrepreneurs owning 144 firms revealed that women provided employment for 1013 persons of which 973 were full-time employees. This represents an average of 8.2 full-time employees per firm. In Tanzania 128 women entrepreneurs were interviewed. They provided full-time employment for 752 persons, which corresponds to an average of 5.9 persons per firm (ILO, 2003b).

In Ethiopia (ILO, 2003c), 123 women entrepreneurs were interviewed. They provided employment for 852 persons, of which 596 were full-time employees. This corresponds to an average of 4.8 full-time employees per firm. Despite the methodological flaws inherent in a study of this nature which limits its inferential powers, the results strongly indicate that women entrepreneurs can expand their firms and that they can represent an important source of economic development. Statistics on women self-employed in Latin American economies are provided by Saavedra (2001). The author tries to estimate wage differentials in three Latin American economies (Argentina, Brazil and Costa Rica) and, as part of that analysis, estimated rates of self-employment. The rate of self-employment was 20.4% (in Argentina), 36.2% (in Brazil) and 20.8% (in Costa Rica).

Women are pivotal in social engineering and more importantly, economic development of nations. If women are constantly excluded from the workforce due to social restrictions and value-induced limitations, the development aspirations of transition economies may be a mirage. In order to attain a similar growth trajectory as the developed economies understanding the place of women in SMEs in African setting is a *sine qua non* for injecting a fresh fire into the African dream.

METHODOLOGY

Following Mungai and Ogot (2012), the study adopts a survey design. This design is chosen, first, because of the *ipso facto* nature of the inquiry, and secondly to ensure in-depth understanding of the limiting factors to women entrepreneurship. The study adopts a random sampling technique in selecting the sampled respondents. This is to ensure that all the target respondents have equal probability of being sampled. It also ensures that there is no bias in selecting the respondents. A structured questionnaire was designed and administered to 250 sampled women-owned enterprises. Out of the 250 administered questionnaires, 240 were satisfactorily filled and returned. This gives a 96.0% return rate. The study adopts two analytical approaches, namely test of hypothesis using chi-square and logistic regression model. The Chi-square tests were performed to investigate the existence of association between the variables and to enhance inferential deductions from the study while regression analyses were conducted to measure the degree and direction of association between the variables. The study also employed descriptive statistics such as frequencies, percentages and charts.

The binary logit model is specified as: $L^* = \ln(\frac{P_i}{1-P_i}) = \beta_0 + \sum_{j=1}^{k} \beta_j x_{ij} + \varepsilon$

Where: $P_i = E(y=1/x_i) = \frac{1}{1+e^{-(\beta_j + \sum_{j=1}^{k} \beta_j x_{ij})}}$ and is interpreted as the propensity of women-owned SMEs to grow (*i.e. the y-variable*) given the observed factors (*i.e. the x-variables*);

L^*, log-odds ratio is a linear function of the explanatory variables; and the error term is assumed to follow logistic distribution such that it is asymmetric with Var (ε) = 1.

Survival and growth of SMEs owned by women was taken to be the dependent variable while access to finance and sex discrimination, African setting/value system, family responsibilities and child care, lack of relevant networks and of societal position, and lack of experience were taken as explanatory variables.

All the inferential statistics were tested at 0.05 level of significance. The hypotheses tested in this study were as follows:

H_0^1: Inability to access finance due to gender bias does not constitute a significant barrier to women-owned SMEs.

H_0^2: Experience gained through business and management training does not improve business performance.

H_0^3: African Setting/Value systems that assign restrictive and limiting roles to women do not constitute significant barrier to women-owned SMEs.

H_0^4: Family responsibilities and child care do not constitute significant impediment to women-owned SMEs.

H_0^5: Lack of relevant social and economic network does not significantly inhibit the growth and survival of women-owned SMEs.

