GENDER AND SMALL-SCALE ENTERPRISES FOLLOWING ECONOMIC REFORMS: A CASE STUDY OF DAR-ES-SALAAM

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A MINI-THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MPHIL WOMEN'S AND GENDER STUDIES PROGRAMME IN THE FACULTY OF ARTS, UNIVERSITY OF THE WESTERN CAPE.

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KEY WORDS

Tanzania

Women

Entrepreneurship

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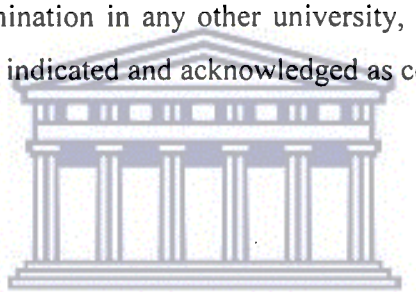
TABLE OF CONTENTS

DECLARATION

I declare that *GENDER AND SMALL-SCALE ENTERPRISES FOLLOWING ECONOMIC REFORMS IN TANZANIA: A CASE STUDY OF WOMEN ENTREPRENEURS IN DAR-ES-SALAAM* is my own work, that has not been submitted before for any degree or examination in any other university, and that all the sources I have used or quoted have been indicated and acknowledged as complete references.



NAMINI SCHOLASTICKA IDDI MANGI

Signed Date

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DEDICATION

This mini-thesis is dedicated to my father Mr **SENDORO IDDI SENGASU CHAMBUA,** my mother **AMINA KIONE KITARAJU IDDI** and my brother Mr **ABBASI SENDORO IDDI SENGASU** whose efforts, love, patience and sacrifices are behind everything achieved.

ABSTRACT

This study is about Gender and small-scale enterprises following recent economic reforms in Tanzania. It deals with a case study of women entrepreneurs in Dar-es-Salaam, focusing on their prospects and problems, and the mechanisms they use to survive in a competitive free market. There is concern among policy analysts and gender activists that the economic reforms have negatively affected women entrepreneurs more than their male counterparts (Tibaijuka, 1992). However, these concerns have not yet been substantiated through detailed empirical evidence.

The findings of my study reveal that it is a combination of factors which lead women entrepreneurs to establish small-scale enterprises. These motivating reasons are to fulfill the needs of their families such as school fees of their children. Similarly, Tanzanian women entrepreneurs start a small business so as to supplement their insufficient incomes, achieve independence and as a substitute to paid employment. However, they experience a variety of problems, such as the lack of business premises, high rental costs at commercial areas, competition, lack of start-up and working capital from banks and micro-financial institutions, lack of information, and bureaucracy around business licenses. Women entrepreneurs have developed various tactics to handle such difficulties they encounter in their businesses. These are: locating their enterprises in near or around their homes, employing relatives and other people, charging competitive and differentiated prices, diversifying their businesses, working for extra hours, and establishing informal credit associations.

The recommendations are: the government should clarify and shorten the procedures of licenses and business premises acquisition, provide more commercial areas with cheaper rentals. Similarly, the government should be sympathetic towards women when it formulates and implements its developmental policies, women should be informed about available training opportunities. Future studies should investigate a larger sample of women entrepreneurs in small-scale enterprises involved in other sectors using the feminist research methods.

CHAPTER 1: INTRODUCTION

1.1. Introduction

For the past three decades the need to rectify gender inequalities and to bring women into the mainstream of development has been a major policy concern of United Nations bodies, Governmental and many non-governmental organizations both around the world and in Tanzania. This is because resource ownership patterns in Tanzania, as in other African countries, are gendered to the disadvantage of women (United Nations, 1995; Rutashobya, 1995). It has also been widely accepted that one of the ways to alleviate poverty in Africa is the establishment of small-scale enterprises which is the sector of the economy dominated by women (United Nations, 1995). Consequently, international financial institutions as well as United Nations agencies have come out in support of women's small-scale enterprises in developing countries. In the process of strengthening this move, most of the international organisations have created expertise in the development of women (Andersson-Hannan, 1995; Omari, 1995). This is because it has finally been recognized that women constitute a key resource in bringing about economic and social transformation. This recognition has led to a host of supportive intervention measures like the establishment of small-scale development organisations all over the world to promote the sector. In Tanzania, for example, the establishment of Small-Scale Industries Development Organisation took place in 1973 (Mbughuni and Mwagunga, 1989).

In Tanzania women constitute 51% of the total population and represent a substantial work force (United Republic of Tanzania, 1988). Apart from their involvement in cash and food production, women own and manage small-scale enterprises (Tripp, 1990; Bagachwa, 1991; Omari, 1991; Rutashobya, 1995). Women's participation in entrepreneurship is a recent phenomenon particularly after the major economic reforms that will be discussed later (El Namaki, 1990).

Women's participation in small-scale enterprises has risen from 9% in 1980 to 60% in 1989 (United Republic of Tanzania, 1991). Tripp (1996) studied the participation of women entrepreneurs in establishing small-scale enterprises in Tanzania's urban areas between 1971

and 1990, and found that their participation has risen from 7% to 65%. By 1995, it was estimated that the proportion of women had risen to 70% of the work force in this sector. A survey by Economic and Social Research Foundation in Tanzania (1997) found that 55% of the total small-scale enterprises sampled were owned and managed by women. The statistics in Tanzania indicate that in 1976, formal wages constituted 77% of total household income for wage earners while in 1988, 90% of the income was from entrepreneurial activities (Tripp, 1990). The informal sector survey of 1991 revealed that 78% of the entrepreneurial activities were owned and managed by women within the six years of the Structural Adjustment Programmes (United Republic of Tanzania, 1991).

The small-scale enterprise is one of the leading employers next to agriculture in Tanzania. It is estimated that there are over one million enterprises employing between 3 and 4 million people or 20-30% of the total work force (Mlingi, 2000). Small-scale enterprises are considered to have the most potential for contributing to employment growth and increased incomes. Women in small-scale enterprises are able to generate between 2.5 and 10 times the minimum earnings of civil servants. Its contribution to the national income is estimated at between 35% and 40% of the Gross Domestic Product (Finseth, 1998). Small-scale enterprises are an arena where the majority of women make their living.

1.2. Statement of the problem

There is growing concern among policy analysts and gender activists that the economic reforms required by Structural Adjustment Programmes have negatively affected more women entrepreneurs than their male counterparts in both rural and urban areas in Tanzania (Bagachwa 1991; Ndanshau, 1998; Tibaijuka, 1992). The problems and prospects facing Tanzanian women entrepreneurs have not yet been extensively researched through a detailed empirical study. Therefore this research aims to address this shortcoming and to contribute to the sparse literature on this subject.

Economic reforms are always taken when there is a crisis. The Tanzanian economic crisis consisted of a range of economic difficulties from late 1970s and early 1980s. These difficulties included:

- Collapse of commodity prices in which the international market for export goods, which in turn affected farmers income and the country's foreign exchange earnings thus weakening the ability to import basic requirements;

- Increase in the price of petrol and petroleum products, which adversely affected the country's balance of payments thereby forcing the government to depend on foreign loans and grants;

- Breakdown of the East African Community (EAC) which necessitated heavy expenditure on establishing services that were formerly provided by the Community;

- War of aggression by Idi Amin which led to unbudgeted expenditures in repulsing him and thus fueled inflation;

- Extended drought which slowed down production in various sectors of the economy. This led to hunger and a decline in revenue earnings on the part of the government (United Republic of Tanzania, 1998).

Overall, these difficulties contributed to the growth of national debt. When servicing the debt became unsustainable the Tanzanian government was forced to turn to the lenders of last resort, the International Monetary Fund (IMF) and World Bank. In 1986, the International Monetary Fund and World Bank agreed to lend Tanzania the money to service its debt under the Structural Adjustment Programmes (Boesen, Havnevik, Koponen and Odgaard, 1986).

A series of measures were introduced under the Structural Adjustment Programmes. These included the National Economic Survival Programme. The aim was to stabilize the economy,

and to reduce government spending on social services and other aspects of the economy. The Structural Adjustment Programmes emphasized the reduction of inflation, raising productivity efficiency, the reduction of public expenditure, the removal of subsidies, civil service reforms, the user charges/cost sharing in the social service sector and the removal of price controls. All these measures affected the poor more than the rich, and with women being the bulk of the poor, more women than men were affected (Koda and Mukangara, 1997).

The Structural Adjustment Programmes required:

- Increasing deregulation of the market, rapid tariff deductions and the removal of protectionist barriers. Thus production takes place for export and not for the domestic market;
- The government's prioritising the payment of the IMF/World Bank Loans;
- Declining social expenditure on health care, education, and social welfare;
- Escalating labour market flexibility and removing minimum standards of employment for workers;
- Lowering wages;
- Diminishing the role of the state in social service delivery through privatization (International Labour Resource and Information on Group, 1999).

One aspect of the Structural Adjustment Programmes was the devaluation of the Tanzanian shilling (Tanzanian currency) from Tshs.15.3/= to more than Tshs. 400/= (equivalent to the US $ 1) which had a big impact on maize consumer prices. Alongside the removal of key subsidies for fertilizers and maize production, this had a negative impact on indigenous smallholder producers and poor consumers, of whom the majority were women. Previously existing restrictions on trade and price controls were removed as part of trade liberalisation. These steps have led to a deluge of imported goods and services, undermining local production (Tanzania Gender Networking Programme, 1993).

Under the auspices of the Structural Adjustment Programmes, government priorities have shifted from human economic development, from food to cash crops production, from small

scale to large-scale enterprises, from import to export-led policies in development. Government and Donor support for social services have declined. Individual and communities were expected to pay more for social services and local infrastructure (Tanzania Gender Networking Programme, 1993).

In the area of trade policy reforms, the focus was on opening up domestic markets by instituting trade liberalisation and the removal of trade restrictions. The trade liberalisation has resulted in competition between local goods and imported. As a result, local entrepreneurs, the majority of whom were women in small-scale enterprises were forced to compete against imports so as to be able to support themselves and their dependants (Klemp, 1994).

The imposition of drastic cuts in public expenditure levels has affected the delivery of social services, while inflation has greatly reduced levels of purchasing power. As a result, the elimination of subsidies has made the cost of basic food prohibitively high and reduced levels of production. Many people, particularly, women in the lower socio-economic groups, had no choice but to work longer hours to make ends meet by engaging in small-scale entrepreneurial activities as a survival strategy (Klemp, 1994). Similarly, the rising costs of health care which accompanied liberalisation and user charge fee (cost sharing) policies affected more women than men (Koda and Mukangara, 1997; Tanzania Gender Networking Programme, 1993).

Furthermore, the Structural Adjustment Programme in Tanzania also led to the introduction of civil service reforms which involved a reduction of employees in the public sector, leaving many people unemployed, particularly women. This is because majority of Tanzanian women occupied the low level jobs. Similarly, as men lost their formal sector employment under the Structural Adjustment Programmes, more women were assuming added responsibilities in sustaining their families. Women were therefore expected to increase their contributions to the support of their families and households. This has exerted pressure on women to supplement the basic income of their families by increasingly turning to the small-scale enterprises (Mbughuni, 1994; Rutashobya, 1995). In an effort to survive, many former

civil service employees used some of their funds they received as retrenchment benefits to establish small-scale enterprises (Watkins and Watkins, 1984; Alange, 1994; Storey, 1994; Temu, 1997). The implementation of public reforms thus led to an increase in number of female and male entrepreneurs as entrepreneurial activities became an increasingly viable economic option. The entrepreneurial activities were initially relatively successful and became the only economic option for many former civil service employees, both men and women, to supplement their meagre income. However, such businesses have collapsed at a steadily increasing rate over recent years. This trend has affected more female entrepreneurs than their male counterparts (Storey, 1994; Graham, 1995; Tibaijuka, 1992). Even those fortunate enough to keep their jobs were forced into entrepreneurial activity. For many salaried people their incomes have been insufficient to make ends meet. As a result, they established small-scale enterprises to supplement their earnings (Boesen, Havnevik, Koponen and Odgaard, 1986).

1.3. Aim of the study

Through qualitative feminist research, and using semi-structured interviews, my study aims to examine the extent to which women entrepreneurs in small-scale enterprises have overcome problems they face in their entrepreneurial activities. It also aims to examine the coping mechanisms/ strategies developed by women entrepreneurs in order to survive in a competitive free-market. Finally it also aims to suggest ways to improve women's entrepreneurial opportunities. The significance of the study is discussed in detail below.

1.4. Significance of the Study

If widely disseminated, my research has the following importance; firstly, the findings of my study might help women entrepreneurs in small-scale enterprises gain more knowledge about strategies for addressing their problems. In turn, if this research is made widely available it can contribute to the development of entrepreneurial activities which might help Tanzanian women survive in competitive markets. Secondly, the recommendations which are made might assist Tanzanian policy makers and stakeholders in the arena of small-scale enterprises to design and develop policies which might help women entrepreneurs to carry out their

entrepreneurial activities more effectively and efficiently for the well- being of women and nation as a whole. Thirdly, the data would contribute to the literature on development of women entrepreneurs in Tanzania and add to the debate about the impact of economic reforms and the Structural Adjustment Programmes on Tanzania. Finally, the research findings would act as a base for further research.

My study seeks to identify the prospects and problems faced by women entrepreneurs in small-scale enterprises following economic reforms. The following section discusses the basic approaches which are applicable to this study.

1.5. Basic approaches

This study fits into the Gender and Development approach. The Gender and Development approach is holistic in its perspective, as well as multidisciplinary and multidimensional. It links economic, political and social issues together. Gender refers to socially established roles, informed by cultural norms and values, not by biological differences. Gender identifies the social relationship between women and men and the way this relationship is constructed. Gender relations change in time and differ per society, even from village to village. A gender perspective is recognised as an important analytical framework since it can show how inequalities in access and control over resources is mediated by cultural constructions and practices which deprive women of the freedom to use and manage resources (Young, 1997).

According to Young (1997), within the Gender and Development framework, development is viewed as a complex process involving the social, economic, political and cultural in the betterment of individuals and of society itself. Betterment in this sense means the ability of the society and its members to meet the physical, emotional, and creative needs of the population by examining the impact of economic development on any particular part of the society or group. It is important to question who benefits, who loses, what trade-offs have been made, what the resultant balance of rights and obligations are and what the balances/ imbalances of power and privilege between men and women and between given social groups are (Young 1997).

The Gender and Development approach represents the confluence of diverse feminist perspectives. It draws its heritage from feminist activism as well as from schism (Young, 1997). It is the outcome of the combination of lessons learned from Women in Development (WID) and Women and Development (WAD) that have led to the emergence of the Gender and Development (GAD) approach.

My study does not fit into the WID approach because its assumptions could not sufficiently explain the economic oppression of women in the Third World including Tanzania. My position is consistent with Mohanty, Torres and Russo (1991) and Scott's (1995) argument that the Women in Development approach is itself implicitly gendered and its characterization of Third World women distorted and detrimental. It tends to focus narrowly on sexual inequality and ignore the structural and socio-economic factors within which gender inequalities are embedded.

The Women in Development approach tends to have Western values and targets the individual as the catalyst for social change. It is solidly grounded in traditional Modernization theory, which depicts traditional societies as authoritarian and male-dominated. This shows some sensitivity to oppression faced by women. However, the Women in Development approach tends to accept existing social structures, simply believing that women are not integrated in the process of development. It does not question the sources of women's subordination and oppression and also does not ask why women have tended to not benefit from development strategies. The Women in Development approach treats women as an undifferentiated category, overlooking the influence of class, race and culture. In addition, it focuses exclusively on the productive aspects of women's work, ignoring or minimising the reproductive side of women's lives (Visvanathan, 1997).

It can be argued that both the WID and WAD perspectives do not address the underlying problems of class and gender inequality, and, on a larger scale, the inequality between North and South. This is because the perspectives consider women's oppression as homogeneous. On the other hand, the Gender and Development approach is an analytical framework that emphasises gender relations in both the labour force and the reproductive sphere (Young,

1997). Young (1997) argues that the Gender and Development approach focuses not just on women (as WID and WAD) but also on the social relations between women and men in the work place and in other settings. The Gender and Development uses gender relations rather than "women" as the category of analysis and views men as potential supporters of women (Young, 1997).

The Women and Development approach emerged as a critique of the Modernisation theory and WID approach. It draws from Dependency theory which argues that women have always been part of development processes and therefore, integrating women in development is unnecessary (Visvanathan, 1997). WAD focuses on the relationship between women and development processes. The approach accepts that women are important economic actors in their societies. Women's work in the public and private domain is central to the maintenance of their societal structures. But the theory looks at the nature of integrating women into development which sustains the existing international structures of inequality (Visvanathan, 1997). It discourages a strict analytical focus on the problems of women, independent of those of men, since both sexes are seen to be disadvantaged by oppressive global structure based on class and capital. But WAD tends to focus on women's productive role at the expense of the reproductive side of women's work and lives. The approach assumes that once international and national structures become more equitable, women's position will improve. However, WAD does not question the relations between gender roles. The theory fails to analyse the relationship between patriarchy in different modes of production and women's subordination and oppression (Rathgeben, 1990).

