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GENDER AND THE GROWTH AND DYNAMICS OF MICROENTERPRISES

by .

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FOREWORD

Growth and Equity through Microenterprise Investments and Institutions (GEMINI) is a five-year applied research, development, and services project of the Office of Small, Micro, and Informal Enterprises in the Bureau for Private Enterprise, U.S. Agency for International Development. GEMINI offers technical assistance, training, economic research, and information to USAID missions and bureaus, implementing organizations, host-country governments, and other organizations involved with microenterprise development.

The project's core activities are organized into three applied research programs, focusing on growth and dynamics of microenterprises, frontiers of financing microenterprise development, and frontiers of nonfinancial assistance for microenterprises. The key issues addressed by the project include firm-level dynamics, subsector and sector-wide dynamics, poverty lending, growth and dynamics of microenterprise programs and institutions, integration of programs with financial markets, policy and regulatory reform, and leveraged microenterprise development.

Through its integrated service and research activities, GEMINI aims to have a catalytic effect on a broad spectrum of efforts to promote microenterprise development. The GEMINI Publication Series, comprising working papers, technical reports, and monographs, is intended to serve as an important vehicle for the sharing of information related to microenterprise development. Further information on GEMINI publications can be obtained from:

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EXECUTIVE SUMMARY

GEMINI's research agenda, the Growth and Dynamics of Microenterprises, aims to uncover common patterns in the evolution of microenterprises that can contribute to project designs sensitive to the needs of enterprises at different stages of their development. The purpose of this paper is to integrate gender concerns into the growth and dynamics research agenda developed by Michigan State University (MSU).

The paper begins by establishing the importance of gender variables to microenterprise development and exploring apparent contradictions between women in development (WID) and growth-oriented approaches to this development. WID researchers warn of the dangers of growth-oriented strategies, because of the concentration of women in low-growth, low-return microenterprises. They fear that assistance schemes based solely on growth objectives will at best ignore women's needs, if not harm their economic interests. Proponents of growth-oriented strategies, by contrast, among whom MSU researchers are most often mentioned, argue that — because of the meager resources of most governments and the inability of many countries to generate growth of any kind during recent years — it is imperative to target available resources toward dynamic subsectors that have the greatest potential for contributing to economic growth.

These two schools of thought, one with a poverty-alleviation focus and the other growth oriented, constitute a debate on the best way to approach microenterprise development. This paper builds on this debate. A strategy is proposed that bridges growth- and gender-oriented approaches and capitalizes on their respective strengths and complementarities. The strategy includes the (1) support, but not subsidization, for women's enterprises in subsectors that have few prospects for growth — in light of the importance of women's income to family welfare; (2) identification of interventions associated with viable subsectors in which women predominate — to unleash their income-generating and growth potential; and (3) promotion of policies, projects, and other interventions that facilitate the transition of female entrepreneurs out of low-return, low-potential subsectors into higher-return and higher-potential subsectors.

Implementing this strategy will require the economic analyses of MSU research and gender analysis. Gender analysis will bring together behavioral and entrepreneurial concerns with the enterprise-focused analyses of MSU. Gender studies will include analyses of the constraints and incentives that keep women in low-return, low-potential product markets. Women, it is argued, face even greater intersectoral immobility than men as a result of discrimination outside the household, cultural norms that create gender-specific role models, asymmetric rights and obligations, and the burden of women's reproductive responsibilities.

An understanding of what motivates female and male entrepreneurs to adopt a growth orientation will be required and, in particular, an assessment of whether different kinds of strategies can be employed to achieve growth. Researchers suggest that female entrepreneurs display a lateral growth pattern that involves increasing the number, rather than the size, of the enterprises in which they are engaged.

Studies by MSU, the World Bank, and the International Food Policy Research Institute show that, especially in rural areas, entrepreneurs attempt to diversify their economic activities rather than specialize, as a strategy for increasing as well as maintaining their incomes.

The following model serves as a framework for examining entrepreneurial behavior and, in particular, different patterns of growth.

MODEL OF THE DYNAMICS OF ENTREPRENEURIAL BEHAVIOR

Survival Oriented-----> Security Oriented-----> Growth Oriented
-----> diversification-----> specialization

this group includes both women and men who are very poor, and mostly involved in agriculture; limited nonfarm diversification.

this group includes women and men, although men from the previous group will move into this category first, by means of nonfarm investments. This group diversifies activities to spread risks. Individuals may farm as well as have more than one enterprise.

men will move into this category faster than women, who tend to spread the risks of men's enterprises with their diversified portfolio and assume responsibility for the children. Growth-oriented enterprises are larger and more specialized, and use more hired labor and external sources of capital.