ANALYSIS AND DISCUSSION OF RESULTS

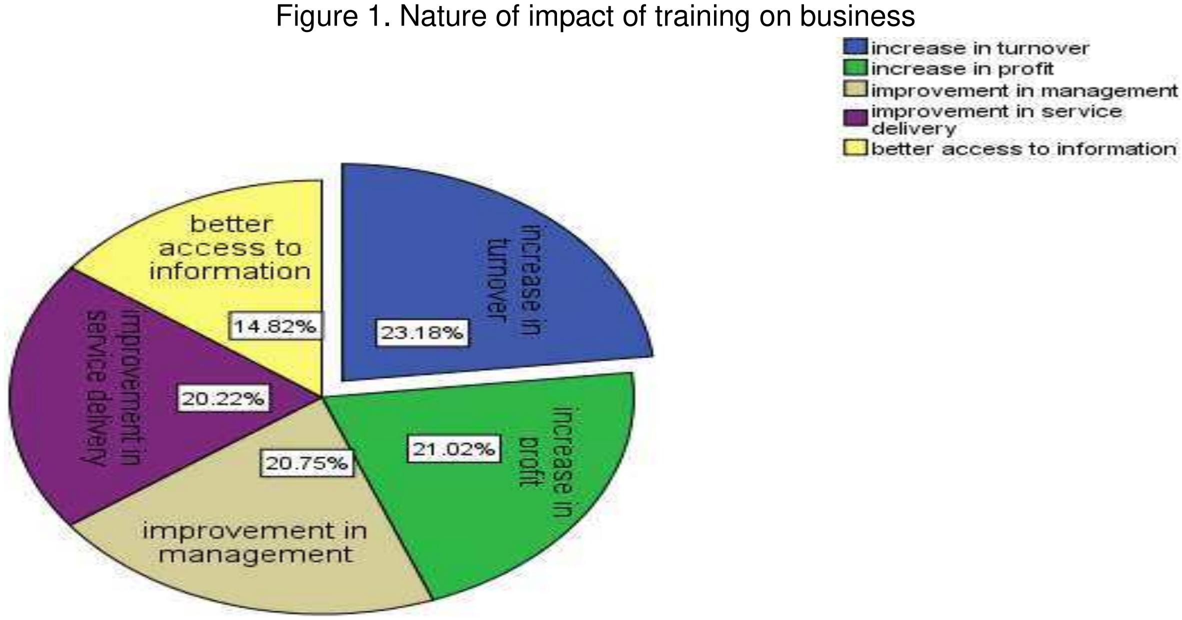
Chi-square Testing of Hypotheses

Access to finance and sex discrimination: About 89.2% of the respondents said they could not secure financial assistance mostly because of their societal status as women while only about 10.8% said that they did not experience financial exclusion. The Chi- square results of $X^2 = 105.9$, df = 2 and $p < 0.01$. This suggests that the hypothesis of no sex discrimination with respect to access to finance cannot be accepted even at 99% confidence level. Thus, we conclude that the inability of women to access finance constitutes a significant impediment to business growth

Business management experience: The survey shows that about 88.2% of the total number of the women that had been trained registered some growth. The relationship between management training and growth of the enterprises was evidenced by the Chi- square results, which yielded a value of 34.8 at 2 degree of freedom and a significance value of $p < 0.001$.

The positive impact of management/business training felt by these entrepreneurs is summarized in figure 1 below. The figure below reveals that the dividends of training include increased turnover, increased profit, improvement in management and improvement in service delivery. A few beneficiaries (14.8% of those that benefited from the training.) also claimed that they were empowered with better access to information.

