

Women Entrepreneurship and Socio-Economic Development in South East, Nigeria

Dr. Anekwe Rita Ifeoma¹, Akaegbobi Grace², Dr Ndubuisi-Okolo Purity³

¹anekwerita12@gmail.com

²Department of Business Administration, Nnamdi Azikiwe University

³Department of Business Administration, Nnamdi Azikiwe University

³Department of Business Administration, Nnamdi Azikiwe University

Abstract: *Women entrepreneurs around the world are major contributors to the socio-economic, development and wealth creation as they are making a difference in the economy. However, they are reasonably unexploited as a source of entrepreneurship in both developing and developed countries. The study explores the effect of women entrepreneurship on socio-economic development in Nigeria. Descriptive survey design was employed. Structured questionnaire was used to gather information from the respondents. Data analysis involved both descriptive and inferential statistics and was done at 0.05 level of significant. Simple regressions were used to establish the effect seeks to investigate the effect of gender inequality on socioeconomic development. The result revealed that gender inequality has no significant effect on socioeconomic development. The study therefore concludes that gender inequality disempowers women in ways that deprive them of their basic human rights, which decreases the average of human capital, as talented females would be superseded by unqualified males which can lead to inefficient economy. The study advocated that higher gender equality enables firms to make better use of available labor resources, which boosts social economic development.*

Keywords: *Women Entrepreneurship, Socio-economic Development, Gender Inequality*

1.1 Background of the study

Globally the impact of women entrepreneurs is gaining recognition intensely; worldwide as the number of female business owners continue to increase steadily as women entrepreneurs and are making positive impact in the global economy. Women entrepreneurs around the world are major contributors to the economy, as they are making a difference in the socio-economic arena. Damilola (2011) quoting Odoemene (2003) stated that from statistics, women constitute more than 50 percent of the Nigerian population and out of this only about 35 percent of them are involved in entrepreneurship which can be in the form of micro, small, medium and large enterprises.

Women entrepreneurs play a significant role in producing jobs, wealth, poverty reduction, human development, education, health and nation's development especially in developing countries. They contribute numerous ideas and a great deal of energy and capital resources to their communities, and generate jobs as well as create additional work for suppliers and other spin-off business linkages. women entrepreneurs create jobs, wealth and innovation to their enterprises (Ndemo and Maina, 2007). Entrepreneurship is the key to job creation and income generation which in turn reduces irregularities among men and women. Women's activities, particularly in business empower them economically and enable them to contribute more to over development. (Brindley, 2005). The author says that whether women are involved in Small Scale production activities in the informal or formal sectors, women entrepreneurial activities are not only a means for economic development but also have positive social impacts for the individual, family and their social environment. Women entrepreneurs are also important for socio economic and sustainable development of the country because of they are much likely to share their gains to health, education and other resources with their family members and also with their communities at huge (Orser et al., 2006)

Despite these there are major factors that constrained women from business venture, mostly gender-based discrimination, lack of shared support, limited or no access to information, not enough education and training facilities, lack of trust in ones capabilities and access to resources (Afiza, Hassan and Rashid, 2010). In developing nations like Nigeria, self-employed women are pushed by economic and social conditions such as less income, poverty, widowhood, high rate of unemployment and divorce problems, so they start their own business for fulfillment their basic needs or to support family. Despite above all, the success rate of women entrepreneurs are very low because of shortage of sufficient skills, relevant experience, training and education (Farrukh et al., 2018). The prevailing harsh environmental factors couple with high poverty rate and unemployment propels a high rate of entrepreneurial activities in developing countries of the world. Women are known to be strong and confidence, resourceful and talented, creative and innovative, all these have made them to succeed despite daunting obstacles confronting them as entrepreneurs. Despite the number of changes that have emerged, recognition of the potential of women and their contribution to the economy still remains unacknowledged. The study therefore examines the effect of women entrepreneurship on socioeconomic development in Nigeria. But specifically seeks to investigate the effect of gender inequality on socioeconomic development.