The paper concludes with a presentation of hypotheses and corollary research questions at the macro-, subsector-, and micro-levels, to guide research toward critical questions that should be answered. Policy implications of the analysis are also discussed.

INTRODUCTION

GEMINI's research agenda, the Growth and Dynamics of Microenterprises, is aimed at uncovering new insights concerning the development of the microenterprise sector as national economies expand and contract. The rationale is that an understanding of common patterns in the evolution of microenterprises — related to their birth, growth, and death — will contribute to the development of strategies for targeting scarce resources to promote economic growth and program and project designs sensitive to the needs of enterprises at different stages of their development. The Growth and Dynamics of Microenterprises is explored at three levels of analysis: the aggregate or macro level; the industry-, product-specific, or subsector, level; and the microlevel of the individual enterprise and entrepreneur. Analyses focus on policy constraints, the growth potential of subsectors, intrasubsector competition and complementarities, and constraints faced by enterprises and entrepreneurs at different stages of their life cycle.

The purpose of this paper is to explore ways of integrating gender concerns into GEMINI's research theme and expand further the research base on women entrepreneurs. Michigan State University (MSU), the lead institution for carrying out growth and dynamics research, has already made significant contributions to knowledge concerning women's participation in the microenterprise sector. Before A.I.D.'s 1988 policy on Women in Development (WID), Liedholm, Mead, Fisseha, Strassmann, Haggblade and other MSU researchers conducted surveys in Africa, Asia, and Latin America, documenting the magnitude of women's participation in the sector as a whole, in specific subsectors, and in specific types of enterprises.

This report focuses on the potential for women entrepreneurs to participate in and contribute to regional and national economic growth processes. The discussion begins by establishing the importance of gender to microenterprise development and exploring apparent contradictions between WID concerns and growth-oriented approaches to microenterprise development. Subsequently, a strategy for incorporating female entrepreneurs into national economic growth processes is advanced, derived from both WID and growth-oriented perspectives.

The practicalities of implementing this strategy are then explored, including the need to understand aspects of entrepreneurial behavior that impede or enhance the adoption of a growth orientation. When, where, and how do female and male entrepreneurs attempt to increase the size of their enterprises rather than investing profits elsewhere? How do the different income strategies of entrepreneurs affect the growth patterns of their enterprises and, in particular, the progress of these enterprises toward increased specialization and productivity? What additional constraints and disincentives do female entrepreneurs face — compared with their male counterparts — in their efforts to increase the level and stability of their enterprise or portfolio income? The main body of this paper attempts to address these questions.

Following this discussion, gender-sensitive hypotheses and research questions are presented to help guide future research and provide information needed to implement the strategy proposed earlier. The research questions suggest specific avenues for investigating each hypothesis, while policy implications at the macro, subsector, and micro levels attempt to link research with program and project concerns. A background literature review, examining GEMINI's "growth and dynamic" research theme from a gender perspective, is presented in Appendix A. The methodological implications of incorporating gender into GEMINI's research agenda and MSU survey instruments are examined in Appendix B.

GENDER AND MICROENTERPRISE DEVELOPMENT

The Importance of the Gender Variable to Microenterprise Development

Although there are enormous problems associated with measuring women's economic activities, a number of sources indicate that women's labor force participation rate has been steadily increasing, and has accelerated in recent years as a result of economic contraction (Shultz, 1990; Berger, 1989b; World Bank, 1989a; and Grown and Sebstad, 1989). This trend varies, however, by region. In Latin America and the Caribbean, the proportion of women in the labor force has risen more rapidly than in many other developing regions (Berger, 1989b; Shultz, 1990); in East Asia, the female labor force participation rate appears to be increasing, but in South and West Asia, data suggest declines (Shultz (1990). Nevertheless, World Bank data on India show that while the proportion of women employed outside of agriculture has declined, the female labor force participation rate in the urban informal sector has not only grown but, in some areas, exceeded the male participation rate (World Bank, 1989a). Evidence from Sub-Saharan Africa is sketchier; however, a number of country studies reveal that, with economic contraction, women are by necessity joining the labor force in greater numbers (Lewis and Russell, 1989; Downing, 1990; Grown and Sebstad).

Many, if not a majority of, new female workers in Africa, Asia, and Latin America have entered the labor force through the microenterprise sector, because of ease of entry and limited access to other enterprise and employment opportunities. The arguments for incorporating the gender variable into analyses of and strategies for microenterprise development center not only on the existing and growing proportion of females in the microenterprise sector, but also on the importance of the income earned and spent by women for household survival, human capital investment, and contributions to economic growth and development.