The Gender and Development model adopts a holistic approach, which treats development as a complex process influenced by political and socio-economic forces. Although, according to Chowdhry (1996) the Gender and Development approach has also tended to romanticise and essentialise Third World women, and lacks credibility with mainstream development agencies, it serves as a reminder that Third World women cannot be left out of development policies and plans. The Gender and Development approach expects the government to assume a critical role in providing programmes to support the work of the social reproduction. It avoids generalisation and universalisation of the characteristics of patriarchal

oppression (Young, 1997), and focuses on the relations of power between women and men. The theory also identifies unequal relations of power (rich, poor, women and men) that prevent equitable development and women's full participation in any context. Its goal is to have equitable, sustainable development with women and men as decision-makers. Thus, this approach aims to empower the disadvantaged and calls for the transformation of unequal relations. The Gender and Development approach framework is useful in identifying and addressing the practical needs determined by women and men to improve their conditions. At the same time it addresses strategic interests of the poor through people-centred development. In addition, it tries to develop strategies which lead to empowerment of women (Young, 1997). The concept of empowerment is viewed as a process through which men, women, boys and girls acquire knowledge, skills and willingness to analyse their situation critically and take appropriate action to transform their status quo in a society (Parpart, 1996). In this way women and other marginalised groups can question and challenge the existing socially constructed and stereotypical view of women and men, especially those posing constraints to female entrepreneurship.

The Gender and Development approach is comprehensive in its outlook, multidisciplinary and multidimensional in that it links economic, political, cultural and social issues together. Its analysis shows how gender is constructed as well as deconstructed within different discourses. It recognises women's contribution inside and outside the household, including non-commodity production. The approach gives special attention to oppression in the family. For example, Goffee and Scase (1985), Hisrich and Brush (1987), House, Ikiara, McCormick (1993), Allen and Truman (1988,1993), Carter and Cannon (1992), Clowes (1991), Omari (1995, 1999), Rutashobya (1995), Mbughuni and Mwagunga (1989) have used the Gender and Development approach in their studies.

The theory emphasises the role of the state and local community in providing social services in promoting and in supporting women within families, kinship group and resistance to women's emancipation respectively. Women are seen as active agents of change rather than as passive recipients of development assistance. Women's consciousness is believed to be strongly derived from their economic position (Visvanathan, 1997). The Gender and

Development approach also focuses on the strengthening of women's legal rights including the reform of inheritance and land law. Women's oppression is grounded in their economic position, which relegates women to inferior and dependent positions. The solution is for women to be economically empowered (Visvanathan, 1997). In doing so they can earn their own cash income and become independent.

As feminist qualitative research, that privileges women's voices and that considers gender to be important, my study fits into the Gender and Development approach. This is because the Gender and Development approach goes beyond economic well-being to address individuals' social and mental needs. In addition, it emphasizes women's empowerment and male responsibility and includes a definite role for the state and community to bring about equality between the sexes. The Gender and Development approach is committed, like this study, to the promotion of social change towards gender equality. The approach is useful as it helps to identify drawbacks in policies for strategic interventions to promote the needs of women entrepreneurs.

1.6. Conclusion and overview of the chapters

This chapter has set out the introduction of the study. I discussed the increasing trend of women to become entrepreneurs in small-scale enterprise in Tanzania in the mid 1980s. In the section of the problem statement I tried to articulate the effects of economic crisis which led to the increase of national debts, and eventually the economic reforms under the Structural Adjustment Programmes, and its effects to Tanzanian population particularly women. I also discussed the purposes of the research. These are: an examination of the extent to which women entrepreneurs in small-scale enterprises have resolved difficulties they experienced in their businesses. It also intended to look at the means adopted by Tanzanian women entrepreneurs in order to endure in trade openness. Finally, it inquired to propose approaches to advance women's business chances subsequently they can carry on and prosper in a competitive free market economy.

I talked about the importance of this research as follow: firstly, the results of my study might assist Tanzanian women entrepreneurs in small-scale enterprises so as to increase understanding on the strategies for addressing their handicaps. In turn, if this study is made accessible it might improve Tanzanian women entrepreneurs in small businesses to flourish in a competitive market. Secondly, the prepared suggestions might help Tanzanian policy makers and stakeholders in the field of small-scale enterprises to blueprint state entrepreneurial policies which are friendly in order for Tanzanian women entrepreneurs to carry out their entrepreneurial activities more effectively and efficiently for the well-being of women and national at large. Thirdly, the information would contribute to writing on women entrepreneurs in Tanzania and add to the debate about the outcome of economic reforms and the Structural Adjustment Programmes on Tanzania. Finally, the research findings would act as a base for further research. In this chapter I thrashed out the central theories those unfit, and those into which my study fits. I discussed the reasons that make the Gender and Development approach the most appropriate.

Chapter two presents a review of the relevant literature on women entrepreneurs in small-scale-enterprises in Tanzania and other countries in the world. Prior to defining women's small-scale enterprises I outlined a summary of the literature. Studies on women entrepreneurs before 1980s did not differentiate women entrepreneurs from their male counterparts. Women were deliberately excluded from reports. Since the 1980s women have been incorporated in the records which have been became a base for new reader and researchers. Many studies identify the rationales which led women to establish small-scale enterprises around the world such as gaining freedom, generating extra earnings and providing employment chances. I also discussed the circumstances that limit women entrepreneurs in both developed and developing countries like role models, the legal systems and bureaucracy. Nevertheless, the literature revealed similar coping approaches applied by women entrepreneurs in both Western and developing countries in handling the difficulties they experience in their entrepreneurial activities. This includes relying on relatives and families for start-up and working capital.

Chapter three deals with the research design and methodology including methodological framework, procedures, and methods used to collect data, selection of participants of the study, location of the study, ethical issues as well as limitations of the study. I started by positioning myself and discussed the motives which influenced me to do research on women entrepreneurs in small-scale enterprises in Tanzania, following the economic reforms. I also discussed the reason for using qualitative feminist research approach and semi-structured interviews in collecting data and why I chose not to use other methods like focus groups, questionnaires and others. I considered the possibilities that qualitative research offers to explore women's experiences in entrepreneurial activities and how it allows women's voices to be heard. I outlined the theoretical framework of interviews as well as semi-interview as a qualitative tool. I explained the location of the study and gave reasons for choosing that place. I showed how I solicited participants and the problems I encountered and how I tried to solve them. I discussed how I carried out the research. I took into consideration how my position as the researcher places me in relation to the participants of my research. I also discussed how I presented and analysed my findings through qualitative thematic content analysis. Finally, I outlined the limitations of the study.

Chapter four is the analysis of the findings. My study revealed that Tanzanian women entrepreneurs established entrepreneurial activities due to various reasons. These included meeting household requirements, an example would be the medication expenses of the family. Another reason would be to gain autonomy and supplementing their insufficient earnings. Similarly, Tanzanian women in small-scale enterprises have created jobs for women themselves, relatives and others. Although there were grounds which encourages Tanzanian women to establish small-scale enterprises, they experienced different difficulties in their businesses. These inconveniences varied from one another as well as creating difficulties in terms of existing in a cutthroat open-trade environment. The difficulties would include bureaucracy in acquiring business places, the expensiveness of viable commercial areas as well as comprehensive measures in attaining business certificates. Consequently, some Tanzanian women entrepreneurs carry out their businesses at their homes, and some of them who acquired business premises in commercial areas lease part of the space to their friends to complement the operating costs. These Tanzanian women entrepreneurs also

experienced the setback of officialdom in attaining business licenses and some became depressed by the lengthy processes. Overall, different methods to draw new customers and preserve the old ones have developed, such as fixing reasonable and distinguished prices, and spreading their entrepreneurial activities. Moreover, often they also save materials, increase clients' options and work extra hours in their businesses.

My study also revealed that the Tanzanian women entrepreneurs lack start-up and working capital from banks and micro-financial institutions due to the time consuming, technical conventions of banks and loan repayments. However, the Tanzanian women entrepreneurs developed a strategy of turning to *upatu* (informal credit system) which is similar to a *stokvel* in the South African context for start-up and working capital. The maintaining of accounts and administration seemed not to be a huge difficulty for women entrepreneurs in this study. They used the informal understandings drawn from their diverse experiences as well as formal book keeping skills. Additionally, my research revealed that some Tanzanian women entrepreneurs in small-scale enterprises were able to partake in familial decision-making as a result of economic empowerment created by entrepreneurship. State entrepreneurial policies also have negative influences on Tanzania women entrepreneurs and they would like to see changes such as friendly entrepreneurial policies, establishment of more commercial areas and provision of more credit to women.

Chapter five presents the conclusion. I provided a summary of the prominent attributes of my findings. Again I make suggestions for future research on women entrepreneurs in small-scale enterprises that a large sample of Tanzanian women entrepreneurs in small-scale enterprises in different sectors should be involved. Such findings if disseminated and made available might help Tanzanian women entrepreneurs, Tanzanian policy makers and other stakeholders in the development of entrepreneurship in Tanzania.

CHAPTER 2: REVIEW OF LITERATURE

2.1. Introduction

This chapter reviews various literature on women entrepreneurs so as to give an insight into research done by various researchers from developed and developing countries including Tanzania. I will start with an overview of the literature before I identify what it says about a definition of women's small-scale enterprises. In the early years the literature on women entrepreneurs was very limited and tended to view women entrepreneurs as if they were the same as men. The omission of women from the records also distorted the perception of women as entrepreneurial agents. Overall, many of the early writings/literature either omit women through prejudice or neglect or write about them in a biased way.

More recently there has been a more balanced approach to writing about women entrepreneurs, contributing to the existing knowledge on women, and of more use to new readers and researchers. Since the 1980s in particular, these authors have tried to explore the structural, global and internal systems that have affected and continue to affect women entrepreneurs. Writers such as Schreier (1975), Schwartz (1976), Goffee and Scase (1983), Stevenson (1984), Scott (1986), El Namaki, Gerristen and Beyer (1986), Hisrich and Brush (1987), Neider (1987), El Namaki (1990) and Ekechi (1995) have considered the distorted information on women entrepreneurship in both developed and developing countries. Particularly useful on women entrepreneurs, in the industrialised world are Gibb and Ritchie (1982), Watkins and Watkins (1984), Goffee and Scase (1985), Hisrich and Brush (1987), Allen and Truman (1988, 1993), Morris and Lewis (1991), Carter and Cannon (1992), Hisrich (1993, 1994), and Kurkato and Welsch (1994). Their works questions the socially constructed and stereotypical views on women, as well as challenging the social and cultural systems that reinforce and ensure the subordination of women in different societies around the world. These kind of studies provide a base for further research on women entrepreneurship, research that in the long run will facilitate the transformation of stereotypes and socialization agents which prohibit women from engaging fully in enterpreneurial activities.

Most studies focus on the West, though closer to home. Nafzinger (1977), Nelson (1978), Stitcher (1987), Watkins and Watkins (1984), MacGaffey (1986), Wamalwa (1987), Van Der Wees and Romijn (1987), Honey (1989), Made and Whande (1989), Tripp (1990, 1997), Kuiper (1991), Osirim (1992), Paakkari (1992), Kabira and Nzioki (1993), Vosloo (1994), Ekechi (1995), Falola (1995), Gray, Cooley, Lutabingwa, Mutai-Kaimenyi and Oyugi (1996), Swantz and Tripp (1996), Oyhus (1999) have explored African entrepreneurship in a variety of African countries. Guyer (1986) investigated women's entrepreneurship in Harare, Machari (1988) in Nairobi, Clowes (1991) in Cape Town, Achola (1991) in Nairobi, Rogerson (1991) in Harare, Basirika (1992) in Jinja and Kampala, Himbara (1994) in Nairobi, Falola (1995) in Ibadan, Bafukoza (1997) in Kampala, Fadane (1997) in Durban, Gwagwa (1998) in Durban, Mapetla and Machai (1998) in Maseru, Mupedziswa and Gumbo (1998) in Harare and Verhoef (2002) in Cape Town.

There are a number of studies of women entrepreneurs in Tanzania. Koda (1987), Meghiji and Virji (1987), Malyamkono and Bagachwa (1989), Mbughuni and Mwanguga (1989), Malambugi (1991), Mbise (1992), Tibaijuka (1992), Omari (1991, 1995, 1996, 1999), Rutashobya (1991, 1995), Kombe (1994), Koda and Mukangara (1997), Toroka and Wenga (1997), Temu (1997) and Mlingi (2000) have discussed some of the social, cultural and economic factors that hinder Tanzanian women's entry into entrepreneurship. However, none of these studies investigated the consequences of economic reforms to Tanzanian women entrepreneurs in small-scale enterprises. My study explored the impact of the recent economic reforms on Tanzanian women entrepreneurs in small-scale enterprises, and the coping techniques they have created so as to flourish in a competitive free market. Therefore this study fills the gap of literature around women's entrepreneurship in Tanzania.

2.2. Definition of women's small-scale enterprises

There is no consensus on the definition of small-scale enterprises. Vosloo (1994) who studied South African entrepreneurs argues that the term does not refer to size or age of an enterprise, but to a certain kind of activity. Barahona (1995) argues that women's small-scale enterprise can typically be defined in terms of the following features:

- productive activities generate an income, whose main explicit purpose is the satisfaction of the women entrepreneurs' perceived household subsistence needs;
- generated income satisfies at least 50% of the family needs;
- economic activities are carried out using a technology that is either domestic or very basic;
- production process is not complex, and often contains important craft components. It frequently occurs in the entrepreneurs' own homes and is often related to their domestic activities and experiences;
- marketing is essentially local, that is limited to the women's immediate neighbourhood or at most to their city.

For Barahona (1995) there are other features of women's small-scale enterprises such as; (1) grounding small-scale enterprises in the women entrepreneurs' daily lives and in their entire work experience; (2) accommodating both small and larger-scale enterprises, and; (3) making assistance policies and programmes more responsive to the women's basic needs. Additionally, Kao (1995) and Rogerson (1991) argue that women entrepreneurs often provide employment to others.

2.3. Selection and type of entrepreneurial activities

Around the world, the choices of small-scale enterprises for women are determined by consideration of which areas pose fewer obstacles to their success. These are perceived to be those where technical and financial barriers to entry are low and where managerial proficiency is not considered to be essential pre-requisites to success (Hisrich and Brush, 1987). Similarly, the International Labour Organization (1992) contends that small-scale enterprises are characterized by easy entry and rely on indigenous and family ownership as well as skills acquired outside the formal schooling system.

A study in Britain, by Watkins and Watkins (1984) supported this, also finding that most women entrepreneurs in the non-traditional sector were unprepared for business start-up. More, Goffee and Scase (1985) argue that lack of prior management experience among

young women entrepreneurs was another problem which limits their options. As a result, they took a greater risks than their male counterparts and so fewer women enter these sectors. Therefore the narrower range of the experiences affected the choice of sector in which women were capable of establishing viable businesses and eventually forced them back into traditionally female sectors.

A large number of writers around the world have argued that women entrepreneurs dominated activities such as food processing, textile production, production of handcraft, hairdressing and clothing designing and dress-making. The gender pattern of such activities reflects culturally defined gender roles of women in the society (Achola, 1991; Omari, 1991; Lwoga, 1995; Scott, 1986). Similarly, Redclift (1985), Schreier (1975) and Clowes (1991) assert that women's entrepreneurial activities were clustered in jobs that were an extension of the domestic sexual division of labour. They were providers of services, snack sellers and so forth. Omari (1996) tends to support this by arguing that women entrepreneurs carried out their entrepreneurial activities near or around their homes in order to combine their domestic roles with economic activities. However, in a study conducted in Kenya, Nelson (1978) found that some women entrepreneurs have established small-scale enterprises in areas which were previously male dominated.

2.4. Reasons for starting up a small business

The literature shows that there are various reasons that lead women to start-up a business. These are discussed in more detail below.

2.4. I. Satisfying household needs

The literature claims that most women entrepreneurs in developing countries establish small-enterprises generally as a result of unsatisfied household needs such as paying for their family's food, education, clothing, or other necessities (Made and Whande 1989; Mbughuni and Mwanguga, 1989; Osirim, 1992; Tibaijuka, 1992; Omari, 1995; Swantz and Tripp, 1996; Fadane, 1998). Clowes (1991) and Ellis (1986) assert that women were motivated to achieve towards areas related to the traditional female roles that enabled them to continue with their

household roles. This indicates, that according to these analysts at least, women entrepreneurs assessed their success in relation to the flexibility of small-scale enterprises to meet family needs rather than financial gains.

This position is supported by other studies. Baharona (1995) found that, in Costa Rica the main purpose of women entrepreneurs was to satisfy household needs and not the growth of small-scale enterprises. She continues that it was a trend for women entrepreneurs in Costa Rica to buy television sets for their families, seeing them as an entertainment necessity, instead of investing in semi-industrial ovens. Himbara (1994) and Nelson (1978) argue that in Kenya, women entrepreneurs used the profit gained from their entrepreneurial activities to invest in a piece of land either for the purpose of farming or for house construction, rather than ploughing the money back into the business.

Despite making little money, Bafokuzara (1997) found that Ugandan women entrepreneurs were better off than before they established their small-scale enterprises. The money they made was used to purchase essential items for household consumption and to pay school fees for their children. In line with this argument, Guyer (1986), Honey (1989) and Fadane (1998) assert that African women work harder, are less inclined to spend money in ceremonial expenditure and are more likely to save, invest and innovate when resources are available. When their income improves women tend to spend it on their children's health, nutrition and educational needs: investing in the future. Therefore, women's primary responsibility for nurturing children is a motivator for women to establish small-scale enterprises. In the same line of arguments, in Tanzania, Toroka and Wenga (1997), Oyhus (1999) and Mlingi (2000) observe that many women entrepreneurs establish small-scale enterprises in order to earn an income to spend on their families. They are anxious to see their children attain higher levels of education so that they can rise in the world.