Figure 1. Nature of impact of training on business

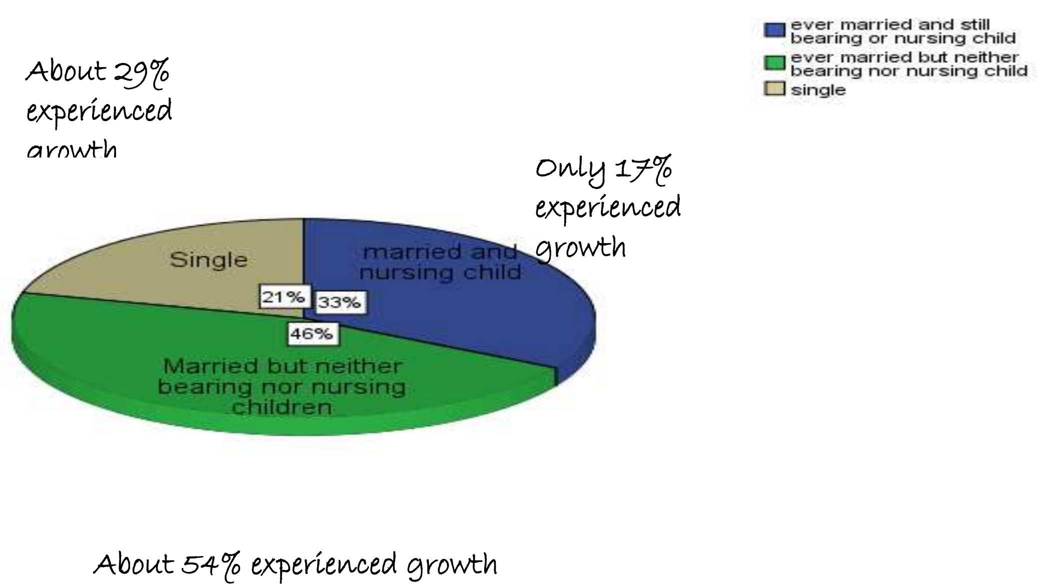


African value system: The Chi–square results similarly indicated a significant relationship between African value system and the growth of the women-owned enterprises with a value of $X^2 = 24.8$, df = 4 and $p < 0.05$. The relationship is found to be negative meaning that African setting/value system undermines women entrepreneurial efforts. However, while 93% of the Hausa/Yoruba Muslims indicated that African setting/value system undermines their entrepreneurial effort, only 45% of the Christians indicated the same.

Family responsibilities and child care: Higher growth rates were registered on both ends of the child bearing status of those in self-employment. Those who are single that registered higher growth accounted for 29% of all those that registered growth (and 64% of the singles that participated in the survey) while those that are married but have stopped childbearing accounted for 54% of all those that registered growth (and 55% of that category that participated in the survey). Those who are married and are still bearing child accounted only for 17% of all those that registered growth (and 33% of that category that participated in the survey). The summary is shown in figure 2 below.

With the chi-square test of $X^2 = 74.5$, df = 4 and $p > 0.001$ shows that family responsibility and child bearing have significant negative effect on the performance of women-owned enterprises.

Figure 2. Marital Status



Relevant networks and societal position: Respondents with higher social and economic networks registered greater growth rate than respondents with lesser or no networks. The data reveals that about 86% of the respondents that have some social and economic networks recorded significant growth rate. The study found a positive significant relationship between relevant network and social standing and growth of the enterprises ($X^2 = 41.9$, df =2, $p < 0.001$).

Hypothesized Barriers in Logit Regression Model

The study as stated in section three adopts two approaches to hypotheses testing, namely chi-square, X^2 test and regression approach. Having conducted the chi-square test in the previous sub-section, we focus on regression approach to test of hypothesis in this sub-section. The growth and survival of women-owned SMEs is the dependent variable while the explanatory variables are access to finance *vis-a-vis* sex discrimination, business and management training, African setting/value system, family responsibility and child care, and social and economic network. Given that the dependent variable is a discrete choice variable we estimated a logit model as specified in section three above. The logit regression result is summarised in the table below.