2.1 Conceptual Clarifications/ theoretical framework

The concept of entrepreneurship is not new in economic history. Many writers have shown the strong relationship of entrepreneurship and economic development. Women entrepreneurship is a potential means of empowering people, developing rural women and solving other social problems. Women entrepreneurs are women that participate in total entrepreneurial activities, by combining resources together in a unique way so as to take advantage of the opportunity identified in their immediate environment through production of goods and services (Okafor and Mordi 2010). Most of them are involved in micro, small and medium scale enterprises (MSMEs) which contribute more than 97% of all enterprises, 60% of the nation's GDP and 94% of the total share of the employment (Mayoux, 2001, Ndubusi, 2004). Women entrepreneurs possess characteristics which include adaptability, innovativeness/creativity, strength and internal locus of control, ability to think and reason fast and endure, managerial skill, accountability and credit risk (Thomson, 2002, Annenkova, 2001, Mayoux, 2001). Women entrepreneurs can be positioned to play an important role in promoting sustainable practices in economics, social system and ecology, to reach sustainable development. Byrne et al., (2019); Neumeyer et al., (2019) advocated that Women entrepreneurs play a significant role in producing jobs, wealth, poverty reduction, human development, education, health and nation's development especially in developing countries. Women entrepreneurs are considered as important agents of change for economic transformation and societal renewal (Soetan, 1997; Garba, 2011).

Gender inequality

Gender equality is the equal valuing by society of the similarities and the differences of men and women, and the roles they play. It is based on women and men being full partners in the home, community and society. Equality does not mean that women and men will become the same but that women's and men's rights, responsibilities and opportunities will not depend on whether they are born male or female. Gender equality implies that the interests, needs and priorities of both women and men and girls and boys are taken into consideration, recognizing the diversity of different groups and that all human beings are free to develop their personal abilities and make choices without the limitations set by stereotypes and prejudices about gender roles. Gender equality is a matter of human rights and is considered a precondition for, and indicator of, sustainable people-centred development. Gender inequality decreases the average of Human Capital, because talented females would be superseded by unqualified males which can lead to inefficient economy (Dollar & Gatti 1999). Gender inequality can thus be viewed as a distortionary tax on talent. Indeed, occupational choice models with heterogeneous talent show that exogenous barriers to women's participation in the labor market or access to certain occupations reduce aggregate productivity and per capita output (Cubneres & Teignier 2016, Hsieh, Hurst, Jones and Klenow 2019). Gender inequality refers to inequalities based on the individual's sex which is an "ascriptive characteristic they are born with" (KLASEN 2007). Gender inequality has two aspects: inequality of opportunities and inequality of outcomes. The first one suggests that inequalities due to circumstances beyond the control of individuals differ from inequalities resulting from preferences and choices.

Socioeconomic development

Socioeconomic development is defined as a chain of changes in the socio-economic life of a country which brings improvement in human life and leads to better organisation of process and structures that are occurring in a country (Stec, Filip, Grzebyk, & Pierscieniak, 2014). Socio-economic development is a key concept central to any problem of change in the socio-economic sphere. Socioeconomic development is the progressive reinforcement of a socioeconomics organization's quantitative and qualitative dimensions' towards a higher level of efficiency, wellbeing, justice and democracy at all level. Socio-economic development as a process of societal advancement, where improvements in the wellbeing of people are generated through strong partnership between all sectors, corporate bodies and other groups in the society (Ijere 2014). Socio-economic development is the combination of social and economic development. In this case, socio-economic development includes the advancement or improvement in the standard of living and the increase in economic life and conditions of the people. Socio-economic development is measured with indicators such as GDP, life expectancy, literacy and levels of employment (Ijere, 2014). Changes in less tangible factors are also considered, such as personal dignity, freedom of association, personal safety and freedom from fear of physical harm and the extent of participation in civil society. Economic development essentially means a process of upward change whereby the real per capita income of a country increases over a period of time (Shubhanwita, 2023). Entrepreneur plays a vital role in economic development. Entrepreneurs serve as the catalysts in the process of industrialization and economic growth. It is the entrepreneur who organizes and puts to use capital, labour and technology. Accordingly, "development does not occur spontaneously as a natural consequence when economic conditions in some sense are right, a catalyst is needed and this requires entrepreneurial activity to a considerable extent.

