

Factors Influencing Governance of Women Entrepreneurship Groups in Babati District Council, Tanzania

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Abstract: *The study focused on examining factors that influence governance of women entrepreneurship groups in Babati District, Tanzania. The study covered Babati District Council in Manyara Region which consists of 17 wards. The study employed stratified sampling technique to select a sample of 15 out of 34 women entrepreneurship groups and 5 respondents from each group were involved in the study. The study also employed purposive sampling technique to select 3 respondents who were women entrepreneurship group leaders (Chairperson, Treasurer and Secretary), while through convenient sampling the study collected data from 2 other members from each group; which formed a sample size of 75 respondents. To achieve the desired results, self-administered questionnaires were used to collect data. According to the study results, 53.4% of the respondents disagreed that their groups had access to Tanzania Women Bank. In order to analyse the influence of government policy in enhancing governance of women entrepreneurship groups, the study revealed that 87.4% of respondents agreed that there is evidence that microfinance policy and gender policy are beneficial to their groups. On the influence of leadership on governance of women entrepreneurship groups, all the respondents agreed that there is good leadership in our group that supports women entrepreneurship. Further, 53.4% disagreed that their groups had access to Tanzania Women Bank, despite its role of providing sufficient loans to small and medium enterprises especially the ones owned and run by women entrepreneurs, but from the results Tanzania women bank is seen not yet exercise this mission to women entrepreneurship groups in Babati District. Further, 87.4% of the respondents agreed that microfinance policy and gender policy were beneficial to their groups with emphasis on equity and equal access to financial institutions between women and men. All the respondents agreed that the existence of good leadership in their groups has supported women entrepreneurship groups to exercise enterprise activities smoothly in their areas. The study also revealed that Tanzania Women Bank is not well spread all over the country particularly in Babati District which led to less provision of financial support to women entrepreneurs; hence the need for government of Tanzania to strengthen TWB to fully exercise its purpose in provision of financial services for its customers, targeting mainly customers with low income comprising of small businesses, small and medium enterprises (SMEs) with special focus to empower women economically and socially with high emphasis on women entrepreneurs. One of the mission of SIDO is to provide sophisticated trainings and skills on small and medium entrepreneurs as well as providing loans to them. However, 36% of the respondents disagreed that SIDO provides different entrepreneurship skills trainings to women entrepreneurship groups in Babati. Following thereof, the government of Tanzania through SIDO should provide training programmes to support and boost women entrepreneurship in Tanzania.*

Keywords: Governance, women entrepreneurship, government institutions, government policy, leadership.

1. Background

In 2012, an estimated 126 million women were starting or running new businesses in 67 economies around the world. While Sub-Saharan Africa shows the highest rate of female entrepreneurship was (27%), the female entrepreneurs in the Middle East and North Africa region (MENA) report the lowest rate of 4% among regions. In addition, an estimated 98 million were running established businesses. A projected 48 million female entrepreneurs and 64 million female business owners currently employ one or more people in their businesses. Seven million women entrepreneurs and five million women established business owners plan to grow their businesses by at least six employees over the next five years from 2012 (Kelley, 2012).

Research conducted by the African Development Bank (ADB) shows an increase ranging from 10 to 30 percent in the number of women led enterprises over the last decade. In Uganda alone, women account for 40 percent of businesses. As the number of women entrepreneurs and innovators increase, their voices can no longer be ignored. African women and girls have a significant role to play in Africa's economic and innovative transformation.

Tanzania government in strengthening women entrepreneurship has established Tanzania Women Bank which began in 1999, to provide loans with affordable interests to Tanzania women as a number of female entrepreneurs approached. The bank officially opened for business on 28 July 2009 with the aim to empower women economically and socially. It serves all segments of society including low income earners, large corporations and small and medium enterprises (SMEs). From the time of its creation, in 2007, as a private limited liability company, 97% of the shareholding in the stock of the bank was owned by the Government of Tanzania. The remaining 3% was owned by private institutions and individuals. In August 2012, the Tanzanian government began the process of listing the shares of the bank's stock on the Dar es Salaam Stock Exchange (DSE), through the issuance of an Initial Public Offering (IPO). The bank changed its official name to Tanzania Women's Bank Public Limited Company, in keeping with the change in ownership to a public limited liability company. The shares of TWB were listed on the Dar es Salaam Stock Exchange (DSE) in 2012 (GOT, 2013).