Table 2. Summary of logit regression result (see appendix for the output)

Barrier to women-owned SME	**Access to finance *vis a vis* sex discrimination**	**Business and management training**	**African setting/value system**	**Family responsibility and child care**	**Social and economic network**
Logit(log-odd)[a]	-4.91(2.51)*	5.35 (2.79)*	-1.18 (0.23)**	-3.90 (0.65)**	-1.35 (1.04)
Z value[b]	{-1.99}	{1.98}	{-5.04}	{-5.96}	{-1.31}
p-value[c]	[0.046]	[0.049]	[0.001]	[0.001]	[0.19]
odd-ratio	136	211	3	49	4
McFadden R^2=0.86	LR statistics (5 df) =141.09 [0.001]				

a: the parameter estimates are followed by the standard errors which are in bracket b: the z

The above table shows that inability of women to access finance based on gender exclusion has negative effect on women-owned SMEs. The estimates show that for every time that women are denied access to finance the odd against business growth and survival is 136. Carter (1997) had earlier observed that women entrepreneurs are financially disadvantaged. This problem could be worse in African. Women are traditionally disenfranchised from family wealth. This is worsened by the difficulties they encounter in sourcing fund from both formal and informal financial institutions. The parameter for financial barrier and sex discrimination against women is statistically significant at 5% level of significance. This suggests that lack of access to finance is a key barrier to women-owned SMEs.

Business and management training has the propensity to increase business success. The odd-ratio of 211 suggests that for every training attended by women entrepreneurs, there is tendency to increase their business success by 211 times. All stages in entrepreneurship require experience and innovation which can be products of information and training. Empowering women through training, information and knowledge transfer can be a veritable tool for business success. Lack of training and right information could be serious barriers to business success. The parameter estimate is also significant at 5% significant level.

Also, the result suggests that African values that involve gender-related occupational closures and restrictive role assignments may have negative effect on women entrepreneurs. The odd-ratio of 3 suggests that women–owned SMEs suffer 3 times setback for every time that women are disfavoured, disadvantaged or even dispossessed through the value system, norm and culture. The parameter estimate is even significant at 99% confidence level. Family responsibility and child care also exert negative impact on business growth and survival. It enters the model with odd of 49 against business growth and survival. In Africa, child care and household chores are the exclusive responsibilities of women. These responsibilities are not meant to be share with the male counterparts in the family. This, no doubt, puts serious demand on the time available to time for her business activities. This limits her commitment to her business, thereby constituting a serious barrier to her entrepreneurial efforts.

The last variable investigated in our model is economic and social network. This variable entered the model with a negative sign which concurs with the *a priori*. According to Lin (1999), women have in general a lower social position than men, which affects the kind of networks they can access or are part of. Even the strong and personal networks that women traditionally engage in are well suited to purposes linked to the family related tasks that may prove to be a hindrance in the marketplace. This study validates this claim by Lin (1999). The predictive power of the model is established by the Mc Fadden R^2 of 86%. Also, the LR statistics of 141 ($p< 0.001$) also confirms that the model is robust and and all the parameter estimates are jointly significant.

RECOMMENDATIONS

- That the governments of African countries should ensure that legislation provides equal opportunities for women and men. Where legislation is gender-neutral, government should also ensure that nondiscrimination is actually practiced. Government should also partner with financial institutions to enhance women's access to finance to substantially close the wide credit gap.

- African women leaders should help women to form business groups that will enhance their networks, access to information as well as ease of accessing credit. NGOs also should embark on sensitization and education campaign aimed at gender equality and changing the societal perspective on the social status of the African woman.

CONCLUSION

This study investigated the place of woman in SMEs in African setting. The study reveals that female entrepreneurship represents a vast untapped source of innovation, job creation and economic growth in in Africa. However, in addition to general barriers that affect SMEs and entrepreneurship in Africa (such as low income per head, dearth of infrastructure, harsh economic environment, entrepreneurial spirit, etc.), the African woman still battles with certain peculiar barriers such as access to finance worsened by gender discrimination. Many women do find it difficult to access finance simply because they are women. Meeting every other requirements as the male counterparts, they stand less chance of being successful in the bid for credit. In addition, the African setting through its value system imposes further limitation on the woman-entrepreneur: the woman is generally seen as a housekeeper whose education even ends in the kitchen. Although, this perception is seen to be waning, the study found that it is still more predominant among the Islamic regions and countries. This corroborates World Bank (2012) reports. The family role of the woman, poor social and economic network as well as lack of business management skill were found to inhibit the success of women-owned SMEs.

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