2.4.2. Autonomy

In the developed countries, analysts have argued that women entrepreneurs established enterprises for the purpose of looking for autonomy through proprietorship and specifically the wish to escape from a labour market that confines them to relatively insecure and low-

paying occupations. Additionally, they desired to escape the supervisory controls associated with formal employment and constraints of traditional domestic roles, and to reject the social stereotypes that tended to be imposed on them by societal institutions (Schwartz, 1976; Sexton, Kent and Vesper 1982; Goffee and Scase, 1983; Scott, 1986; Kolvereid, Shane and Westhead, 1993; Marlow and Strange, 1994; Kuratko and Welsch, 1994). In addition, in the United States of America and United Kingdom, Schiens (1978), Hisrich (1983) and Hisrich and Brush (1987) respectively revealed that most women entrepreneurs were motivated by a need for achievement, the desire for independence, for job satisfaction and for money as a measure of success. Similarly, a study in Britain, Hisrich and Brush (1987) found that women entrepreneurs owned and managed small-scale enterprises for personal integrity as well as survival. They also found that women entrepreneurs possessed higher entrepreneurial abilities than their male counterparts. In addition, Goffee and Scase (1985) state that women entrepreneurs in Britain owned and managed small-scale enterprises as a rejection of the exploitative nature of the capitalist work and labour market. Similarly, Falola (1995) asserts that, in Nigeria, the Yoruba women established business in order to gain respect, fame and skills.

2.4.3. Supplementing meagre incomes

In Tanzania and Uganda analysts argued that women entrepreneurs established small-scale entrepreneurial activities in times of economic crises when men can no longer provide for, or sustain their families by themselves. In Tanzania, the impact of the Structural Adjustment Programmes, including the introduction of cost-sharing in social services such as health, education and retrenchment programmes have affected more women than men because they occupied low level jobs and had more dependants to pay for (Tibaijuka, 1992). The liberalisation of the economy associated with the Structural Adjustment Programmes, and the consequent removal of government subsidies on farm inputs has negatively affected women's financial ability and has also hit children hard. Tanzanian women have responded by engaging in small-scale entrepreneurial activities as a survival strategy (Tripp, 1996; Malyamkono and Bagabwa, 1990; Omari, 1991; Rutashobya, 1995). The establishment of

small-scale enterprises has become an attractive avenue for additional income generation for women (Hyuha and Turiho-Habwe, 1999).

2.4.4. Employment opportunities

Available literature in developed countries argues that in the early 1980s the economic recession and consequent reduction in public sector expenditure resulted in accelerated unemployment rates in Europe, albeit with wide regional and national variations. European women especially those under the age of twenty-five, have been disproportionately affected in several countries. Overall 13% of economically active women in the European community were unemployed in 1986, as compared with 9.3 % of men, a figure which probably masks the real figure since social security measures in some countries discouraged women from registering as unemployed (Eurostat, 1988). For example, in the 1990s the promotion of self-employment and business start-up was linked to employment and seen as an important tool for reducing the large numbers of unemployed found throughout the United Kingdom. Measures have been implemented in older industrial areas and with regard to young people, disabled and women (Eurostat, 1988). As a result communities formerly dependent on primary production such as coal mining or on manufacturing as far as the male labour force was concerned saw a decline in the demand for labour. For example, "real" jobs defined largely as those done by men on a full-time regular, permanent basis had became ever more scarce and even work in the service sector which had provided alternative employment for men and even for part-time women began to decline. Thus small-scale enterprises filled the gaps left by the economic recession (Allen and Truman, 1993). The increase in self-employment and small businesses in Europe was heralded not only as a panacea for economic ills, but as constituting a regeneration of values and practices associated with the freedom to work for oneself, and to emerge from independence on the state, from public sector industries as well as from welfare provisions (Allen and Truman, 1993).

In the same line of argument, Van Der Wees and Romijn (1987) argue that the increasing importance of women-owned small-scale enterprises should also be viewed against the relative shrinking of the absorption of women as wage labourers in the formal sector and the increasing recognition of women's economic roles in development. Hisrich (1983) contends

that the motivation for the establishment of small-scale enterprises for women entrepreneurs in Britain was to create their own career path where they would be independent.

Similarly, in many developing countries, one of the consequences of the world recession that started in the late 1970s, and the economic restructuring programmes that followed, had been the impact of increasing of small-scale enterprises as an alternative form of employment for both women and men (Blumberg, Rakowski, Tinker and Monteon, 1995; Rutashobya, 1995; Tripp, 1997; Mapetla and Machai, 1998; Mupedziswa, and Gumbo, 1998). For example, in urban Tanzania the number of women establishing small-scale enterprises increased in number and expanded in size in the mid 1980s as more women became involved in income generating activities. Tanzania, like many African countries, was severely affected in the late 1970s by the economic crisis caused by drops in export commodity prices which contributed to a dramatic decline in the wages of workers. This crisis, followed by a series of economic reforms which had a negative impact on education, health and other areas of production, resulted in large numbers of women entering into the informal sector. Tanzanian women played a significant role in enabling the family to adapt to the new changes (Omari, 1996)

2.5. Factors that influence women entrepreneurs

Many studies have studied circumstances that induce women entrepreneurs to start businesses as discussed in extensive below.

2.5.1. Role model

In the developed countries, it was argued that most women entrepreneurs were highly educated, had self-employed fathers with their spouses holding predominantly professional or technical positions (Neider, 1987). Western women entrepreneurs' fathers and spouses provided women entrepreneurs with good role models, as well as a supportive and financially sound environment to establish their own new small-scale enterprises (Hisrich and Brush, 1987; Flesher and Hollman, 1990; Brockhaus and Horowitz, 1986). Hisrich and Brush (1987) and Schere (1989) contend that western women entrepreneurs also learned from watching other successful women entrepreneurs. However, Rutashobya (1995) and Gray, Cooley,

Lutabingwa, Mutai-Kaimenyi and Oyugi (1996) assert that most women entrepreneurs in Africa are first generation entrepreneurs. They have few or no role models because of the historical background of the African countries, in which the indigenous people, particularly women, were marginalised in business. Even so there are some role models. When one member of an ethnic group was successful for example, other members tended to copy her/him (Macharia, 1988; House, Ikiara and McCormick, 1993). So despite Rutashobya (1995) and Gray, Cooley, Lutabingwa, Mutai-Kaimenyi and Oyugi's (1996) assertion, it seems that there are some role models for African women entrepreneurs.

2.5.2. Education

The development and success of any entrepreneur is strongly determined by environmental (social, legal, economic, political, educational) factors. Analysts argue that sex-stereotyping in vocational training as well as women's low levels of education affects women entrepreneurs access to resources (Yunus, 1983; Stevenson, 1984; El Namaki, 1985; El Namaki and Gerristen, 1987; Neider, 1987; Van Der Wees and Romijn, 1987; Wahome, 1987; McCormick, 1988; El Namaki, 1990; House, Ikiara and McCormick, 1993). Paakkari (1992) argues that the main reason for the weak development of women entrepreneurs in developing countries was a lack of conducive educational environment, whereas countries with conducive organizational environments and educational systems were expected to have strong and well-developed women's small-scale enterprises (Morris and Lewis, 1991). It was generally acknowledged that since independence, Africa's public policy has for many years not been conducive to the development of women's entrepreneurship. This is because traditionally women were marginalised. They were second-class citizens in relation to men (Kombe, 1994). Women were expected to play their role in the kitchen: they were brought up to believe that they had limited part to play in the day-to-day affairs outside their domestic domain (Ekechi, 1995). The women who managed to extricate themselves from domestic bondage were seen to be competing with men. Thus, they were seen by society as "deviant" (Brockhaus, 1982). Thus an equal access to education and other resources is necessary so as to create a conducive environment for women entrepreneurs in small-scale enterprises, so that they can carry out their entrepreneurial activities effectively and efficiently. In addition, national development policies in developing countries were usually biased in favour of large public and private enterprises

which tended to be owned by men, while small-scale enterprises that were owned and managed by women were marginalised. Such policies impeded the flow of resources and opportunities to women entrepreneurs in small-scale enterprises (El Namaki, 1990). Wamalwa (1987) posits that lingering cultural practices and limited training opportunities in Kenya also contributed to a lack of knowledge and skills necessary in design, production and quality control measures.

However, Goffee and Scase (1985) argue that in Britain strategies were often developed to cope with skills shortages. Similarly, Carter and Cannon (1992) contend that some women entrepreneurs in Britain used advisory agencies for management advice and attended various entrepreneurial management training programmes. Additionally, they learnt management style through watching successful women entrepreneurs. This enabled them to build up their own confidence while reinforcing a consciously individual style of dealing with customers.

Similarly, Carter and Cannon (1992) argue that in Britain women entrepreneurs who had experience of staff supervision, sales and marketing, general business administration and domestic responsibilities as wives and mothers combined those management skills in carrying out their entrepreneurial activities. Carter and Cannon (1992) emphasise that "women have the ability to think a half a dozen things at once and still keep the things going."

2.5.3. Legal systems

The analysts argue that laws may impede women's access to and control over resources intentionally or unintentionally. Although many nations have subscribed to the United Nations Convention on the Elimination of All Forms of Discrimination against women, many retain laws that treat women as minors without legal power. Legal systems hindered women in organizing their businesses (Overholt, Anderson, Cloud and Austin, 1985). In the same line of argument Koper (1993) asserts that in the Netherlands, when granting business credit not only were "objective" facts considered, the personal qualities of the entrepreneur were also assessed. The expectations about the personality and behaviour of a potential entrepreneur were usually based by the credit grantier on the clients they knew who were

mainly male entrepreneurs. Consequently, those in position to grant credit did not have a frame of reference within which women entrepreneurship was well defined. Women entrepreneurs were viewed with scepticism and with prejudice.

Similarly, Overholt, Anderson, Cloud and Austin (1985) argue that in Latin America, businesses owned by women could not obtain legal status and had to be registered either in their husband's name or operated within a larger organization. Indian women who did not speak Spanish were denied commercial credit when their husbands were unwilling to guarantee loans. However, Nopolen (1987) argues that in India women could receive a loan in their own right without a cosigning by husband, son or father. A loan was given on the guarantee of other women entrepreneurs in the same group who trust in the woman's ability to earn and repay the debt. If a woman was behind the loan repayments because of a family crisis, her group leaders would cover her instalment until she could catch up.

It was argued that in Tanzania there were multi-legal systems which have negatively influenced women entrepreneurs in establishing their small-scale enterprises (Rutashobya, 1995). The land tenure system discriminates against women as it is governed by patriarchal customary laws. Access to land is through inheritance, allocation, purchase and right to occupancy. However, a large percentage of households in Tanzania have acquired land through inheritance systems where only sons and male clan members inherit clan land. This means many women do not own land (Koda and Mukangara, 1997) or other immovable properties that might be used as collateral. As a result, many Tanzanian women entrepreneurs could not get bank loans for establishing or expanding their entrepreneurial activities (Kimbi, 1989). They have to rely on their relatives, spouses, families and friends for start up and working capital to establish and expand their businesses (Omari, 1999; United Nations, 1995).

2.5.4. Competition

In a study on markets in Uganda, Basirika (1992) found that competition affected women entrepreneurs profit margins, and that some women entrepreneurs in areas such as food processing were forced to close down their enterprises. Similarly, Savara (1993) and Lwoga

(1995) contend that in India and Tanzania respectively, women entrepreneurs have to compete with not only the small-scale enterprises which produced the same products as they did, but also with multinationals with big advertising budgets. Women entrepreneurs often face a variety of impediments in gaining information about and access to local markets. Annajhula (1989) asserts for example, that women entrepreneurs in India lacked adequate knowledge on how to cope with competition due to the fact that they depended on their husbands to buy raw materials for their entrepreneurial activities and sell the products. Mupedziswa and Gumbo (1998) assert that the large increase of women in trade activities has lead to competition with other traders to be very high due to the saturation of the market by new entrants. However, Allen and Truman (1988) contend that in Britain women entrepreneurs charge competitive prices in order to solve difficulties in competition.

2.5.5. Start-up and working capital

The analysts agree that start-up and working capital are amongst the most important prerequisites in establishing and expanding a business. However, women entrepreneurs both in developing and developed countries faced discrimination when they sought bank loans for their entrepreneurial activities. This is partly because they lacked negotiating experiences (Hisrich and Brush, 1987). At the same time the nature and size of their small-scale enterprises were seen by commercial banks as unprofitable. Commercial lenders in developing countries often discriminate against women entrepreneurs in small-scale enterprises by demanding excessive rates of interest that left them vulnerable to adverse changes in trading conditions and often unable to repay loans on time (United Nations, 1995). In developed countries men were not asked for co-signers, while women entrepreneurs were asked for a male co-signer on a loan, even when the man has no relationship to the business (Carter and Cannon, 1992; Kuiper, 1991; United States Department of Labour; 1989). Gender bias in financing women's small scale enterprises and the negative attitude of banks and other financial institutions towards women entrepreneurs frequently hinder them from getting start-up and working capital (Hornaday and Aboud, 1974; Schwartz, 1976; Hisrich, and O'Brien, 1981; Hisrich, 1984; Ahmed, 1986; Hisrich and Brush, 1987; Kimbi, 1989; Collerette and Aubry, 1990; Lee-Gosselin and Grise, 1990; Maliyamkono and Bagachwa, 1990; Malambugi, 1991; Mbise, 1992; Kabira and Nzioki, 1993; Barahona, 1995; Rutashobya 1991, 1995; Gray, Cooley, Lutabingwa, Mutai-

Kaimenyi and Oyugi, 1996; Temu, 1997; Oyhus, 1999). In addition banks have complicated procedures, high rates of interest as well as short grace periods of loan return which are not favourable for small enterprise entrepreneurs, most of whom are women (Hornaday and Aboud, 1974; Hisrich and Brush, 1987; Juha, 1990; Lee-Gosselin and Grise, 1990; Robert 1985; Westerlund, 1998). Women entrepreneurs in developing countries seldom own property that can be used to guarantee a loan, and when such property exists, it was usually registered in the name of their husbands or common law companions. Again women in developing countries were rarely able to fill in the complicated forms by themselves or to carry out the entire credit granting process on their own. These obstacles effectively limited women from accessing conventional types of credit (Barahona, 1995). Consequently, undercapitalised from the outset, women's small-scale enterprises tended to start smaller and expand slower (Gibb and Ritchie 1982; Carter and Cannon, 1992). For example, in a study on Ugandan women entrepreneurs, Bafokuzara (1997) found that women are involved in small-scale entrepreneurial activities such as local beer brewing, handcraft and sale of agricultural produce precisely because they do not have enough capital to start-up large-scale enterprises.

Despite the difficulties, women in developing countries do get some start-up capital through informal credit associations and moneylenders (Tripp, 1990). Gittinger (1990) argues that women entrepreneurs formed informal credit system groups. In a study in Dar-es-Salaam, Tanzania, Omari (1995) found that some women entrepreneurs have established the *upatu/ kibati* system which was a kind of traditional money circulation system whereby women shared their income by turns. Its working principles were based on traditional reciprocity relations. The way this system works, was that each woman in the group sets aside an agreed amount of money which they put together and then gave it all to one member of the group. This cycle was repeated, for instance, every month until every member of the group has had her turn. The more members in the group, the more money an individual member got, and the longer the wait. This arrangement enabled the individual woman to establish a small-scale enterprise and fulfill other needs on her own income. Similarly, Gwagwa (1998) and Verhoef (2002) argue that in South Africa employed and unemployed women join a *stokvel* (informal money savings) for the purpose of saving money. Each member contributes a set amount per week or month. The club uses the collection amount to run a cash loan scheme that both members and non- members can

access. The money is used to generate interest through cash loan system. At the end of the year members divide the capital and interest or buy groceries before Christmas.

2.5.6. Gender divisions of labour

The analysts argue that socio-cultural values and prejudices that define gender roles and the resultant gender divisions of labour in society have greatly affected the entrepreneurial traits of women around the world (El Namaki, Gerristen and Beyer, 1986; El Namaki, 1990; Rutashobya, 1995). However, Carter and Cannon (1992) assert that women entrepreneurs in Britain employ nannies to look after children out of school hours so that they could concentrate on business. In Africa women were brought up to believe that men were better and more important and that the ultimate role in life for women is to be a wife and mother (MacGaffey, 1986; Ekechi, 1995). Kombe (1994) argues that African women were second class citizens in relation to men, and expected to play their roles in the kitchen. The dominant patriarchal gender biases which have engendered the African- gender household and social division of labour have subsequently worked to the disadvantage of women. The gender division of labour has in particular led to women's multiple roles as well as socialization that has worked against their ability to engage in profitable business (Rutashobya, 1995).

Similarly, Kombe (1994) argues that married women entrepreneurs in Africa faced problems in their entrepreneurial activities. This is because men saw women who were controlling the cash income as a big challenge to their self-esteem and their reactions range from severe passivity to a withdrawal of support. In the same line Koda (1987) and Falola (1995) assert that African husbands were often violent towards wives who possesed more economic power than their husbands. In a study on Kenyan women entrepreneurs, Stitcher (1987) illustrates that the prevalence of inequality in gender-power relationships in the household was a barrier to many married women entrepreneurs. Married women needed to seek permission from their husbands before they could engage in any commercial activity or attend entrepreneurial meetings and management training programmes. They were expected by their husbands to return home at a specified time to attend to their family responsibilities. There was also a general perception that a married woman entrepreneur who returned home late from her business was neglecting her traditional roles as a mother and wife.