An important contention of WID researchers is that increases in overall household income do not benefit all members alike. Preliminary research in Africa and Asia posits that the income earned by husbands does not translate automatically or proportionally into improved family welfare (Bruce and Dwyer, 1989; Mencher, 1988). Women tend to contribute a larger proportion of their personal income toward household expenditures than men, who retain more for personal spending. In both poor and polygynous households, particularly in Africa, women and men have different expenditure responsibilities. Thus, it is essential for women to earn income to purchase food and other household necessities, and, when their husbands are short on funds, to pay for school fees, medicine, and clothing. Although the degree to which husbands pay for or contribute to these expenditures varies by income level, cultural region, and household, everywhere the dependency on women's income has increased as a result of worldwide economic contraction. Increasing divorce and abandonment rates and periods of worldwide economic recession in the 1970s and 1980s have made women's income increasingly important to the survival of families.

Preliminary findings also suggest that women's expenditures have important income multiplication effects since, unlike men, their income is more often spent on locally produced food and enterprise inputs. Downing and Santer's (1989) work in the Central Province of Kenya revealed that two-thirds of the female marketers purchased locally produced inputs within the Kutus region, while less than 20 percent of male marketers did so. Male marketers travelled outside the region, three times the distance travelled by women, to purchase inputs. Research further indicates that food-related consumption expenditures are most important to regional income multiplication effects in Sub-Saharan Africa (Haggblade, Hazell, and Brown, 1987; Hazell and Roell, 1983; King and Byerlee, 1977; and Simmons,

1976). Since women in Africa are almost everywhere responsible for expenditures on food, by inference their income is important to regional income multiplication effects.

The Debate: Gender and Growth-oriented Strategies

Much of the WID literature on microenterprise development warns of the dangers of growth-oriented strategies, given the concentration of women in low-growth, low-return microenterprises. The fear is that assistance schemes based solely on growth objectives will at best ignore women's needs, if not actually harm their economic interests. This literature refers to numerous examples of women's displacement as a result of mechanization and industrialization, their replacement by male labor, and the resultant squeezing of women into a narrower range of occupations (ICRW, 1980). In reaction to these past events and in light of the demonstrated importance of women's income to family welfare, WID proponents have stressed the importance of maintaining women's income, however small.

Proponents of growth-oriented strategies, on the other hand, among whom MSU researchers are most often referred to, argue that given meager resources of most governments and the inability of many countries to generate growth of any kind during recent years of recession and structural adjustment, it is imperative to target available resources toward dynamic subsectors that have the greatest potential for contributing to economic growth.

These two schools of thought, one with a poverty alleviation focus and the other growth oriented, constitute a debate on how to approach microenterprise development. This debate, unfortunately, has been riddled with misunderstandings. Growth-oriented proponents have wrongly assumed that the efforts of WID researchers to amass evidence supporting the importance of women enterprises to family welfare and survival imply that WID researchers favor subsidizing women's enterprises in low-potential, low-return activities. In an effort to develop an economic rationale for incorporating gender analysis into program and project designs during the 1980s, WID researchers gave little attention to devising strategies for increasing women's productivity and giving them entry to higher-return activities. Only recently has the tide begun to shift (Buvinic, 1989; Chen, 1989; Collier, 1990; and McKee, 1989).

In their concern for the potentially detrimental effects of growth-oriented strategies, WID proponents have too often ignored the important contributions that growth proponents, particularly researchers at MSU, have made in documenting women's participation in the sector and influencing policy and development strategy. MSU research in Muslim countries has uncovered a high level of enterprise participation by women, while other studies have severely underestimated this participation. In Botswana, MSU research helped to convince government officials to change policies that undermined an important source of income to rural women. Moreover, in recent years, MSU has been asked to develop national microenterprise development strategies; these strategies have often included gender-disaggregated data, analyses, and recommendations.

PROMOTING THE GROWTH OF WOMEN'S MICROENTERPRISES

This section presents a strategy that bridges growth- and gender-oriented approaches to microenterprise development and capitalizes on their complementarities. This strategy moves beyond (though it builds off of) descriptions of the constraints and incentives that keep women in low-return enterprises. It provides proactive prescriptions for assisting women to enter higher-return product markets that have greater potential for generating income and contributing to economic growth.

By marrying the growth-oriented approach of MSU with the entrepreneurial focus of gender analysis, this strategy allows for increased research expertise to be brought to bear on implementation practicalities for promoting the growth of women's enterprises. As such, the strategy represents a major step forward for WID and — given the predominance of women in the sector — for microenterprise development.

Figure 1 outlines the components of the approach.

FIGURE 1

MODEL OF THE GROWTH POTENTIAL OF WOMEN'S ENTERPRISES

Low Potential:
low-return
product markets

home-based enterprises in "traditional" subsectors, vulnerable to displacement, and with low demand elasticities. e.g. mats, baskets, vending in certain commodities.