2.2 Theoretical Framework

The study is anchored economic theory of entrepreneurship. This theory asserts that the economy and entrepreneurship are closely linked together. Entrepreneurship and economic growth can only work when the economic conditions are favourable. This theory further states that entrepreneurs find motivation in the presence of economic incentives, including industrial policy, taxation policies,

financial and resource sources, availability of infrastructure, investment opportunities, marketing opportunities, availability of information regarding the conditions of the market and technology, among others. An entrepreneurs are risk-taker because they can never fully predict the favorability of the economic conditions in the future. Entrepreneurship signifies the promotion of innovative high-risk projects that contribute to economic efficiency and growth.

2.3 Women Entrepreneurship and Socio-Economic Development

Several studies have revealed that the increasing rate of women participation in entrepreneurship has a positive correlation with increase in the economic pressure resulting in greater awareness of the economic importance of women in a nation (Thomson, 2002; Minniti, and Arenius, 2003; Allen, Minnit and Langouitz, 2006; Tambunan, 2008). In most developing countries such as Nigeria, the vast informal sector business ranging from street vendors to one-person apparel makers, are run by women and the available statistics suggests that this sector account for more than half of the economic activities in these countries (Soetan, 1997; Thomson, 2002; Aina, 2003; Garba, 2011). The role and importance of woman entrepreneurship and new business creation to both developed and developing economies have received increased attention from academics and policy makers in recent years. This growth in interest in the economic contribution of entrepreneurship has been reflected in an increased level and variety of public and private sector policy initiatives at local, regional and national levels to stimulate and support the development of the sector (Henry et al. 2003).

Women entrepreneurs are the world fastest growing businesses around the globe and have made contributed immensely in the form of wealth generation, innovation, and employment, it is estimated that their total share in the development of economies is 40%. But the total contribution of women entrepreneurs in the world economies is understudied as less than 10% of the entrepreneurial research studies are about women entrepreneurship (Brush and Cooper, 2012). Studies by development of Micro and Small Enterprises (Stevenson & Onge, 2005) indicated that women are now starting business at a faster rate, which enables them to make significant contributions to job creation and economy growth. Woldie and Adesua (2004) established that many women are entrepreneurs worldwide though the global impact of female entrepreneurs is just beginning to gain intensity. They further note that the number of female business owners continues to increase steadily worldwide and today women in advanced market economies own more than 25% of all business. The roles played by women were more entrepreneurial oriented. However, the advent of modern development has relegated the role of women in entrepreneurship to the background while portraying their counterpart to limelight. Women according to Jerniniwa (1995), are at the heart of development and economic growth, as they control most of the non-monetary economy/subsistence agriculture, raising children, domestic labour, and so on and play an important role in the monetary economy as well. (trading, wage labour, employment among others)

In recent years, the general attention to women and entrepreneurship in developing countries has increased to a great extent and the focus on this 'untapped source' of growth seems to be indispensable nowadays for development practitioners and policy makers (Minniti and Naudé, 2010). Lesa (2011) observed that although the scarcity of women entrepreneurs is well-known, not everyone sees it as an economic problem worth addressing. Nonprofit groups that encourage women to start high-tech firms are, for the most part, small and not very well funded by corporate philanthropies. Minniti, (2010) argue that women entrepreneurs' contribution tends to be higher than that resulting from entrepreneurial activity of men.

Empirically Nigel Jenkinson (2020) Gender Inequality and Economic Growth Evidence from Industry-Level Data. The study revealed that there is a causal effect of gender inequality on industry growth in value-added and labor productivity, which shows that gender inequality affects real economic outcomes. A number of theoretical contributions have proposed that gender inequality may hamper economic development (Galor and Weil 1996; Lagerlöf 2003), largely due to its effects on the creation of human capital and on fertility.