2.5.7. Bureaucracy

Obtaining business premise is another important aspect of establishing a business that has been dealt with at length in the literature. In Africa legal requirements related to the acquisition of business premises for the establishment of women' small-scale enterprises often involved a great deal of red tape (Achola, 1991). Many women entrepreneurs especially these in small-scale enterprises were discouraged from either establishing or expanding their enterprises. Wambwire (1996) adds that Kenyan women entrepreneurs pay high rent in the commercial areas which cause them to have a low profit margin. Those who fail to pay rent in authorized premises establish small-scale enterprises in their houses. Such women entrepreneurs are frequently harassed by the trade-licensing officers who accuse them of operating their businesses illegally and on the wrong premises. As a result they lose customers and money and eventually they become bankrupt.

Additionally, a business license is also often a crucial aspect for the establishment of a business. It is important, not only to women entrepreneurs, but to the nation as a whole. This is because the government gets revenue that can be used in developmental activities. Tanzanian women entrepreneurs encountered problems in establishing their small-scale enterprises due to bureaucratic procedures in obtaining licenses. They were compelled to comply with the license issuing regulations such as having a business premise in authorised areas or they were denied a license (Meghji and Virji, 1987; Mbughuni and Mwagunga, 1989; Mbise, 1991). Consequently, women entrepreneurs tended to carry out their entrepreneurial activities in unauthorized areas. Some women entrepreneurs were harassed by the trade licensing officers who accused them of operating their businesses illegally.

2.5.8. Women's networks

Women entrepreneurs' networks are necessary for their reinforcement through provision of relevant information on training opportunities for their entrepreneurship development. There were few such networks to support, encourage and advise women entrepreneurs in small-scale enterprises in the world. Those that existed were known to few women entrepreneurs,

particularly the prosperous. Male-dominated associations were not always friendly to them (United Nations, 1995). This hinders some women from embarking on entrepreneurial activities worldwide. Hisrich and Brush (1987) contend that the women entrepreneurs in Britain developed informal networks so as to get advice and information on marketing. They maintained also close relationships with their clients as well as their female business friends. They have also used their friends in their former employment offices and those they came into contact with them at different conferences.

2.5.9. Conclusion

This chapter has reviewed various research reports from Western countries and developing countries, including Tanzania, on women entrepreneurs. I gave an abstract of studies earlier before I outlined the meaning of women's small-scale enterprises. I noticed that most of the literature evaluated the reasons why women started small businesses such as: self-sufficiency, settling family wants, complementing deficient returns and offering work for women. The literature reviewed discussed the factors that influence women entrepreneurs like the legal systems, start-up and working capital, competition, role model, gender division of labour, bureaucracy and women's network. However, the literature reviewed showed some coping strategies developed by women entrepreneurs which were similar in both Western and developing countries. Among the methods adopted by women entrepreneurs was to rely on relatives and families for start-up and working capital in establishing and expanding their businesses. Notwithstanding, most of the literature focused on developed countries and studies of developing countries are fewer and much of the literature was outdated. It nevertheless provided valuable information which related to current literature on women entrepreneurs in small-scale enterprises. The research design and its methodology are discussed in the following chapter.

CHAPTER 3:RESEARCH DESIGN AND METHODOLOGY

3.1. Introduction

In the previous chapter I reviewed the literature from Western and developing countries, including Tanzania, on women entrepreneurs. However, I noted that most of the literature centered on developed countries and studies of developing countries were less common. In this chapter I will outline the research design and the methods used to collect data for my study which was influenced by the literature I reviewed. The contents of this chapter are presented in sub-headings such as the methodological framework, location of the study selection of participants, procedures/method of data collection, ethical issues, and data analysis before outlining the limitations of the study.

3.2. Methodological framework

The motivation to study the prospects and problems encountered by women entrepreneurs in small-scale enterprises, and to explore the mechanisms they use to survive in a competitive market emerges from my professional background as Senior Community Development Officer in Tanzania. Before enrolling at the University of the Western Cape, I was working with women entrepreneurs as a government official. I was involved in training and supervising women's income generating activities in Tanzania. I found that many women's entrepreneurial activities were not flourishing like those of their male counterparts, although they started with the same amount of start-up and working capital. This motivated me to conduct research on women entrepreneurs. Additionally, my degree programme has enlightened me in seeing how women are socially and culturally constructed in society to accept a subordinate status to that of men. The exposure to the literature on women entrepreneurs in small-scale enterprises in other countries, both developed and developing, has further informed my decision to conduct this study.

Building on the motivation and assumptions outlined above, my study is framed by a feminist qualitative methodology, informed by semi-structured interviews as a qualitative tool and analysed through a qualitative thematic content analysis. This is because the goal of

my research, as it is within feminist research, is to find out in-depth the factors that limit women entrepreneurs in small-scale enterprises to carry out their entrepreneurial activities, and to explore the ways they overcome problems. This would make changes to other potential women entrepreneurs (Jayaratne and Stewart, 1991).

Harding (1987), Jayaratne and Stewart (1991) and Kelly, Burton and Regan (1994) argue that research can be defined as feminist research based on its framework, and connected to which methods are selected and how they are used. The central aims of feminist research are: to provide an understanding of women's everyday world, to help illuminate women's shared conditions, and to outline problems and generate solutions from the perspective of women's experiences (Acker, Barry and Esseveld, 1991; Burman, 1991). It is women's experiences which provide the new sources for research (Harding, 1987). This is because in my research I took into account individual women's experiences/understandings and relied on women's words as the primary data (Burman, 1991; De Vault, 1999). The early definitions of feminist research centred on the production of knowledge "about" women and "with" women. My research has been "about" women "with" and "for" women. Additionally, Burman (1991) argues that feminist research must be evaluated in relation to the purpose or goal it seeks to achieve.

A qualitative analysis would also provide an opportunity to capture the richness of themes emerging from the respondents' talk rather than reduce the responses to quantitative categories (Smith, 1995). As my research is exploratory, it would thus benefit from a qualitative framework. According to Denzin and Lincolin (2000) exploratory research sets out to gain a broad understanding of a situation, phenomenon, community or a person. I will briefly articulate the theory of feminist research, qualitative research as well as interviews as a qualitative tool, and thematic analysis as follows.

3.2.1. Feminist research

Neuman (2000) argues that feminist research seeks to unveil women's voices, experiences, histories, actions and the like in their *own* terms. It enhances knowledge, equality, consciousness, awareness and solidarity among women. It also promotes a sense of

belongingness, identity formation, empowerment and the confidence to question and challenge dominant traditions, which might be against development.

In addition, Denzin and Lincolin (2000) and Neuman (2000) posit that feminist methodology attempts to give a voice to women and to correct the male-oriented perspective that has dominated in the development of social science. Therefore the feminist qualitative research opposes traditional social science research which overgeneralises and views the experience of women as if it were the same as men. Such research ignores gender as a fundamental social division, focuses on men's problems, uses men as a point of reference, and assumes traditional gender roles. Additionally, androcentric traditional social science tends not to investigate women as people in their own right. Where women have been considered at all they have been measured in masculine terms. The concept of the human being as a universal category is only the man. "Woman" is considered an abstract deviation of this essential humanity and defined exclusively in terms of her relationship to men, which becomes the source from which female stereotypes emerge and are sustained (Westkott, 1990). This study aims to break with this androcentric tradition to focus on women (Klein, 1983).

Similarly, Oslen (2000) asserts that feminist research is based on a heightened awareness that the subjective experience of women differs from an ordinary interpretative perspective. It emphasises mutual relationship between researcher and participants. Feminist research tends to emphasise the subjective, empathetic, process-oriented, and inclusive sides of social life. It is also action oriented, seeks to advance feminist values, as well as to facilitate personal and societal change (Neuman, 2000). However, as Klein (1983) argues the experiences vary depending on cultural identification, ethnicity, social status, age, sexual preference and period of the research conducted, these all need to be taken into account.

Furthermore, feminist research shares the ethical concerns regarding consent and confidentiality, and calls for decent and fair conduct of the researcher, to avoid harm to participants of whatever sort (undue stress, unwanted publicity, loss of reputation) either in the course of data gathering and analysis or in the subsequent text (Denzin and Lincolin, 2000). Additionally, feminist researchers interact and collaborate with participants. They fuse

their personal and professional lives. Reinharz (1992) emphasises that feminist research attempts to be non-hierarchical in the research process. This shows that one of the goals of feminist research is to give greater visibility to the subjective experience of women and to increase the involvement of the respondent in the research process. Similarly, it is research for women which tries to take women's needs, interests and experiences into account and aims at being instrumental in improving women's lives in one way or another.

Feminist research must attempt to bring positive changes such as influencing decision and policy making. In addition, the research finding should be accessible for publication. Jayaratne and Stewart (1991) emphasise that "we should actively participate in the dissemination of research results." The importance of dissemination cannot be overstressed since it is a goal of feminist research to make a difference in women's lives.

The feminist framework entails familiarity with the everyday life of the setting chosen for study, values participants' perspectives in their own words and seeks to discover those perspectives. It views an enquiry as an interactive process between the researcher and participants, is descriptive as well as analytical, and relies on people's words as the primary data. This study is therefore, feminist in its approach as I have a broader aim of bringing about social change.

According to Jayaratne and Stewart (1991) feminist research has been criticized as being "unscientific" or politically motivated, and, therefore, overtly biased. As I mentioned above, this research is political as it acknowledges the necessity for changes in women's entrepreneurial activities. I therefore, do not claim that this study is either objective or value-free.

The view that social science is objective, and value-free, has been widely discredited as it is not only subjective and value-laden, but also as ahistorical and apolitical (Acker, Barry and Esseveld, 1991; Jayaratne and Stewart, 1991). As a critique of objectivity, and in recognition of unequal power relations, feminist research is concerned with reflexivity, with consciously

recording the subjective experiences of doing research (Burman, 1991; Maynard, 1994). According to Maynard (1994:16) reflexivity may be defined as:

> reflecting upon, critically examining and exploring analytically the nature of the research process in an attempt to demonstrate the assumptions about gender (and, increasingly, race, disability and other oppressive relations) relations which are built into a project. It may also refer to understanding the 'intellectual autobiography' of researchers.

This implies that the researcher is also a subject in her research and that her personal history is part of the process through which "understanding" and "conclusions" are reached. This allows the researcher to critically examine her own framework of understanding, to become aware of contradictions and tensions, and to bring her experiences and memory of the research process to the research (Denzin and Lincolin, 2000), which is why I explained my motivations at the beginning of this chapter.

3.2.2. Qualitative research

According to Jayaratine and Stewart (1991) qualitative methods refer to research procedures which produce descriptive data of peoples' own writing or spoken words and observable behaviour. This method is associated with the provision of more accurate and valid information about respondents' experience. Similarly, Van Maanen (1988) defines qualitative methods as an array of interpretive techniques which seeks to describe, decode, translate and otherwise come to terms with meaning rather than frequency. Similarly, Maynard and Purvis (1994) argue that qualitative research has been perceived to be quintessentially feminist. The pre-occupation with, and embracing of, qualitative research arose out of criticisms of traditional social science methods which were dominated by quantitative studies and based within a positivist framework. Some feminists perceived quantitative research as an approach which is reinforcing women's oppression and devaluation, as contributing to the failure to study the situation of women, and to conceptualise their situation in ways consistent with continuing male dominance (Acker, Barry and Esseveld 1991). Similarly, Jayaratne and Stewart (1991) assert that quantitative methods tend to be exploitative and deny the relationship between the researcher and participants. Consequently, it tends to silence the voices of women.

Neuman (2000) asserts that the data in a qualitative report are usually in the form of words, pictures or sentences and include many quotes and examples. Qualitative researchers use less standardized techniques of gathering data, creating their own analytical categories and organising evidence. The technique applied may be particular to individual researcher or unique settings.

In addition, Fontana and Frey (2000) contend that in qualitative research, interviews tend to be open to help the interviewee feel free to talk about what is relevant and important, within the bounds of the interest of the research project and according to their preferred language. It creates space for the negotiation of meanings so that some level of mutual understanding may be accomplished, making data richer and more meaningful for research purposes. The interviewer usually gets perspectives, information and ideas that s/he has not thought before (or are not documented in the earlier research literature). This approach takes into consideration the interviewee's experiences, knowledge, ideas and impressions to be considered and documented.

Similarly, Neuman, (2000) argues that exploring new settings or the construction of new theory is a common goal in qualitative research. The development of new concepts and examination of relationships among them is important. Theory flows out of evidence, and detailed descriptions demonstrate how the researcher creates interpretations.

In addition, qualitative research focuses on understandings of women's experiences rather than predicting or controlling phenomena. It is felt by many to be more appropriate to the study of human life (www.ship.edu/-cgboeree/qualmethsy). Additionally, De Vault (1999) argues that the aim of qualitative research is to provide a fuller and more accurate account of society by including women.

Similarly, Denzin and Lincolin (2000) assert that qualitative research makes possible broader and richer descriptions, sensitivity to the ideas and meanings of the individuals concerned,

increased likehood of developing empirically supported new ideas and theories, together with increased relevance and interest for practitioners.

Methodology literature has shown that qualitative research attempts to remove sexist and other biases from the process of research (Acker, Barry and Esseveld, 1991; Maynard, 1994). It is believed that qualitative methods raise women's consciousness through producing data that can stimulate policy decision-making which promotes positive changes in women's lives (Maguire, 1987). Furthermore, probing and encouraging the participants to discuss their experiences in terms of gender raises the level of consciousness and recognition of discrimination among the participants.

With regard to its philosophy, qualitative methods were preferred in this study, firstly, because this is a feminist study, and also since the intention was to track down the impact of economic reforms on women entrepreneurs from their point of view and their experiences. Qualitative analysis enabled me to explore the experiences of women in their own context and as expressed by themselves without distorting or restructuring of their reality. Interviews are discussed in detail in the following section.

3.2.3. Interviews

According to Fontana and Frey (2000) the interview is a conversation, the art of asking questions and listening. It is not a neutral tool, for at least two people create the reality of the interview situation. Thus, the interview produces situated understandings grounded in specific interactional experiences, which are influenced by the personal characteristics of interviewer and interviewee including race, class, ethnicity and gender as well as many others.

Interviewing includes a wide variety of forms and a multiplicity of uses. The most common forms of interviewing involve individuals, face-to face verbal exrchange, but interviewing can also take the form of face-to-face group interchange, mailed or self- administered questionnaires and telephone surveys. It can be structured, semi-structured or unstructured. Interviewing can be used for market research, political opinion, polling, therapeutic reasons

or academic analysis. It also can be used for the purpose of measurement or its scope can be the understanding of an individual or group perspective. An interview can be a one-time, brief-event-say, 5 minutes over the telephone or it can take place over multiple, lengthy sessions, at times spanning days, as in life history interviewing (Fontana and Frey, 2000).

Oakley (1981), suggests that the goal of finding out about people through interview is best achieved when the relationship between the interviewer and interviewee is non hierarchical, and when the interviewer is prepared to invest his or her own personal identity in the relationship. Fontana and Frey (2000) adds that through interviews feminist researchers try to understand women's experiences.

Both qualitative and quantitative researchers tend to rely on the interview as the basic method of data gathering with the former in particular aiming to obtain a rich, in-depth experiental account of an event or episode in the life of the respondent. There is inherent faith that interview results are trustworthy and accurate and that the relation of the interviewer and interviewee in the data collection process has not unduly biased the account (Atkinson and Silverman, 1997).

3.2.4. Semi-structured interviews as a qualitative tools

I used the face-to-face, semi-structured in depth interviews to collect data for this study. The semi-structured interview is an open flexible research tool (Schnelter, 1989; Burman, 1994). Similarly, Smith (1995) argues that semi-structured interviews and qualitative analysis are especially suitable where one is particularly interested in complexity. This method of research yields rich information as a detailed picture of a participant's beliefs about, or perceptions, experiences or feelings of a particular topic can be elicited (May, 1993; Beoku-Betts, 1994; Smith, 1995). It permits both researcher and participants much flexibility than the conventional structured interview, questionnaire or survey. On the side of participants, they are able to elaborate or introduce issues they consider relevant. Additionally, it provides the researcher with the opportunity to follow up on the interviewees' interests and concerns which may not have thought about in advance (May, 1993; Smith, 1995). Similarly, the semi-

structured technique is preferred because of its ability to explore mainly those areas where the participants perceived gaps, contradictions and difficulties (Burman, 1991; May, 1993).

By using semi-structured interviews I developed open-ended questions which were primarily used so as to enable the participants to have freedom and be flexible in answering the questions (Smith, 1995). The interview schedule I used in my research was based on one designed by Kelly, Burton and Regan (1994) and Phoenix (1994). The sequence of questions, on the interview schedule were neither necessarily followed in each interviews nor was every questions asked, or asked in the same way. However, the open-ended questions enabled me to plan and articulate the starting point so as to scrutinise and promote the research goal. Also this tool gave me the opportunity as the researcher, to think explicitly about what difficulties may surface and how I may handle these challenges. I also felt that this approach would reduce unequal power relations, as the participants would have some control over what was discussed, and how this took place (May, 1993).

3.2.5. Thematic analysis

Banister and Parker (1994) assert that a thematic analysis is used to ' make sense' of interviews. A thematic analysis is defined as a coherent way of organizing or reading some interview in relation to specific research questions. Similarly, Bernard and Ryan (2000) argue in analyzing data through thematic analysis that themes are abstract (and often fuzzy) constructs that researcher identify before, during, and after data collection.