2. Purpose of the Study

The purpose of the study was to examine factors that influence governance of women entrepreneurship groups in

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Babati district, Manyara region, Tanzania. Specifically, the study sought to assess the influence of government institutions in enhancing governance of women entrepreneurship groups, to analyse the influence of government policy in enhancing governance of women entrepreneurship groups, to evaluate the influence of leadership in improving governance of women entrepreneurship and hence increment of women effectiveness, sustainability and performance in their enterprise activities.

3. Research Methodology

The study employed a case study research design. The design was chosen in this study because it allowed a researcher to deal with single unit i.e. women entrepreneurship groups. The design helped a researcher to collect in-depth information through the use of self-administered questionnaire technique. The study covered a sample of 75 respondents drawn from a total population of 450 members of women entrepreneurship groups in Babati District. Data collection involved the use of questionnaires. Data analysis was done through use of descriptive statistical tools namely frequencies, and percentages.

4. Results and Analysis

The Influence of Government Institutions in Enhancing Governance of Women Entrepreneurship Groups

In order to assess the influence of government institutions in enhancing governance of women entrepreneurship groups, the results from the Table 1 shows that 10.7% of respondents strongly agreed while 12% agreed that their groups had access to Tanzania Women Bank which have contributed to enhance capacity of women entrepreneurship in their groups. On the other hand 24% indicated that they did not know, while 18.7% strongly disagreed and 34.7% disagreed that their groups had access to Tanzania Women Bank which have contributed to enhance capacity of women entrepreneurship in their groups. Results imply that Tanzania Women Bank is contributing less to boost up governance of women entrepreneurship groups in Babati District.

Table 1: Access to Tanzania women bank which have contributed to enhance capacity of women entrepreneurship in our group

	Frequency	Per cent	Cumulative Per cent
Strongly Agree	8	10.7	10.7
Agree	9	12	12.7
Don't know	18	24	46.7
Strongly Disagree	14	18.7	65.3
Disagree	26	34.7	100
Total	75	100	

The results in Table 2 show that the majority of respondents; 45.3% and 33.3% strongly agreed that they also got some support from the government institutions and other external sources, while 8% of the respondents strongly disagreed and 9.3% disagreed. However, 4% of respondents did not know. The implication of these results is that most of the women entrepreneurship groups were receiving support from various government institutions such as district councils

through initiated women development fund and other financial support from development stakeholders.

Table 2: Additional support from other government institutions and other external sources

	Frequency	Per cent	Cumulative Per cent
Strongly Agree	25	33.3	33.3
Agree	34	45.3	78.7
Don't know	3	4	82.7
Strongly Disagree	6	8	90.7
Disagree	7	9.3	100
Total	75	100	

The Influence of Government Policy in Enhancing Governance of Women Entrepreneurship Groups

In order to determine the influence of government policy in enhancing governance of women entrepreneurship groups, the results in Table 3 depicts that 62.7% of respondents agreed and 24.7% of respondents strongly agreed to the evidence that microfinance policy and gender policy are beneficial to their groups and something that led to the increase strong capacity of women entrepreneurship. The results reveal that the majority of respondents believed that microfinance and gender policy has contributed paramount benefits to their groups towards financial and entrepreneurial capacity to women entrepreneurs in Babati District Council.

Table 3: There is evidence that microfinance policy and gender policy are beneficial to our group and something that led to the increase strong capacity of women entrepreneurship

	Frequency	Per cent	Cumulative Per cent
Strongly Agree	18	24	24
Agree	47	62.7	86.7
Don't know	3	4	90.7
Strongly Disagree	4	5.3	96.7
Disagree	3	4	100
Total	75	100	

The results in Table 4 show that 56% of respondents agreed while 36% of respondents strongly agreed that there are other government policies that support empowerment of women in entrepreneurship such as women in development policy. The results imply that majority respondents (92%) agreed and are aware of the government policies that supports and accelerate women economic activities through entrepreneurship in their area, which is among of the factors that influence governance of women entrepreneurship groups.