3.1 Methodology

Research Design: The study adopts the descriptive survey research design, because the research is concerned with gathering information on prevailing conditions or situations of interest for the purpose of description and interpretation. The design is considered appropriate because the study used a questionnaire to obtain data in order to describe and draw inferences on the effect of women entrepreneurship on socio economic development in South East, Nigeria. The study was conducted in South East which consisting of five states, Anambra, Abia, Imo, Ebonyi and Enugu. Four hundred and sixty (460) women entrepreneurs from South-East, Nigeria were randomly selected from the list of registered women entrepreneurs under the Nigerian Chamber of Commerce, Industry, Mines and Agriculture (NACCIMA) which form the population of the study. Out of 460 copies of questionnaire distributed, 425 was retrieved from the respondents and this forms the sample size of the study. Women in business were classified into trade, service, and manufacturing industry. Structured questionnaire was used as research instrument to elicits information from the respondents. The research questions were structured using five point Likert scale ranging from Strongly Agree, Agree, Undecided, Disagree, Strongly Disagree. The questionnaire was categorized into two section, section A and section B. Section A focused on the demographic characteristics of the respondents which consists of age, educational qualification, marital status, and entrepreneurial type of the respondents while section B contained the questions on gender inequality and socio-economic development in South

East, Nigeria. To ensure that the instrument of the study effectively measure what it was designed for, construct and content validity were conducted by the researcher. Cronbach Alpha was used to measure the internal consistency. A reliability coefficient demonstrates whether the test designer was correct in expecting a certain collection of items to yield interpretable statements about individual differences. The reliability coefficient for the scales are: gender inequality (.711) and socio-economic development (.752). In order to test for hypothesis, simple regression was employed with the aid of Statistical Package for Social Sciences (SPSS) version 20. The decision rule stated as follows, if $P < .01$, we reject the null and accept the alternate or If $P > .01$, we reject the alternate and accept the null.

4.1 Test of Hypothesis

H₀₁ gender inequality does not significantly affect to social economic development

Table 4.1 Model summary

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.566	.489	.467	.51841	.052

a. Predictor: (Constant), gender inequality

b. Dependent Variable: socio- economic development

Source: SPSS Version, 20.00

Table 4.2 ANOVA

Mode	Sum of Squares	Df	Mean Square	F	Sig.
Regression	237.898	1	237.898	775.212	.062
1 Residual	134.373	400	.269		
Total	372.271	401			

a. Dependent Variable: socio- economic development

b. Predictor: (Constant), gender inequality

Source: SPSS Version, 20.00

Table 4.3 Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.161	.055		-3.270	.061
Gender inequality	.657	.029	.655	29.753	.062

a. Dependent Variable: socio- economic development

Source: SPSS Version, 20.00

The ANOVA table 1 above shows the assessment of the statistical significance of the result. The model in table 1 above indicates that the result is not statistically significant (sig=0.062). Therefore the null hypothesis should be accepted. Result of regression analysis confirmed that gender inequality has no significant effect on socio economic development, hence, accept the null hypothesis and reject the alternate hypothesis. The analysis of the result shows that majority of the respondents agreed that the gender inequality has no significant effect on socio economic development in South East, Nigeria. This is consistent with the finding of Manuel and Klasen (2021) affirms that gender inequality is a barrier to economic development.

4.2 Discussion of finding

Despite a large number of contributions on the topic, empirically identifying a causal impact of gender inequality on social economic development is a major challenge. Boserup (1970) has emphasized the positive effects of gender equality on development. A number of theoretical contributions have proposed that gender inequality may hamper economic development (Galor and Weil 1996; Lagerlöf 2003), largely due to its effects on the creation of human capital and on fertility. The study revealed that gender inequality

has no significant effect on social economic development at the industry level therefore the researchers advocated that higher gender equality enables firms to make better use of available labor resources, which boosts social economic development. Duflo (2012); also assert that higher gender equality may support development, higher gender equality translates into a bigger pool of talent to recruit from, due to additional women in the labor force (Cuberes and Teignier 2016; Kochhar 2017). Gender inequality has a causal effect on real social economic outcomes at the industry level, the industries with a typically greater share of women in their employment compared to other industries grow relatively faster in more gender-equal countries. Manuel and Klasen (2021) affirms that gender inequality is a barrier to economic development. Gaëlle (2015) Results show that gender inequalities reduce long term income per capita by 3.4% and the human development index by 4.6%. These results are mainly driven by inequalities in the identity dimension and in the access to economic activity for economic development, and by inequalities within the family and in the access to education for human development.