It is argued that a researcher usually starts with some general themes derived from reading the literature and adds more themes and sub-themes as s/he goes along. In grounded theory, themes are deduced by a careful line-by-line reading of the text while looking for processes, actions, assumptions and consequences (Bernard and Ryan 2000).

According Kelly, Burton and Regan (1994) with a thematic analysis the researcher brings a "public spotlight" on her decision-making process in establishing findings. They continue to argue that in a thematic analysis it is important to be clear that extracts do not speak for themselves as meaning inheres not only in the text but also in researchers' construction and

reading of it and analysis is inevitably selective. Therefore, the possibility exists that other researchers could discover different themes from the text used in this research.

3.3. Location of the study

I carried out the study in Dar-es-Salaam, a City in Tanzania. I selected this city because it has a wide range of entrepreneurial activities and I would thus be more likely to recruit an appropriate sample of participants. Dar-es-Salaam City is the commercial and administrative centre of the country.

3.4. Selection of participants in the study

Sampling is the process of selecting participants (May, 1993). I selected the sample of women entrepreneurs through the purposive sampling procedure. Schentler (1989) defines purposive sampling as a kind of sampling procedure in which researchers choose the sample population according to the specific objectives intended to be investigated. Thus, according to this criterion I selected women entrepreneurs who had established small-scale enterprises before economic reforms and those who had established them after. This included those who were retrenched, those who were never employed, as well as women who are still in wage employment. This is because the objective of the research is to capture the varied experiences of a range of women.

3.5. Procedures/Methods

I sent a letter of introduction to the Regional Administration and Local Governments for permission to conduct research in Dar-es-Salaam City (see appendix I). I also sent a letter of introduction to the City Community Development Officer in order to obtain official permission to pursue my study and to get an opportunity to present my proposal and explain the method and significance of my research. This helped me to familiarize myself with the authorities.

The City Community Development Officer introduced me to one woman entrepreneur who agreed to be a participant. She provided me with names of other participants and their physical locations as Fontana and Frey (2000) advise researchers that the researcher must find an inside member of the group studied who is willing to become an informant and act as a guide. I introduced myself by name to each participant. On two different occasions when I was introducing myself participants interrupted me. One commented: "This is the fourth time I interviewed ... are you a politician ... no changes I saw since those interviews." Another said, "If you are a tax collector ... my husband ... ah! is not here to answer your questions about ... my enterprise ... mh! ... try tomorrow." To resolve this problem I continued with explanations on the purpose of my study. I said that I am a student at the University of Western Cape and that this research is part of the requirements of my studies. I informed each participant about the use of a tape recorder as Strebel (1995) advises researchers. Burgress (1985) stresses that the observation of an ethical code of conduct when approaching participants must be observed. I obtained permission to interview them and gave an explanation of what the research is all about. After this brief introduction I thanked them for their willingness to participate in the study. Then I discussed with each participant the interview schedule. I was flexible to fit in with their schedules. However, the majority scheduled their interviews on weekends particularly on Sunday because during the weekdays they had many customers to attend to. Thus, I had to devote my time during weekdays to observing the women entrepeneurs, their customers and how they handled their customer. I was successful in getting eight participants.

I developed questions in Kiswahili, the national and official language in Tanzania, (see appendix II in English version) to enable participants to feel free to express themselves in the language which they are conversant with. Thus, I conducted interviews in Kiswahili. However, I encountered some problems in translating some words or questions which would seem to loose their essential meaning when translated into English. Overall, while it was beneficial to conduct the interviews in participants favoured language, and I was able to obtain adequate information, it also meant the meaning might be altered during the process of translation. I tried to remain as true as possible to my understanding of the original meaning.

The interviews took place at a venue convenient and familiar to the participant. Some of the interviews took place at the participants' house. This is because the full attention of participants was needed, as well as to give participants freedom to speak without having to worry about other people listening to the conversation. This might have shaped what they wanted to say and thus affect the interview. However, some of the participants were not available during the agreed time because they were either visited friends, relatives or others attended evening mass. This meant I needed to arrange another interview with them.

I collaborated with the participants to make arrangements for an interview time that would not interfere with their businesses. The interviews lasted between one and half hours and two hours. The average time taken was one and half-hours. The interview itself also presented a challenge of gaining as much information as possible in the short time available. I found that one and half hours was around the maximum optimal time, and since it took some time getting into it (and usually having refreshment like coca-cola) during the interview process so as to build rapport and confidence of participants. I think this contributed to the success and outcome of the interviews. Sometimes, participants were not available at the agreed time because they were busy planning for the following day's schedule with their employees before they went to their residential areas. Therefore, for example, I had to interview one participant over a period of three to four days.

Before the interview began I reminded the participants of the purpose of the research, and of the tape recorder, and sought permission from them to use it during the interview. I adhered to ethical guidelines and approached participants with openness, maintained confidentiality and anonymity so as to gain access and build rapport (Holland and Ramazanoglu, 1994). My aim was to empower participants to understand what the research was all about and I informed them that their participation was voluntary. In addition, I assured them that recommendations and suggestions they made would be considered for either immediate use or for future plans for other potential women entrepreneurs. This assured the participants that their ideas were valuable. I informed the participants that the final analysis of the study would contain qualitative data that could not be linked to any individual. I obtained an informed consent from each participant, which included a guarantee of anonymity,

permission to terminate the interview at any point if the interviewee felt uncomfortable. The participants signed the contract (see appendix III).

I started the interviews with general questions like age, their educational background, marital status, number of children, previous employment, reasons for starting the business, and size of start-up and working capital. Their access to source institutional credit was also examined. This was to build confidence, openness and trust. I used a tape recorder to record information from the participants. I believed that tape-recording would allow a comprehensive record than notes taken during the interview. It would also permit me as an interviewer to concentrate on the interview itself rather than focusing on writing. However, I used a field notebook to record non-verbal conversations and cues like nodding, facial expressions. I conducted the interviews myself so as to be able to probe in areas where I needed clarification and to get adequate information sought after for the study.

During the interviews I used simple and clear language. I did not interrupt the participants while they were talking in order to have a flow of conversation. Although I did not allude earlier to the problem of going off the subject, it was tricky when participants started to talk about things that were more significant to them than the content of my questions to get back on the track without being rude. Thus, I encouraged participants to talk and guided the interviews to relevant issues. I probed further for clarification so as to encourage participants to elaborate their views. This is because I was aware that with my position as a researcher I was also part of the process of discovery and understanding, and also responsible for attempting to raise consciousness of participants so as to create changes. This gave the participants an opportunity to think about their answers.

At the beginning of each interview I outlined the kinds of areas or open-ended questions I was to discuss. I think this procedure also played a great role in the achievement of my study. I thought this helped to alleviate participants, anxieties and reservations. Therefore during the interview process I did not follow the sequence of questions of the interview schedule, I neither asked every question nor asked each in the same way for each respondent. I used the

schedule to monitor the coverage of the schedule topics and to provide cues when a participant had difficulties and needed clarification from me.

3.6. Ethical issues

I considered ethical issues. I made sure that the participants were fully aware of the purpose of the study. Institutional consent was obtained from the Ministry of Local Government. I also obtained written information concerning the consent of each participant (see appendix III). I assured participants that their information would be highly confidential and recorded anonymously. I informed the participants that their participation in the study was voluntary and that they could terminate the interview at any point if they felt uncomfortable.

3.7. Analysis

I processed data and analysed it after each interview. This included translating, transcribing and categorizing the responses into meaningful sets, to facilitate easy analysis. Translating entailed translating the response from Kiswahili to English. I started with six themes and twenty sub-headings, for example, case studies, profile of women entrepreneurs, characteristics and so forth which started in my interview schedule. As the analysis progressed, I merged the sub-headings into major themes. Finally I ended up with thirteen major themes such as experience of women entrepreneurs in small-scale enterprises, reasons for starting a small business, autonomy, job creation, premises, competition, financial institutions, bureaucracy in obtaining license/administration, keeping records/administration, income, profits, savings and spending, gender-roles in the household, education/management and technical skills and what women would like to see happen in the future.

I defined themes as a statement of meaning that ran through all or most of the pertinent data. That is, it appeared many times and/or for the majority of transcript. I also noted when an issue appeared once or a few times but carried important analytical impact. I transcribed all eight interviews and followed this with qualitative thematic content analysis of the transcripts. The analysis consisted of line-by-line reading and re-reading of the transcripts and reflecting on each piece of information and comment to uncover emerging patterns.

Some general themes were derived from reading the literature. For example, experience of women entrepreneurs, autonomy, reasons for starting small-scale enterprises, competition and gender divisions of labour, and I added more themes such as incomes, profits, savings and spending, premises, financial institutions, bureaucracy in obtaining license/ administration, keeping records and what Tanzanian women entrepreneurs would like to see which were based on a close reading of the texts. My research analysis was structured around my interpretation of these discussions and was organized thematically in ways that attempted to do justice both to the elements of the research question and to the preoccupations of the interviewees.

3.8. Limitations of the study

I encountered several limitations. The study dealt with personal issues related to the entrepreneurship. I was compelled to build rapport so as to gain trust, confidence of participants and elicit adequate information concerning their incomes and gender-related problems women entrepreneurs face. Building a rapport with participants took more time than I expected. Secondly, some women were not available for interviewing on time. I was thus compelled to interview them on different occasions, again this was time consuming. Thirdly, I conducted interviews in Kiswahili. I found that some participants understood some words or questions with different meaning. Thus, when I translated into English particularly, during the transcription of interviews, I was obliged to find a synonymous word so as not to loose the original meaning, again this was time consuming. Fourthly, one participant was more concerned about the possibility that I was working for the Tax Revenue Authority. She refused to participate during the initial orientation visit when I solicited her participation. Later on however, after she agreed, and once the process of interviewing began, she was highly cordial and co-operative. Fifthly, the sample of women was relatively small. The data presented can act then as base for further research. It cannot be generalised that all women entrepreneurs in Tanzania have the same situation as those who participated in this study. This is because women entrepreneurs are not homogenous and their prospects, problems and strategies differ from one woman to another, and from one region to another.

3.9. Conclusion

The above chapter examined the research design of this project. I outlined my experiences and I discussed the impetus which inclined me to conduct research on women entrepreneurs in small-scale enterprises in Tanzania following the recent economic reforms. I also showed how a feminist methodological framework underpins the study. I highlighted the benefits of qualitative methods against quantitative methods and explained the logic for utilising qualitative methods. I discussed the theory of interviews as a qualitative tool and the basis for deploying semi-structured interviews in collecting data and not other methods like questionnaires. I explained the site of the study and gave the reasons for selecting that area. I discussed how I located respondents and the difficulties I experienced and how I attempted to resolve them. For example, one respondent speculated that I was from the receiver of revenue and refused to be a participant. I explained the rationales of my study and she ultimately agreed. I discussed how I conducted the study, and how I took into consideration my situation as the researcher and it placed me in connection with the participants of my study. I illustrated how I presented and analysed my findings through qualitative thematic content analysis. Finally I discussed the limitations of the study. For example, the time used in building rapport and translating each interview from Kiswahili into English without losing the original meaning. The following chapter will discuss the findings of the research and outline the experiences of some women entrepreneurs in small-scale enterprises following economic reform in Tanzania.

CHAPTER 4: WOMEN ENTREPRENEURS IN SMALL-SCALE ENTERPRISES FOLLOWING ECONOMIC REFORMS

4.1. Introduction

The previous chapter discussed research design and the methods that were used to collect data. This chapter presents the fruits of that research, my findings on women entrepreneurs in small-scale enterprises in Tanzania following the economic reforms. My study highlights some of the problems Tanzanian women entrepreneurs encounter and explores the prospects and strategies they develop to survive in a competitive free-market. The experiences and voices of women are included in order to be heard, as this is one of the objectives of feminist qualitative research on women issues (Harding, 1987). The names of participants have been changed to protect their identity. The women entrepreneurs involved in my study deal with selling of cooked food, amongst other things, and are part of the trade sector.

4.2. Experience of women entrepreneurs in small-scale enterprises

The years of experience of the women entrepreneurs interviewed for this study varied from one another. One had four years experience, another more than twenty-two. Ms Christina Mathayo had four years, Ms Maria Joseph six years experience, Mrs Rehema Johnson eight years. Ms Haika Mshiwa had been working as an entrepreneur for thirteen years, Mrs Nainkwa David and Mrs Ester Lazaro for sixteen years, and Mrs Mwajuma Ali for nineteen. Mrs Magdalena Moabu, twenty-two years experience running her own business and she had seen most of the changes in terms of opportunities and constraints facing women entrepreneurs. These women entrepreneurs had all established their small-scale enterprises after the economic reforms in Tanzania. Facing an economic crisis in the early 1980s, Tanzania was forced to adopt various economic reforms under the Structural Adjustment Programmes. This led to massive retrenchment of public employees, alongside the reduction of subsidies in social services like education, health and cuts in other forms of general government spending combined with the introduction of user charge (cost sharing) and trade

liberalisation. In the context of economic crisis many people were forced to find new ways of generating income.

The research revealed that despite Rutashobya (1995) and Gray, Cooley, Lutabingwa, Mutai-Kaimenyi and Oyugi's (1996) assertion that African entrepreneurs have no role models, many women entrepreneurs established small-scale enterprises through witnessing the experiences of family members and friends who were role models. Parents had influenced several women. As Mrs Mwajuma Ali said:

> I started to deal with entrepreneurial activities after my father passed away in 1975 ... I helped my mother to sell the packed peanut ... My mother accumulated the profit ... she had a saving account ... She educated us ... she was a hardworker ... mh!

Similarly, Mrs Magdalena Moabu stated that "my late father was a businessman," and Ms Haika Mshiwa contended that "my father is a businessman." Husbands too, were also important role models. Mrs Ester Lazaro expressed that "I married a businessman I am used to help him in his businesses." Similarly, Mrs Mwajuma Ali reported that "I married a businessman." Even siblings, provided role models. Ms Maria Joseph reported that "I learned from my brother." These explanations confirm Brockhaus and Horowitz (1986) observations that family members, and parents in particular, play a key part in establishing the desirability and credibility of women's entrepreneurial activities. But family members were not the only ones who were important. Additionally, Mrs Nainkwa David said that "I learned to manage my business from my friends," Ms Christina Mathayo added that "I got experience after establishing my own business," and Mrs Rehema Johnson revealed that "I learned from other women entrepreneurs." These statements resonate with Hisrich and Brush (1987) and Scherer (1989) who assert that one way of learning is through the observation of others. It was clear from my interviews that family members and friends played a key part in influencing these women to establish small-scale enterprises.

4.3. Reasons for starting a small business

A combination of various factors led the women in my study to establish small-scale enterprises. Mrs Ester Lazaro reported that "I establish the small-scale enterprises in order to

meet the needs of my family and to supplement my meagre income." This is because her husband's business could no longer produce sufficient income to meet family's needs. Thus the family found it difficult to survive with only one salary. However, Ms Christina Mathayo indicated that "it is an alternative employment opportunity since the labour market is no longer absorbing the school graduates." Thus, she felt that a small-scale enterprise offered greater livelihood chances for her, enabling her to create her own pathway to job. This resonates with Hisrich (1983) and Van Der Wees and Romijn (1987) assertion that women in Britain established small-scale enterprises because the formal sector no longer absorbed women workers and they wanted to form their own career path. As she said "I am not interested any more to look for job in public or private institution, the profit I gain is higher than salary employees get in public institutions." Mrs Rehema Johnson said that:

> Initially I established a small scale enterprise in order to fulfil the extended family household requirements when I was living with my in-laws ... I re-start the business in order to meet my household needs because it is difficult to depend only on my husband's income.

Mrs Mwajuma Ali posited that "I establish a business so as to fulfil the household responsibilities and it is an alternative form of employment opportunity ... ah! ... I quit my job and concentrate on businesses ... They pay more." Mrs Maria Joseph revealed "I start a business in order to be able to satisfy my household requirements including payment for school fees for my child and to build my house." However, Ms Haika Mshiwa stated that "it is not easy to live by depending on my relatives assistance." Instead she said she wanted "to gain autonomy, independence and power in decision making in my family." Mrs Nainkwa David said "I establish a small businesses for the purpose of meeting my family's demands such as medication and paying school fees for my children." It was clear from my interviews that small-scale enterprise was primarily a financial imperative to these women.

4.4. Autonomy

Women entrepreneurs interviewed were the owners of small-scale enterprises, and as such had a fair amount of autonomy with regards to money. As Mrs Mwajuma Ali said that "I am free to use money whenever I need." Mrs Nainkwa David reported that "my husband is supportive after seeing my contribution to the household requirements through the profit of

my businesses." Ms Haika Mshiwa contended that "I am free nobody wants to know my business earnings ... ka! ... I have full freedom." Mrs Ester Lazaro revealed that "my husband is not interested to know the profit of my businesses as well as my salary ... but I have to meet the household needs." Similarly, Mrs Maria Joseph argued that "I do whatever I want with my money ... I keep sales record alone" Mrs Magdalena Moabu reported that "I make decision on my businesses alone." Ms Christina Mathayo posited that "my brothers and my sisters do not interfere with my businesses." However, Mrs Rehema Johnson expressed that "my husband always asking how much I earn in my businesses ... I don't reveal the actual amount of money I obtain daily." It was clear that my interviews suggested that these women do have a great deal of autonomy. These explanations resonate with Schwartz (1976), Sexton, Kent and Vesper (1982), Goffee and Scase (1983, 1985) Scott (1986), Kolvereid, Shane and Westhead (1993), Marlow and Strange, (1994), Kuratko and Welsch (1994), Schiens (1978), Hisrich (1983), Hisrich and Brush (1987) and Falola (1995) who assert that most women entrepreneurs established small-scale enterprises so as to have autonomy and respect.