Table 4: There are other government policies that support empowerment of women in entrepreneurship

	Frequency	Percent	Cumulative Percent
Strongly Agree	27	36	36
Agree	42	56	92
Don't know	1	1.3	93.3
Strongly Disagree	1	1.3	94.7
Disagree	4	5.3	100
Total	75	100	

The Influence of Leadership in Improving Governance of Women Entrepreneurship Groups

On the influence of leadership on governance of women entrepreneurship groups, the results in Table 5 show that 60% of the respondents strongly agreed while 40% of respondents agreed that there is good leadership in the groups that supports women entrepreneurship. The results imply that all groups sampled for data collection were led by women and hence a considerable good leadership with capacity to influence women entrepreneurship.

Table 5: Existence of in groups that supports initiating women entrepreneurship

	Frequency	Per cent	Cumulative Per cent
Strongly Agree	45	60	60
Agree	30	40	100
Don't know	0	0	
Strongly Disagree	0	0	
Disagree	0	0	
Total	75	100	

The results in Table 6 show that 48% of respondents strongly agreed and 40% agreed that the increase support from the government leadership on women groups has contributed to the improvement of women enterprises. The results imply that leadership from the government especially from the local government authority levels (district councils) are supporting women groups through women development fund (WDF), provision of trainings basing on the credits and loans as well as entrepreneurship skills.

Table 6: Improvement in women entrepreneurship due to increase support from the government leadership on women groups

	Frequency	Per cent	Cumulative Per cent
Strongly Agree	36	48	48
Agree	30	40	88
Don't know	1	1.3	89.3
Strongly Disagree	4	5.3	94.7
Disagree	4	5.3	100
Total	75	100	

According to results in Table 7, 53% of all respondents interviewed were agreed while 37% of respondents interviewed strongly agreed. This indicates that 90% of respondents interviewed evidenced that leadership in their groups is a key determining factor that reinforces women entrepreneurship groups in their areas. In regards to the results, respondents were of the opinion that apart from other factors good leadership in their groups had maximum impact in governance of women entrepreneurship groups.

Table 7: Leadership in women groups is the key determinant factor for women entrepreneurship governance

	Frequency	Percent	Cumulative Percent
Strongly Agree	28	37.3	37.3
Agree	40	53.3	90.7
Don't know	1	1.3	92
Disagree	6	8	100
Total	75	100	

5. Conclusions

In general, the study examined factors that influence governance of women entrepreneurship groups in Babati District, Tanzania. From the study findings, it is evident that governance is a key ingredient to success in women entrepreneurship. According to the study findings, it can be concluded that access to Tanzania Women Bank has not been adequate. This is against the purpose for which the bank was established. The bank was established to provide sufficient loans to small and medium enterprises especially the ones owned and run by women entrepreneurs. However, from the results Tanzania Women Bank has not yet achieved this mission to women entrepreneurship groups in Babati District. However, the microfinance policy and gender policy have been very beneficial to their groups with emphasis on equity and equal access to financial institutions between women and men.

Correspondingly the influence of leadership in improving governance of women entrepreneurship groups in Babati District was highly rated as supported by all the respondents who indicated that the existence of good leadership in their groupshad supported women entrepreneurship groups to exercise enterprise activities smoothly in their areas.

6. Recommendations

From the study findings the following recommendations are made in order to strengthen the governance of women entrepreneurship groups in Tanzania.

The study findings shows Tanzania Women Bank is not well spread all over the country particularly in Babati District which leads to inadequate access and provision of financial support to women entrepreneurs. Therefore, the need for government of Tanzania to strengthen TWB to fully exercises its purpose in provision of financial services for its customers, targeting mainly customers with low income comprising of small businesses, small and medium enterprises (SMEs) with special focus to empower women economically and socially with high emphasis on women entrepreneurs. There is adequate supporting evidence that with reliable and affordable access to credit services, women will be able to build assets of their own which will help them to reduce their vulnerability in the society and better management of the household emergencies thus serving as an important safety net for poor women and their households.

One of the mission of SIDO is to provide skills-based training to small and medium entrepreneurs as well as providing loans to them. The study findings show that SIDO provides different entrepreneurship skills trainings to women entrepreneurship groups in Babati District to a limited scale. This means that the government of Tanzania should look on the new mechanism and approaches on how SIDO can be a useful tool to support and boost up entrepreneurship in Tanzania.

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