4.3 Conclusion and Policy Recommendation

Gender inequality disempowers women in ways that deprive them of their basic human rights, therefore reducing inequalities and ensuring no one is left behind are integral to achieving the sustainable social economic development. Inequality within and among countries is a persistent cause for concern. Helping women fully participate in the economy is not only growth promoting, but it also diversifies the economies, reduces income inequality, mitigates demographic shifts, and contributes to financial sector stability. The higher gender equality should disproportionately benefit industries with a typically greater share of women in their employment relative to other industries. The higher gender equality supports social economic development by allocating female labor to its more productive use. The study therefore recommended that government should create enabling environment and promulgate laws that will encourage gender equality in the society, this will boost the socio economic development in the country.

References

- Allen, E., Minnit, M., Langouitz, N. (2006). "Global Entrepreneurship Monitor, 2005 Report on Women and Entrepreneurship". GEM Publication.
- Cuberes, D., and M. Teignier, (2014). "Gender Inequality and Economic Growth: A Critical Review," *Journal of International Development*, 26(2), 260-76.
- Duflo, E., 2012. "Women Empowerment and Economic Development," *Journal of Economic Literature*, 50(4), 1051-79.
- Dollar, D., and R. Gatti, 1999. "Gender Inequality, Income, and Growth: Are Good Times Good for Women?" *World Bank Gender and Development Working Paper No. 1*. Washington: World Bank
- Gaëlle F. (2015) Gender Inequalities Hinder Development? Cross-Country. *Annals Of Economics And Statistics* Number 117/118, JUNE 2015 How Do
- Garba, S. A. (2011). Stumbling Block for Women Entrepreneurship in Nigeria: How Risk Attitude and Lack of Capital Mitigates their Need for Business Expansion, *European Journal of Economics, Finance and Administrative Sciences*, 36, 38-49.
- Ijere T. C (2014). The State, Governance and Socioeconomic Development Realities in Nigeria. *Public Policy and Administration Research* www.iiste.org .4, (1) 46
- Lesa, M. (2011) *Overcoming The Gender Gap: Women Entrepreneurs As Economic Drivers* Ewing Marion Kauffman Foundation
- Galor, O., and D.N. Weil, (1996). "The Gender Gap, Fertility, and Growth," *American Economic Review*, 86(3), 374–87.
- Kochhar, K., S. Jain-Chandra, and M. Newiak, eds, (2017). *Women, Work, and Economic Growth: Leveling the Playing Field*. Washington: International Monetary Fund.
- KLASEN, S. (2007): *Human Well-Being: Concept and Measurement*, *Studies in Development Economics and Policy*. New York, NY: Palgrave Macmillan. Chap. Gender-Related Indicators of Well-Being. [314, 339]
- Lagerlöf, N.-P. (2003). Gender Equality and Long-Run Growth. *Journal of Economic Growth*, 8(4), 403–26.
- Manuel and Klasen (2021)
- Minniti, M., Arenius, P., *Women in Entrepreneurship: The Entrepreneurial Advantage of Nations: First Annual Global Entrepreneurship Symposium*, United Nations Headquarters, 2003.

Mayoux, L., Jobs, Gender and Small Enterprises: Getting the Policy Environment Right, An ILO Working Paper on Series on Women's Entrepreneurship Development and Gender in Enterprises (WEDGE) NO. 15, 2001.

Odoemene, A. C., African Women and Economic Development, 1900-1995: The Nigerian Experience, Paper Presented at South African Sociological Association (SASA) Annual Congress, 2003.

Okafor, C. & Amalu, R. (2010). Entrepreneurial Motivations as Determinants of Women Entrepreneurship Challenges, Petroleum-Gas University of Ploiesti BULLETIN Economic Sciences series, Vol..LXII, No. 2, 67-77.

Stec, M., Filip, P., Grzebyk, M., & Pierscieniak, A. (2014). Socio-economic development in the eu member states – Concept and classification. Engineering Economics, 25(5), 504–512. Retrieved from <https://doi.org/10.5755/j01.ee.25.5.6413>

Soetan, F., (1997). Entrepreneurship and Nigerian Women - Is there any meeting Point? Small Enterprise Development, Vol.8, March.

Thomson, S. (2002). Women's Entrepreneurship Development in Micro and Small Enterprises, A case Study in the Ukraine. A Paper Presented to the School of International Training, International Studies, Organizations, and Social Justice, Geneva, Switzerland, May, 6.