4.5. Job creation

Apart from one, the women entrepreneurs who participated in this study employed members of the extended family of both their own and/or their husband's family, as well as other people. This indicates that there is a symbiotic relationship between members of the extended family and women entrepreneurs through labour rendered on them. Close relatives provide labour to women entrepreneurs. In turn they are paid in cash or kind. This relationship creates mutual understanding between women entrepreneurs and the members of the extended family. Thus the kinship ties in Tanzania are maintained through new forms of job creation. This resonates with Rogerson (1991) who asserts that small-scale enterprises contribute towards job creation. As Mrs Nainkwa David commented that "I employ two girls who are my relatives to help me."

As has been well researched, women entrepreneurs have reproductive and productive roles to fulfil. These women have developed systems of reducing their workload so as to harmonise their roles that involve employing relatives and other people. Ms Haika Mshiwa revealed that

"I get assistance from my children." Mrs Nainkwa David and Mrs Rehema Johnson said that they have created two jobs for domestic workers. Ms Maria Joseph commented that "I employ three members of the extended family and another two people," while Ms Christina Mathayo said that "I employ three ladies." Mrs Ester Lazaro revealed that:

> I employ three people in my businesses and ... during the Muslim's fast month temporarily ... I employ three extra people to attend to customers ... buy stocks and ... cooking under ... the supervision of my young sister.

Mrs Mwajuma Ali contended that "I employ four of my relatives to help me." But certainly, some women found that employing others caused problems too, especially when non family members were employed. Mrs Magdalena Moabu asserted that "I have a problem of retaining employees they run away after a short time ... I learn to slaughter pigs myself ... I employ several people as well." Mrs Ester Lazaro lamented that "one of my employees steal profit and working capital ... I decide to close down my business ... I have chased them away." Similarly, Mrs Mwajuma Ali complained that "my employees in the shop are jealous ... not honest ... and lack co-operation compare to those in the restaurant." Even so, it was clear from my interviews that despite these problems, women entrepreneurs had some notable achievements in terms of job creation. These include the creation of employment to the members of the extended family, other people and themselves.

4.6. Premises

Location of an enterprise is an important decision women entrepreneurs have to make, because a good location is one of the conditions for the success of any business. The findings of the study reveal that six of the women carried out their entrepreneurial activities nearby or in their houses. This is because it is not easy to get business premises in commercial areas for the expansion of their business due to bureaucratic procedures. The rent in commercial areas is also high. Mrs Nainkwa David noted that "the problem of premises is more severe in Dar-es- Salaam than lack of credit ... you have to follow the long procedures ... eeh! ... It is tiresome and time consuming." Similarly, Mrs Rehema Johnson added:

> I choose to sell cooked food at school playgrounds ... it is very expensive to rent a business premise in a commercial area ... When my business grows ... I get a place at a hotel ... but I have to pay the owner of the hotel Tshs 1,000/=[1] daily.

Others drew on family resources. Ms Maria Joseph asserted that "I start a kiosk at my brother's house." Ms Christina Mathayo contended that "I establish my business at Magomeni area at my father's house." Some women combined family and business premises. Mrs Magdalena Moabu argued that "I run a retail shop and I sell cooked food at my house I also raise young pigs in the backyard of my house." Mrs Ester Lazaro expressed that "I sell cooked food at my house in order to compensate the high rental costs ... I incur in commercial area for my retail shop." Ms Haika Mshiwa reported that "I establish my businesses near to my home." Mrs Mwajuma Ali put it:

> I sell cooked food at my house ... the rent costs at Kariakoo are high. ... I decide to rent one side of my room to my friend ... who is also a businesswoman so as to compensate the costs.

This indicates that women find a variety of solutions to the problems of finding well-priced and convenient premises for their small-scale enterprises.

4.7. Competition

The presence of reliable markets is an essential element for the expansion of a business. However, the research revealed that women entrepreneurs are confronted by unreliable markets for their entrepreneurial activities. This is because of high competition caused by trade liberalisation, part of the economic reforms that called for competitive free markets. There are now more people than before in the informal sector. Mrs Nainkwa David put it "When I started to sell cooked food there was no problem of market, but nowadays many women joining in selling the same variety of cooked food." This is an indication that more women had established small-scale enterprises so as to overcome economic hardships than ever before. Similarly, Mrs Magdalena Moabu asserted that:

> I decide to concentrate on raising young pigs and sell cooked food ... because a retail-shop is not producing high profit ... It takes me six

[1] The current exchange rate in January 2002 was R1 was equivalent to 80 Tanzanian shillings. Therefore 1,000/= was equivalent to R 12.50

> months to find myself new wholesalers as the old ones had closed down their shops due to competition.

Ms Christina Mathayo noted that "I made a high profit before other people joining in this business ... ooh! ... nowadays I make little money due to high competition." Similarly, Mrs Rehema Johnson revealed that "I experience competition from my neighbours who sell the same variety of cooked food." Mrs Mwajuma Ali said that "initially, I made high profit but nowadays many people are joining in selling cooked food." Similarly, Mrs Ester Lazaro argued that "at the beginning the business is good ... profit is high ... but at the end of the year it is worthless, many people particularly men joining in." Ms Maria Joseph commented that "I experience a problem of competition from other people especially men who have establish a business in the nearby area." Ms Haika Mshiwa expressed that "when I started my business I was alone ... but nowadays many women have joined in ... and as a result the competition is high." This shows that the influx of people into the informal sector since the economic changes associated with the Structural Adjustment Programmes, have led to boost in competition and thus increased the challenges facing women entrepreneurs.

However, these women have developed various coping strategies to deal with problems associated with competition in the markets. Each women entrepreneur has developed her own strategy. For example, all of them collected or imported materials personally from their suppliers. For example, Mrs Nainkwa David said that:

> I buy stock (raw material) for my business from the wholesalers and suppliers at Kariakoo ... and Tandale markets in cash and with discount. ... I do not delegate to an employee ... because she is not familiar with the wholesalers and suppliers ... I am afraid to lose my customers ... These markets sell fresh foodstuffs ... and at cheaper prices.

Similarly, Ms Christiana Mathayo contended that "I also buy my stocks at Kariakoo market on weekly basis ... Sometimes I travel to Zanzibar to collect materials." Mrs Mwajuma Ali reported that:

> I buy my stock at Tandale market per week from the wholesalers and suppliers ... I get some materials from other wholesalers ... from Zanzibar who import materials from Hong Kong ... Thailand ...

> Taiwan, China and Arab Emirates ... and resale in retail and wholesale as well.

Mrs Rehema Johnson revealed that "I buy my stock from the wholesalers and suppliers in cash at Kariakoo ... Ferry market and ... in rare cases at the surrounding retail-shops." Ms Haika Mshiwa revealed that "I buy my stock from Tandale and Manzese Midizini market at cheaper prices ... and in retail shops on credit ... I make sure that vegetables are fresh." Mrs Ester Lazaro commented that "I buy my stocks from Kariakoo, Ferry and Buguruni markets from the wholesalers and suppliers on weekly or daily basis ... depending on the price of that day."

Women also adopted a strategy of setting prices to charge their customers. Mrs Nainkwa David revealed that "I charge customers a competitive and differentiated prices according to the menu." The granting of special prices concurs with the international experience in coping strategies of women in small-scale enterprises (Allen and Truman, 1988). Ms Christina Mathayo reported that:

> I do research of the markets for my businesses ... my prices for cooked food ... are not different from other women entrepreneurs ... but prices for my boutique are negotiable ... in such a way that I sell at lower prices than other boutique ... Thus at the end of the day I sell many clothes with high profit (return).

Similarly, Mrs Mwajuma Ali said that:

> My prices are negotiable as well ... I sell cooked food at a competitive price ... For example, price of *ugali* (stiff porridge made of maize flour) with vegetable and meat is Tshs 400/= per plate ... for *wali* (cooked rice) with green vegetables, salad and meat is 500/= per plate.

Ms Haika Mshiwa commented that:

> I charge prices which are affordable to my customer ... Price of *ugali with* beans and vegetables is Tshs 200/= per plate ... and *ugali* with meat and vegetables is 250/= ... the price of *wali* with meat and vegetables is Tshs 300/= per plate ... and for *wali with* beans and vegetables is Tshs 250/=.

Mrs Ester Lazaro argued that "I do not change my prices frequently." Mrs Magdalena Moabu revealed that "I display menu with prices everyday." Ms Maria Joseph argued that "I change prices according to the prevailing price in the market at that time particularly for beer." Additionally, Mrs Rehema Johnson reported that "my prices are attractive they are not high compared to my neighbours."

Increasing customers choice is another mechanism used by Tanzanian women in business. Mrs Nainkwa David contended that "I add unique products like salad, sardines, pepper, seasoning rice, meat and fish with coconut milk." Similarly, Mrs Ester Lazaro commented that:

> I cook more a variety of food during the Muslims' fast month ... like *mtori* (soup of unripe bananas) ... *uji wa ulezi* (finger millet porridge) ... and *futari* (first meal in the evening after a day's fast). Thus many customers used my place.

Ms Christina Mathayo reported that "I make sure that there is a variety of fresh vegetables and fruits everyday." Mrs Rehema Johnson contended that "I cook variety of food such as *ndizi* (unripe bananas) *nyama* (meat) potatoes, pancakes, spinach, chips, chicken, fried liver, tea, doughnuts, scones, samoosa and the like."

Additionally, these women strategised to attract customers. Mrs Ester Lazaro commented that "I use one of my employees to do research of the markets in various offices in order to obtain orders from prominent customers." Ms Maria Joseph asserted that:

> I provide my customers who buy beer for wholesale on credit ... I get tenders in different ceremonial occasions ... I also take orders for cooked food from various offices ... where my customers pay me daily or monthly ... I employ qualified people in my businesses ... As a result I had never experience complaints from my customers ... concerning food or services offered to them by my employees.

Ms Christina Mathayo reported that:

> I employed qualified cooks ... I supervise and taste the food before served to my customers ... ... I am faithful to my customers and ... aaah! ... I allow them to pay deposit for later purchase (lay-bye) ... I make sure that clothes are of high quality and are attractive to customers.

Similarly, Mrs Mwajuma Ali reported that:

> I make sure that cooking utilities are always clean ... I always buy fresh vegetables ... of high quality ... I also sell clothes to the prominent business persons living in area permanently ... The buyer should have a guarantee of *mjumbe wa nyumba kumi* (consul) ... Their *wajumbe wa nyumba kumi* (consuls) provide the information of the legality and assurance of that person.

This indicates that these women developed a variety of strategies such as competitive pricing, careful purchasing and savings on raw materials and increasing customers' choice which helped them to attract new customers and retain old ones.

Another strategy women entrepreneurs use to make their businesses competitive is to exploit themselves in terms of working long hours in their entrepreneurial activities, although the time spent differs from one another. Mrs Nainkwa David pointed out that "I start my entrepreneurial activities from 5.00 in the morning up to 7.30 in the evening. I reach home at 8.00pm." Similarly, Ms Maria Joseph commented that "I am very busy from 5.00 am till midnight every day." Mrs Magdalena Moabu argues that "I spend more than fourteen hours per day for six days per week." Mrs Ester Lazaro revealed that "I join my employees after working hours (3.30 pm) until 8.30 pm during weekdays. ...ah!... During weekends. ... I stay with them from 7 am till 7.00 pm." Ms Haika Mshiwa said that "I am busy throughout the day, for six days per week starting from 5.00 am to 6.00 pm." Mrs Rehema Johnson put it "I am working in business from 5.00 am to 8.00 pm every day." Similarly, Mrs Mwajuma Ali contended that "I spend more than ten hours in my businesses." Like entrepreneurs in other parts of the world, Tanzanian women in small-scale enterprises work extra hours so as to meet household and business needs. Thus, my interviews suggest that Tanzanian women entrepreneurs who participated in this study spend an average of 8 to 12 hour a day at their entrepreneurial activities.

Diversification is another mechanism used by the Tanzanian women in this study to solve the problem of competition. The research found that all the women had more than one business located either at the same area or different areas. For example, Mrs Ester Lazaro said "I have

a retail-shop located in a commercial center ... and ... I also sell cooked food at my home," Ms Maria Joseph reported that:

> I sell cooked food near to my house starting from breakfast ... lunch and dinner ... I have a sub-wholesale store of beer and. ... I have a retail shop ... and take away beer shop at my brother's house.

Ms Christina Mathayo, asserted that "I sell cooked food ... I decorate wedding halls, brides and bride maids ... I hire wedding dresses and ... I own a hair saloon and a boutique located at Magomeni area." Mrs Magdalena Moabu noted that "I raise young pigs ... I braai ... and I sell cooked food and ... I have also a retail-shop." Mrs Mwajuma Ali put it "I sell cooked food ... and manage a wholesale and a retail-shop at Kariakoo area." Similarly, Ms Haika Mshiwa revealed that "I sell a variety of cooked food and soft drinks." Mrs Nainkwa David commented that "I sell beer, cold drinks and a variety of cooked food." This indicates that one of the ways these women entrepreneurs coped with competition was by carrying out a multiple portfolio of activities that compensated one another. My findings are thus consistent with other studies such as a study on beer brewing in Lesotho (Mapetla and Machai, 1998) which shows that African women entrepreneurs tend to be involved in more than one activity at a time in order to increase their sources of income.

4.8. Financial institutions

Banks and micro-financial institutions play a great role in rendering loans to people in business including women entrepreneurs. However, some Tanzanian women entrepreneurs tend to lack such services, although the Tanzanian women entrepreneurs in this study expressed different views. Mrs Magdalena Moabu reported that:

> I did not apply for neither bank nor micro-financial institution loans because of bureaucratic procedures and ... high interest rates charges between 30% and 40% per annum ... looh! .... Micro-finance institutions are helpful for those people who are desperate ... because the amount of money offered is very small.

Ms Christina Mathayo asserted that "up to now I have neither received bank nor micro-financial institutions loans, however, I have submitted my written project to a bank." Ms Haika Mshiwa said that "I am not aware that banks offer loans to women entrepreneurs in small-scale enterprises ... If I had known ... I would have applied." However, Mrs Nainkwa

David, who did know, explained that "I didn't apply for a bank loan ... because I could not fulfil the requirements." Ms Maria Joseph on the other hand both knew about bank loans and fulfilled requirements. She chose not to apply because of risk:

> I did not apply for neither a bank nor micro-financial institution loans because ... I have enough working capital ... to get bank or micro-financial institution loans ... there is a possibility of your immovable property to be confiscated if you fail to repay.

Mrs Mwajuma Ali pointed that "I am not interested in applying for either a bank or micro-financial institution loans ... because my businesses are not large ... I generate enough profits to sustain them." Time was an issue for another businesswoman. Mrs Rehema Johnson said that:

> I did not apply for a bank and micro-financial institutions loan ... because it takes a long time to get a loan ... by the time you get it the inflation rate is high ... and the rates of interest to be charged are high.

While banks were an unpopular source of capital, there were other sources. Mrs Esther Lazaro reported that:

> I did not apply for a bank loan because of the complicated procedures and ... I have no collateral. ... but ... I succeeded to get a loan from the government credit scheme ... known as Women Development Fund. ... It had simple procedures although a loan was small.

This indicates that time consuming, bureaucratic banking regulations around surety and loan repayments discourage women from even applying to borrow from banks and micro-financial institutions. Therefore unequal access to societal economic resources is a problem to women in their entrepreneurial activities. This situation is made worse by the traditional values and norms which limit women from inheriting land or property that can act as surety.

Despite the problems, start-up and working capital is an essential requirement needed in the establishment of business. Tanzanian women entrepreneurs in this study have developed different methods to solve the problem of start-up and working capital. Some drew on family resources. Mrs Nainkwa David revealed that "my husband gave me Tshs 1,500/= as start-up capital." Ms Maria Joseph noted that "my brother gave me Tshs 400,000/= as start-up capital

and my father added Tshs 100, 000/= to my working capital." Similarly, Mrs Ester Lazaro contended that "I borrowed money ... Tshs 40, 000/= as start-up capital from my elder sister." Mrs Rehema Johnson noted that "I used some of my retrenchment package Tshs 6,000/= ... my husband added Tshs 50,000/= to my start-up capital to start the business." Similarly, Mrs Mwajuma Ali reported that "my husband gave me Tshs 400,000/= as start-up capital. " Ms Haika Mshiwa asserted that "my father gave me 50,000/= as start-up capital." However, Mrs Magdalena Moabu revealed that "I used my late husband's money Tshs 4,000/= as start-up capital." Ms Christina Mathayo put it "I won the lotto Tshs 3 million and I used part of it as start-up capital." This indicates that these women entrepreneurs had one main source of start-up and working capital in establishing their entrepreneurial activities. They are nearly all drawing on family resources, and that within the family the money generally comes from men.

Drawing on the resources of male family members was not the only way these women solved the problem of start-up and working capital. Another mechanism women entrepreneurs adopt was to join *upatu*. *Upatu* is an informal rotating credit association, its prime function is to provide its members with capital. The members are usually women, who agree to make regular contributions to a fund which becomes the property of each contributor in turn. It provides its members with a lump sum of money more than they could save on their own. The system is fairly flexible and if one member urgently needs some money, she may be permitted to jump the queue and receive the collection before she is entitled to do so (Omari, 1995). *Upatu* is similar to the South African *a stokvel* system (Gwagwa, 1998; Verhoef, 2002).

Many of the women in this study had accessed start-up and working capital through *upatu*, although their contribution and the number of members differ from one group to another. For example, Ms Maria Joseph said:

> I contribute Tshs 20,000/= per week ... we are ten people in our group ... I use the money to buy building materials for my house ... yah! ... which is in the final stages of completion.

Mrs Magdalena Moabu revealed that "I contribute Tshs 20,000/= per week to a group of ten people ... I use the money to pay school fees for my children ... and make repairs of pigsty." Ms Haika Mshiwa, reported that "I contribute Tshs 500/= per day to a group of twenty people ... I use the money to add to my working capital." Similarly, Mrs Rehema Johnson said that "we are twenty in the group and each contribute Tshs 500/= per day ... I deposit all the money in my savings account." Others used neither banks nor governmental credit, nor family members nor *upatu,* instead they utilised colleagues and close business associates. Mrs Mwajuma Ali argued that "I joined other businesswomen who are close to me ... eeh ... we developed a system ... of helping each other in business financially." Overall, the banks were not seen as a viable resource for these women. Bureaucracy, administration and paperwork that led to long delays, alongside surety requirements and high interest rates discourage even the women who did know about bank loans from applying. Male family members were a source for several women involved in this study, as was *upatu*, while business colleagues were important for another. It would appear then, that access to start-up capital is closely connected to family and friends rather than through financial institutions.

4.9. Bureaucracy in obtaining license/administration

Bureaucratic structures and procedures involved in obtaining business licenses also tend to hinder women's entrepreneurial activities, often restricting these women's ability to take advantage of economic opportunities. Ms Haika Mshiwa reported "I applied for a license it takes four months to get it because of long procedures." Mrs Ester Lazaro contended that "the processes for obtaining license are long ... It needs tolerance." Ms Maria Joseph revealed that "I have to start the process of renewing my licenses early ... hah! ... it is tiresome ... It is a long process." Similarly, Ms Christina Mathayo asserted "I failed to start my business immediately ... because I have to wait for a long time to get a business license." Mrs Nainkwa David said that "to get a business license needs encouragement ... It may take two to three months to get it." Mrs Magdalena Moabu revealed that "there are many regulations for obtaining a license." Mrs Rehema Johnson argued that "I forgot to present my application form in one office ... as a result I have to go back in the process." Tanzanian women entrepreneurs, at least these in this study, also encountered a hostile regulatory environment in the registration of their small-scale enterprises. There are long processes

which must be followed, which discourage women entrepreneurs from registering their small-scale enterprises. However, the women of this study did not despair, they continued to register their businesses. Ms Haika Mshiwa outlined the lengthy procedure:

> You have to pay a non-refundable fee for registration ... You have to collect a registration form of business from the Municipal Trade Office and fill it in ... You and your employees have to see the doctor in a recognised hospital for check up ... The Health Officer has to inspect the business area if it is conducive or not. If s/he found that it is conducive, s/he signs the completed forms ... You present your form to the Municipal Town Plan Office to confirm if the area in which the business is located in for business purposes. ... They will come to inspect the area and make recommendations to the immediate boss so as to proceed to another step ... Then, you have to present your form to the Ward Police Office to sign for security purposes ... The same form you have to present to the Ward Executive ... Finally, you will present the same form to the Trade Officers to pay for your license and development levy ... This is done once per annum and is time consuming.

It is hardly surprising then that, as Ms Haika Mshiwa said, "ah! ... I was discouraged." But, like the other women of this study, she persevered because "I was afraid of harassment and confiscation of my business ... It is a complicated procedure." These difficulties affect all those who have, or plan to have, their own business, and must discourage some potential entrepreneurs altogether.

4.10. Keeping records/administration

Keeping sales records is an important process in business. It helps to show the trend of the business as well as the profit gained by the owner. Women entrepreneurs in this study claimed that they knew how to keep sales records and tried to keep them daily. Mrs Nainkwa David reported that "I use my experience of household management in keeping business records." Ms Maria Joseph expressed that "I keep sales records every evening." Similarly, Ms Christina Mathayo asserted that "I use my knowledge ... and University skills to keep sales records." Mrs Magdalena Moabu noted that "I have not yet attended any official training course ... but I use my experience in business to keep records."

Mrs Ester Lazaro put it "I apply my professional skills to keep records of my business." Mrs Rehema Johnson contended that "I apply book keeping and management skills I gained in

official training courses." Although Mrs Mwajuma Ali claimed to "have skills on keeping sales records," she did not keep these records herself. Instead she noted "my husband keeps sale records daily." In contrast Ms Haika Mshiwa said that:

> I am not interested in keeping sales records ... the main aim of establishing small-scale enterprises is to sustain ... and fulfil requirements of my family ... I often use money, as it becomes available.

Almost all the women entrepreneurs in this study seemed to use the informal knowledge and experiences drawn from a variety of sources as well as formal book keeping skills in keeping their sales records. Keeping records was apparently not a big problem for them.

4.11. Income, profits, savings and spending

It also emerged from my study that these women entrepreneurs earned varying amounts. However, women entrepreneurs use their earnings differently. Ms Haika Mshiwa who earned an income of roughly Tshs 68,000/= per month contended that:

> I use Tshs 30,000/= per month of my earnings to fulfil my household requirements ... This is because sometimes ... I supplement with cooked food I sell ... I use Tshs 8,000/= per month for paying the rent of the house ... I contribute Tshs 3,000/= per month for paying water usage. I share with other people within the same house ... I also contribute Tshs 2,000/= per month for buying electricity...I also share with other people ... I also save Tshs 10,000/= per month for emergency ... I contribute *upatu* Tshs 500/= per day, every month ... I receive Tsh 15,000/= per month from *upatu* ... Some of Tshs 10,000/= I add frequently to my working capital.

Ms Maria Joseph who made a profit of Tshs 1,000,000/= per year said:

> I use Tshs 1,140,000/= per year for paying school fees for my child. ... I use Tshs 70,000/= to meet the household requirements ... I also use Tshs 15,000/= per month for paying water usage ... I use Tshs 20,000/= per month for buying electricity ... I also send Tsh 40,000/= twice per year to my mother ... This is because I do not pay rent of the house ... I save Tshs 50,000/= per month at bank for emergency ... I contribute Tshs 20,000/= per week to *upatu* ... after ten weeks I get Tsh 200,000/=.

Mrs Ester Lazaro who made an income of Tshs 70,000/= per month expressed that:

> I use Tsh 50,000/= per month to meet the needs of my households ... This is because I top up with my salary ... I use Tshs 15,000/= per month for paying water usage ... I also use Tshs 5,000/=per month for buying electricity.

Similarly, Mrs Nainkwa David who earned Tshs 125,000/= per month noted that:

> I use Tshs 50,000/= per month for household needs ... my husband also contribute ... I use Tshs 15,000/= for paying water usage ... I also use 5,000/= per month to buy electricity ... I contribute Tshs 5,000/= per week to upatu, after ten weeks I receive Tsh 50,000/= ... I deposit Tshs 30,000/= to my saving account for emergency.

Mrs Magdalena Moabu who made an income of roughly Tshs 240,000/= per month asserted that:

> I use Tshs 70,000/= per month for household needs ... I use Tshs 15,000/= per month for paying water usage ... I use Tshs 5,000/= for buying electricity ... I contribute Tshs 20,000/= per month to *upatu* ... after ten weeks I receive Tsh 200,000/= ... I use that money to solve the problems of school fees for my child and repair of pigsty ... I deposit Tsh 50,000/= per month at the bank for emergency purposes ... so that when one of my businesses become bankrupt ... I have a start-up capital to re-establish another business.

Similarly, Mrs Mwajuma Ali who earned an income of more than Tshs 200,000/= per month reported that:

> I use Tshs 80,000/= per month for household requirements ... I use Tshs 15,000/= for paying water usage ... I also use Tshs 5,000/= for buying electricity ... I deposit Tshs 100,000/= per month at my saving account.

Additionally, Mrs Mwajuma Ali reported that she sent some money to her mother, but she did not specify the amount of money "I always send some money to my mother to sustain household requirements ... because she is old ... and she cannot carry out her entrepreneurial activities as before." Similarly, Ms Christina Mathayo who earned a profit of Tshs 150,000/= per month argued that:

> I deposit Tshs 150,000/= per month at my savings account ... Some times ... I contribute to the household needs ... whenever I feel to do so ... but I am not obliged ... I plan to buy a plot to build my house and rear livestock in few days to come.

However, Ms Christina Mathayo did not reveal the amount of money she has saved so far. Mrs Rehema Johnson who earned an income of Tshs 130,000/= per month said that:

> I use Tshs 60.000/= per month to meet my family's needs ... I use Tshs 10,000/= per month for paying rent of the house ... I use Tshs 3,000/= per month to buy electricity ... I also use Tshs 7,000/= for paying water usage ... I contribute Tsh 1,000/= per day to *upatu* ... after twenty days I receive Tshs 20,000/=... I also deposit Tshs 30,000/= per month at my savings account for emergency.

The usage of women entrepreneurs' income shows that for some, family obligations weigh heavily and are a drain on their entrepreneurial earnings. For others, saving and reinvesting in the business is easier, with at least some of the women, such as Ms Christina Mathayo making substantial profit.

4.12. Gender roles in the household

The changes in the Tanzanian economy have also caused changes of gender roles in the household. Many married and single women have established small-scale enterprises so as to sustain their families. They overtly fulfil both reproductive and productive roles. Acknowledging the gender expectations of her as a married woman, Mrs Magdalena Moabu, reported that "I quit my job to become a housewife as the society's expectations ... mh! ... but later I start the business." Mrs Ester Lazaro pointed to the shifts in power within the household since starting her business "I am a breadwinner ... but ... I share more household decision making with my husband ... eeh! ... than before when ... he was a sole breadwinner." Similarly, Ms Haika Mshiwa reported that "I gain power in decision making at my family ... Since starting a business." This suggests that some Tanzanian women entrepreneurs in small-scale enterprises are able to participate in familial decision-making through the economic empowerment produced by entrepreneurship.

4.13. Education / training and managerial skills

The levels of education differed among the Tanzanian women entrepreneurs in this study. Three (3) of the women entrepreneurs have completed primary school, four (4) have

secondary education and one (1) is a university graduate. This situation shows that small-scale enterprises attract women with different levels of education.

Some of the women entrepreneurs in this study had undergone business-training courses. Mrs Rehema Johnson revealed that;

> I have attended several business training courses ... such as book keeping ... I use the skill I gained in keeping my business records ... This helps me to know the trend of my business ... to know whether I gain or I operated at a loss. ...but ... I would like to learn more on hotel management and catering skills ... so that I can carry out my entrepreneurial activities more effectively and efficiently.

Ms Christina Mathayo remembered that:

> I attended hotel and catering course for six months ... this course is helpful to me ... because I use the gained skills to prepare ... and cook a high quality and nutritious food in such a way that I do not get complaints from my customers. ... I attended clothing design and batik ... and flower decoration courses. ... I also attended catering courses. ... They are very helpful to me ... This is because ... I can recognise clothing designs which are attractive to my customers ... The decoration courses help me to get tenders in decoration of ceremonial halls ... brides and bride maids ... nowadays you cannot succeed in business ... without formal training courses in management and technical skills ...hah!. ... Everyday you have to develop new strategies to improve your business.

Similarly Ms Maria Joseph reported that:

> I attended training on raising young pigs ... for two days ... This training course is useful to me ... It helps me to rear many pigs without many problems ... I would like to learn more on young pigs' diseases and prevention measures.

Several women thought that they would benefit from such courses. Mrs Ester Lazaro asserted that:

> I have never attended any official training course, ... however, I would like to learn more on ... staff supervision ... hotel management ... and catering so that I will be able to get more tenders in different ceremonies.

Ms Maria Joseph put it:

> I have not yet attended any business training course ... because of insufficient time ... I rely on my long experience in business ... But as time went by ... formal business training courses are crucial. ... I think without management ... and technical skill you will not succeed in business.

Many women however, thought they did not need additional training. Ms Haika Mshiwa revealed that "I have not attended any training course ... cha! ... I don't want training I have experience from home ... the training courses are conducted in inappropriate hours ... and are time consuming." Similarly, Mrs Mwajuma Ali argued that:

> I have not attended business training course ... because I am not aware of them that .:. eeeh!... I can learn new skills from such training. ... I am talented. ... and I have long experience in business ... my mother made a lot of profit ... without attending any course.

Mrs Nainkwa David noted that:

> I admit that I have never attended any training course ... and ... I have technical and managerial problem ... aah! ... but ... I apply my experience of the household management ... to perform my entrepreneurial activities.

This suggests that the training courses are often inappropriate for women entrepreneurs. Those who dismissed training courses did so because the motivation of establishing small-scale enterprises was to fulfil their household requirements and they depend on it for their survival. Thus to miss one day of business by attending a business training course might cost some Tanzanian women entrepreneurs the profit of that day. My interviews also suggest that both those Tanzanian women entrepreneurs who had attended business training course and those who had not thought that such training would help them in their businesses. Others thought that business training courses were not useful to them because it might cost customers and money. It would appear then, that some women use informal management knowledge in their businesses. However, the success of the business does not only require formal training in management and technical skills so as to be innovative and creative in business though it might be an added advantage.

4.14. What women entrepreneurs would like to see

Women entrepreneurs are willing to reinvest in small-scale enterprises in the future despite the problems they have experienced in their present businesses. Some women hoped that the government would change its policies so as to favour them. Mrs Mwajuma Ali said that "the government should be sympathetic towards women ... when it formulates ... and implements its developmental policies." Ms Haika Mshiwa contended that "I would like the government to clarify ... and ... shorten the procedures of issuing licenses to women." Additionally, Mrs Nainkwa David commented that:

> ... the legal system and entrepreneurial policies are supposed to be friendlier. ... I would like my children to establish any kind of entrepreneurial activities ... as there are no guarantees of employment ... in public institutions as it was before.

Similarly, Mrs Rehema Johnson said that "the government has to establish more commercial areas for women." Some women looked at the government to provide them with more credit. Mrs Magdalena Moabu asserted that "the government should provide more credits to women ... and the existing informal credit schemes should be strengthened." Similarly, Mrs Rehema Johnson said that "banks should change their policies around providing loans to women entrepreneurs in small-scale enterprises ... because many women have no fixed assets ... due to cultural practices in the society which subordinate woman."

Other women considered the availability of formal business training courses to be important Ms Christina Mathayo thought that "the government, in collaboration with non-governmental organizations ... should inform women on the presence of available training opportunities ... which will help them to undertake their entrepreneurial activities effectively and efficiently." Mrs Ester Lazaro contended that "I expect the government ... in collaboration with non-governmental organisations to educate ... and sensitize its citizens ... on the importance of women's contribution to their family." Tanzanian women entrepreneurs would like to see changes in policies which prevent or limit them from carrying out their entrepreneurial activities. They hoped that the government would provide more credit, and that banks would change their policies on loan requirements as well as availability of formal training courses.

4.15. Conclusion

This chapter has dealt with Tanzanian women entrepreneurs in small-scale enterprises following economic reforms. My study revealed that Tanzanian women entrepreneurs start small businesses because of a range of motivations such as: satisfying the basic needs of the family, gaining independence, complementing insufficient incomes and as a substitute of paid jobs for themselves, relatives and others. Despite the Tanzanian women entrepreneurs highlighted the rationale moving them to establish small-scale enterprises, they experienced a variety of difficulties in carrying out their entrepreneurial activities. However, these difficulties differ from one another. For example bureaucracy in obtaining business premises as well as high rental costs at business areas. As a result, some Tanzanian women entrepreneurs carry out their entrepreneurial activities at their homes, and some of them who get business premises in commercial areas rent a section of the room to their friends to complement the expenses. Tanzanian women entrepreneurs also encountered the problem of bureaucracy in getting business licenses and they were discouraged. However, they accept the need to register their businesses.

Additionally, Tanzanian women entrepreneurs encountered the problem of competition which led to an unreliable market for their entrepreneurial activities. They charge costumers competitive and differentiated prices, as well as carry out many and different entrepreneurial activities in different places. Other devices were collecting or importing materials personally from their suppliers, increasing patrons' preference and working long hours in their businesses.

Lack of start-up and working capital from banks and micro-financial institutions due to the time consuming, bureaucratic bank regulations around surety and loan repayment was another factor which influenced Tanzanian women who participated in this study. Nevertheless, some Tanzanian women entrepreneurs used *upatu* to resolve that problem. Observing records and administration appeared not to be big problem for women entrepreneurs in this study. They used the informal knowledge and different experiences

from a multiplicity of sources as well as formal book keeping skills. Additionally, the research revealed that, entrepreneurship had created conducive environment to some Tanzanian women entrepreneurs in small-scale enterprises to take part in familial decision-making.

The Tanzanian entrepreneurial policies have also been identified as a factor that greatly affected Tanzanian women entrepreneurs in small-scale enterprises. Tanzanian women entrepreneurs in small-scale enterprises who participated in this study would like to see changes such as making entrepreneurial policies more friendly, the elucidated and reduced procedures for obtaining licensed and the establishment of more business places as well as rate charged in commercial areas should be minimal and affordable. The Tanzanian government should inform Tanzanian women entrepreneurs in small-scale enterprises on the available training opportunities and provide more credit to women. The following chapter will deal with conclusion.

CHAPTER 5: CONCLUSION

5.1. Introduction

The study aimed to investigate the gender-related issues around small-scale enterprises owned and managed by women entrepreneurs, following the recent economic reforms in Tanzania. This is in the context of growing concern among policy analysts and gender activists that economic reforms such as the Structural Adjustment Programmes have negatively affected more women entrepreneurs in small-scale enterprises than their male counterparts. Therefore my study sought to address the shortcomings and contribute to the sparse literature on this subject. It has particularly attempted to identify the motivations, and problems encountered by women entrepreneurs as well as the mechanisms they develop to survive in a free-market. This chapter represents the conclusions and recommendations for future research so as to enable the government and other stakeholders in the entrepreneurial development to design and develop friendly policies which will help women entrepreneurs contribute more to the well-being of their families and the nation as a whole.

5.2. Salient features of the study

The critical review of relevant literature showed that in the initial years, the studies on women were inadequate and tended to be based on male entrepreneurs as the standard against which women's experiences as entrepreneurs were judged. Current studies, on women around the world write about women differently. Most studies outlined the reasons motivating women to establish businesses which comprised: satisfying household needs, supplementing their meagre incomes and the like. Studies discussed the aspects that pressurised women entrepreneurs in their businesses like the legal systems, start-up and working capital, competition, role model, gender division of labour, bureaucracy and women's network. Additionally, the literature reviewed identified related some ways women entrepreneurs in both developed and developing countries adopted in handling the problems they encountered in their entrepreneurial activities. For example, depending on relatives and family members for start-up and working capital. However, there was less literature on developing countries than Western.

My professional background, my degree programme, as well as the exposure to the literature on women entrepreneurs in small-scale enterprises in both developed and developing countries has influenced my research on women entrepreneurs in small-scale enterprises following economic reforms in Tanzania. I designed my research project around a feminist qualitative methodology. I collected data through semi-structured interviews as a qualitative tool, and analysed this data through qualitative thematic content analysis. My research has been "about" women "with" and "for" women. Therefore my research is feminist in that it aims to bring individual and societal changes as well as to break with androcentric tradition to focus on women.

The research found that the Tanzanian women entrepreneurs established small-scale enterprises for a variety of explanations. These accounts include: sustaining the requirements of their families, complementing their insufficient earnings as well as an option pattern of employment prospects. This is because Tanzania faced an economic crisis in the late 1970s and early 1980s which caused the Tanzanian government to have increasing difficulty in paying national debts. As a result, the Tanzanian government borrowed funds from the International Monetary Fund and World Bank under the Structural Adjustment Programme which required a series of measures in the economy to be placed such as trade liberalisation and civil service reforms, the move towards a competitive free market, freezing of employment and massive retrenchment of public employees respectively. Consequently, the Tanzanian women who either had been employed, or who had never been employed or left their jobs voluntarily established small-scale enterprises so as to overcome economic hardships.

My study revealed that the Tanzanian women's small-scale enterprises make a great contribution to the family and the nation at large. However, they encountered various problems in their entrepreneurial activities. These tribulations involved: lack of business premises, high rental costs, competition, lack of start-up and working capital from banks and micro-financial institutions, lack of information, and bureaucracy in obtaining business

licenses, which all need to be addressed so that women's entrepreneurial activities and their contributions to the development of Tanzanian economy to be recognized.

My research also revealed that the Tanzanian women entrepreneurs were influenced by competition caused by trade liberalisation which is one of the economic reforms that called for a competitive free market. Consequently, many people both women and men are joining in businesses and this has lead to increasing competition and unreliable markets for their entrepreneurial activities, as well as increasing the challenges facing the Tanzanian women entrepreneurs.

However, the Tanzanian women entrepreneurs are creative in devising different mechanisms in order to cope with competition in a free market so as to attract new customers and retain the old ones. These contain: buying stocks direct from the suppliers and wholesalers at cheaper prices, and working extra hours in their entrepreneurial activities. Other strategies are employing relatives, charging special competitive prices and differentiated prices to customers according to the menu, and looking for prominent customers. They also sell products of high quality, set negotiable prices and allow their customers to pay in instalments (lay-bye). Similarly, they diversify their businesses by locating them either at the same area or in different areas. Moreover, they display menu with prices daily, change prices according to the prevailing prices in the market and add unique products such as providing customers a variety of fruits and vegetables everyday. Additionally, the Tanzanian women entrepreneurs ensure cleanliness of their cooking utilities, employ qualified people in their businesses, supervise and taste food before serving to customers and get tenders in different ceremonial occasions. They provide service to prominent business person on credit and *wajumbe wa nyumba kumi* are guarantors (consuls).

The Tanzanian women entrepreneurs who participated in this study reported that they lack start-up and working capital from banks and micro-financial institutions because of lack of collateral, time consuming, complicated procedures, high interest rates and inadequate amount of capital offered to them either as start-up or working capital. As a result the Tanzanian women entrepreneurs are discouraged from even borrowing from banks and micro-financial institutions.

This is made worse by Tanzanian traditional values and norms which limit women from inheriting land or property that can act as collateral. Therefore, the Tanzanian women entrepreneurs in this study have developed a variety of coping mechanisms in solving problems linked with start-up and working capital. For example, joining *upatu* (informal rotating credit association) which is similar to *stokvels* in South African context, borrowing from relatives, family members and business colleagues.

The bureaucratic structures around obtaining business licenses and business premises also hinder Tanzanian women's entrepreneurial activities. This has restricted women's ability to use economic opportunities and has denied them their potential in entrepreneurial activities. Thus, the legal system has tended to reinforce the subordination of women in Tanzanian society. Therefore, the Tanzanian women entrepreneurs who participated in this study have found diverse methods of coping with the problems by finding conducive areas to carry out their entrepreneurial activities, either nearby or in their homes. Those who get business premises at commercial areas rent a portion of the room to their friends to balance the operating cost, or diversify their entrepreneurial activities. In terms of business licenses Tanzanian women entrepreneurs in this study did not despair and they followed the procedures to register their businesses.

Another factor which has negatively influenced Tanzanian women entrepreneurs were state entrepreneurial policies. The Tanzanian women entrepreneurs in this study would like to see changes so that they might carry out their business activities more effectively and efficiently. These alterations contain: State entrepreneurial policies should be friendly, clear and procedures should be lessened in order to enable women to acquire business permits. Additionally, more commercial areas should be established and there should be transparent on offered business training courses to Tanzanian women entrepreneurs in small-scale enterprises.

It emerged from this study that the biggest problem seemed to be access to information. There is a need for Tanzanian women entrepreneurs to be advised on what procedures to be followed so as to attain business licenses, the borrowing of capital, how best to locate a

business and availability of markets as well as how to develop management skills which some of Tanzanian women entrepreneurs would like to have. This will help Tanzanian women develop their potential in entrepreneurial activities. Similarly, the Tanzanian government should establish an independent institution which would be responsible for the dissemination of business information to Tanzanian women entrepreneurs.

My study revealed that keeping records/administration is not a big problem for Tanzanian women entrepreneurs. They apply informal knowledge and experiences drawn from various sources. These bases involved: household management, formal business training courses in book keeping as well as their professional skills like accounting in keeping their daily sales records.

Furthermore, Tanzanian women entrepreneurs who participated in this study contended that the success of business does not only require formal training in management and technical skills in order to be innovative and creative in business although it was an added advantage. Therefore, education, training and managerial skills was not a huge difficulty to these Tanzanian women entrepreneurs. They used informal training and management skills in carrying out their entrepreneurial activities.

Additionally, the Tanzanian women entrepreneurs in this study have recognised that the gender division of labour in the household is not fixed and unchanging. The economic empowerment gained through entrepreneurship helped these women to participate in familial decision-making to a greater extent than before starting their businesses or when their husbands were sole breadwinners.

My study revealed that the Tanzanian women entrepreneurs who participated in this study have reproductive and productive roles to fulfill. They have found solutions to the double load. They have solved this problem by employing their relatives to look after their children, to baby sit and to help in businesses. These women also located their enterprises near or around their homes in order to combine both reproductive and productive roles.

Overall, my study revealed that the Tanzanian women entrepreneurs who participated in this study had different reasons for starting their small-scale enterprises following the economic reforms. In spite of the different reasons motivating them to establish their businesses, they encountered a variety of problems in carrying out their entrepreneurial activities. However, they used various coping strategies/mechanisms in order to survive in a competitive free market. Additionally, the Tanzanian women entrepreneurs were eager to continue in small-scale enterprises in the future regardless of the troubles they have experienced in their present entrepreneurial activities, if there would be changes of the state entrepreneurial policies in order to carry out their businesses more effectively and efficiently.

5.3. Suggestions and recommendations for future research

My study revealed that Tanzanian women entrepreneurs contribution to the well-being of their families and the national economy at large is vital. Therefore, there is a need to conduct further studies which will investigate a larger sample of women entrepreneurs in small-scale enterprises involved in other sectors, which my study was not able to cover. Feminist research methods should be used in order to hear women's experiences and voices. Such a study would provide a clearer picture of the prospects, and problems encountered by women entrepreneurs in their entrepreneurial activities and the mechanisms they developed to cope in a competition free-market. The findings of such studies would assist women entrepreneurs as well as policy makers and other stakeholders in designing and developing small-scale enterprise friendly policies.

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Appendixes

Appendix I: Letter of introduction

Mrs Namini S.I. Mangi,
Ministry of Community Development,
Women's Affairs and Children,
P.O Box 3448,
Dar-es-Salaam.

14/12/2001

Permanent Secretary,
Ministry of Regional Administration
and Local Governments,
P.O Box 1923,
Dodoma.

RE: RESEARCH PERMISSION

Refer to the above mentioned topic.
I am a Master in Philosophy student at the University of the Western Cape, South Africa. I am requesting permission to collect data in Dar-es-Salaam City for the purpose of my mini-thesis.

My research topic is "Gender and Small-scale enterprises following economic reforms: A case study of women entrepreneurs in Dar-es-Salaam."

Thank you for your cooperation.

Yours sincerely,

(Signed)
Mangi, N. S. I.

Appendix II: Interview questions

A. **General information**
Age

Education

Marital status: single/ married/ divorce/ widow

Number of children

Present occupation

Main source of income

B. Entrepreneurial information

1. Can you tell me the name of your enterprise?
(a) Nature
(b) Product offered

2. When did you start your business?

3. How did you start your business?
(a) Alone
(b) With spouse
(c) Assistance from the government
(d) Non- governmental Organization
(e) Family
(f) Friend

4. How long your business took to make a profit?

5. Did you face any problems during the implementation of your business?
Yes No
If Yes, please give details about them in separate categories such as
(a) registration
(b) license
(c) managerial and technical skills
(d) Finance
Any other

6. Have you attended any training course concerning your business?

Yes No

If Yes, please specify, If no, can you explain why.

7. How much money did you invest?

8. What were the major problems in starting your business?
9. Can you explain who own this enterprise?

10. How many employees do you have? If no, why did you enter into business for yourself?
If yes, do you provide training facilities for your workers?
Yes NO
If yes, what kind of training do you provide? If no, can you explain the reasons

11. Do you get cooperation from your employees?
Yes NO
If no, what kind of problems do you face?

12. How is your business structured legally?

13. Why did you opt this business?

14. What process led you there?

15. What was your career path?

16. How well did your work experience prepare you to run a business?

17. What resources were useful in gaining the knowledge and skills necessary to control your business?

18. How long did it take you to succeed in running your own business?

19. What kind of benefits and drawbacks do you see?

20. What advice do you give?

21. What were the lessons you learned as your business grew?

22. Can you tell me your profit gained from the enterprise per month please?

23. Has your business affected your relationships with your family and, if yes, in what way?

24. How your family is supportive?

25. Have you done any diversification in your project?

26. What fixed assets do you have?
(a) Land
(b) Building
(c) Machinery and tools
(d) Furnitures
(e) Vehicles
Others specify

27. Where do you get raw material?

28. Do you find difficulty in procuring raw materials?
Yes NO
If yes, what difficulties do you face? How do you solve them?

29. Where do you market your products?

30. Do you find difficulties in marketing your products?
Yes NO
If yes, what difficulties do you face? How do you solve them?

31. Can you tell me how do you compare the situation on business before and after trade liberalization ?

32. What are the major problems you face in respect of the space?

33. Are you a member of any association?
Yes NO
If no, why you do not become a member?

34. Do you keep your financial records up todate as far as your business is concerned?
Yes NO. If no, can you explain why?

35.Do you think entrepreneurship is the field for men?
Yes NO. If yes, can you tell me the reasons

36. Do you think women face special problems as far as entrepreneurship is concerned?
Yes NO.
If yes, would you specify them?

37. Do you think women can compete with men in doing business?
Yes NO. If no, can you explain?

38. What are the accomplishments you most proud of?

39. Kindly tell me which agencies are helpful to you in your business and give details about the help extended to you?

40. Kindly tell me which agencies not helpful in your venture and give details about them.

41.Do you see future prospects/ growth for your enterprise?

Yes NO. If no, can you explain?

42. Do you think government is trying to help the entrepreneurs?
Yes NO
If yes, are you happy with the steps taken by the government?
Yes NO
If no, what would you like the Government to do? Any suggestions.

Appendix I1I: Consent to be a Research Participant

Namini S.I. Mangi, a post graduate student (Women's and Gender Studies Programme) from the University of the Western Cape is conducting a study about Gender and Small scale enterprises following economic reforms: A case study of Women entrepreneurs in Dar-es-Salaam.

If I consent to participate in this study, I understand that:

- I will be interviewed.
- The interview will be tape-recorded. The tapes will be destroyed when the study is completed. In the interim, only the researcher and the transcriber will hear the tapes. They will never be played publicly.
- My participation in the interview is entirely voluntary. I may **at any** time refuse to answer a question or stop the interview without any consequences to me.
- I choose to have my identity kept confidential in any research report, article, or text that result from this study. I will indicate to Namini my choice to have identity kept confidential at the beginning of the interview. I may decide at a later date to keep my remarks confidential as well. I will then contact Namini to inform her my decision. (0744 585 450; naminim@yahoo.com)
- There may be some risk to me-psychologically, emotionally, perhaps physically--in talking about the subject of gender and small scale enterprises following economic reforms: A case study of women entrepreneurs in Dar-es-Salaam.
- The benefits of participation are indirect, that is, further understanding of gender-related concerns around small-scale enterprises after recent economic reforms in Tanzania may help Tanzanian women entrepreneurs to carry out more effectively and efficiently.
- The interview and products of the research are the sole property of the researcher.

I understand the conditions of my participation in this study.

I voluntarily agree to participate.

Signature

_____

Date

Appendix IV: Recommendations

The following recommendations made are based on the results of my study as well as the inputs from reviewed literature. These recommendations will hopefully help Tanzanian women entrepreneurs in the trade sector and others so as to be able to carry out their entrepreneurial activities more effectively and efficiently. Similarly, this will enable the Tanzanian government and other state stakeholders in entrepreneurial development to design and develop friendly policies which will enable Tanzanian women entrepreneurs to contribute more to the economic growth of Tanzania such as:

- The Tanzanian government, in collaboration with non-governmental organisations should recognise, support and strengthen the existing *upatu* system;

- The Tanzanian banks and micro-financial institutions should design conducive conditions for provision of loans to Tanzanian women entrepreneurs in small-scale enterprises such as to establish a credit bureau in order to provide alternative security for Tanzanian women entrepreneurs;

- The Tanzanian government, in collaboration with non-governmental organisations, should educate and sensitise women on their rights concerning succession of property so that they can inherit and own land or property which will enable them to get bank loans;

- The Tanzanian government, in collaboration with non-governmental organisations, should educate and sensitise communities on the importance of women's contributions to their families and national development, so that their male counterparts could assist Tanzanian women entrepreneurs in small-scale enterprises;

- The Tanzanian government, in collaboration with the United Nations agencies such as the United Nations Programmes Development, the International Labour Organisation

and United Nations Industrial Development Organisation and relevant non-governmental organisations should establish business centres in recognisable areas like in the relevant Ministry dealing with women's affairs, technical schools, colleges and Universities so as to provide information to Tanzanian women entrepreneurs;

- The Tanzanian government through the responsible Ministry should set up practical criteria and reduce processes of obtaining business licenses. Similarly, the license procedures should be used in severe cases to shield Tanzanian women entrepreneurs in small-scale enterprises against unhealthy competition. Additionally, the Tanzanian Trade Officials should be educated on how to deal with issues pertaining to Tanzanian women entrepreneurs in small-scale enterprises;

- The Tanzanian government through the responsible Ministry should remove red tape in issuing business premises in commercial places and charge affordable rental costs in commercial areas to Tanzanian women entrepreneurs in small-scale enterprises;

- The Tanzanian government should review frequently and enact explicit entrepreneurial policies for the development of entrepreneurship, with less disruption in such a way that guidelines could take into account the economic changes which might occur in the society. In addition, the Tanzanian government should constantly educate and inform Tanzanian women entrepreneurs in small-scale enterprises on the laws, by-laws and their legal status and rights;

- The Tanzanian government, in collaboration with families, non-governmental organisations and community-based institutions should combine efforts establish children's day care centres in order to reduce women's workload.

- Tanzanian business training institutions should involve Tanzanian women entrepreneurs in small-scale enterprises in shaping the content of training programmes so as to ensure that the needs of Tanzanian women entrepreneurs are taken into consideration;