Good Potential:
existing product markets
presently constrained

product markets with good demand elasticities, good input supply potential; subsectors represent important niches for female entrepreneurs. e.g. food distribution, processing, and preparation, beer brewing, and garments for the domestic market.

High Potential:
high-return, new
product markets

product markets with high demand elasticities; export-oriented. e.g. horticulture, touristic handicrafts, garments, and aquaculture.

This schema categorizes the low-, good-, and high-potential subsectors and subsector channels in which women are concentrated. Low-potential enterprises are traditional, low-return enterprises with large concentrations of female entrepreneurs, which engage in atomistic competition and rely on a localized and thin market. Research of Liedholm and Mead (1987) and Anderson (1982) reveals that the smallest, one-to-two-person firms in traditional sectors, in which women predominate, tend to be on the margin of economic viability. These traditional activities — for example, spinning and weaving, basket making, pottery, and selling some types of food and beverage groups — appear to be declining in importance and thus can be classified as low potential.

Good-potential activities refer to existing subsectors that will continue to be important as economies mature, but are presently constrained by inadequate infrastructure, unintegrated markets, and inadequate or uneven input delivery systems. Trager (1989), for example, argues that efforts to increase the income-generating potential of female entrepreneurs in Sub-Saharan Africa should focus on agricultural processing and distribution. Trager suggests that this subsector will continue to have income-generating potential because of the large population engaged in agriculture and thus the availability of inputs in the future, the continued demand for the goods processed and sold by this sector, and the opportunities for adding value. Within agricultural processing and distribution, a number of commodities could be the focus of

a program. To be characterized as good-potential, these commodities should have a large and growing market.

High-potential activities represent newly introduced or traditional activities transformed to serve a modern, dynamic market. Examples include horticulture, aquaculture, touristic handicrafts, garments, rattan, and handwoven rugs. In many instances, high-potential enterprises are connected to export markets. However, there are instances where domestic tourist markets or vibrant domestic urban markets can serve to make certain subsectors high-potential.

Recommended Strategies

Different strategies are suggested below for assisting female entrepreneurs in low-, good-, and high-potential subsectors. Together, these strategies are meant to ensure that women's income from low-return enterprises is not undermined while efforts are made to move them into more productive activities.

Strategy for Low-Potential Subsectors

Strategy statement:

- Support (**but do not subsidize**) women's enterprises in low-potential subsectors by ensuring that vendors are not harassed, larger-scale activities that compete with women enterprises are **not** subsidized, taxes do not unfairly burden small entrepreneurs, and the like.

Given the large number of female entrepreneurs in low-return, low-potential subsectors, care should be taken to preserve their current productive capacity. Support can be given by lifting policies that unfairly oppress women's enterprise activities. The rationale for this support stems from the importance of women's income to family welfare, human capital investment, and regional income multiplication effects (see Appendix A). Moreover, preserving women's current productive capacity will prevent them from sinking further into poverty, thus making a shift to more productive enterprises more costly and difficult.

Strategy for Good-Potential Subsectors

Strategy statement:

- Identify interventions associated with viable subsectors in which women currently predominate to unleash their income-generating and growth potential.

The income-generating potential of female entrepreneurs in the good-potential subsectors is often constrained by policies, regulations, inadequate infrastructure, and limited access of women to resources. Given the existence of gender-disaggregated channels within subsectors and the strong sectoral linkages of women's activities, targeted interventions aimed at alleviating system bottlenecks can have rippling effects that benefit large numbers of nonfarm and farm entrepreneurs.

An important caveat in the proposed strategy, however, relates to the possibility of loss of control of income. WID research has demonstrated repeatedly that increased mechanization and investment can result in men taking over women's more lucrative enterprises (see Appendix A). Thus interventions

targeted to women's activities may require the concomitant development or strengthening of organizational structures that allow women to maintain control of activities targeted for intervention. Women's cooperatives, political organizations, and financial institutions (for example, Women's World Banking, credit lines targeted to women, and revolving savings and loan schemes) can be effective in giving women control over the returns to their labor.

Strategy for High-Potential Subsectors

Strategy statement:

- Promote policies, projects, and other interventions that facilitate the transition of female entrepreneurs out of low-return, low-potential subsectors into higher-return and higher-potential subsectors.

Assisting women to move into high-return, high-potential product markets will require research that identifies high-potential subsector opportunities, barriers to entry into these subsectors, and constraints and incentives that steer women toward and keep them in unremunerative activities. Analyses of constraints and incentives should focus on system, enterprise, as well as entrepreneurial constraints; and on price and nonprice incentives. Constraints associated with women's dual productive and reproductive responsibilities and nonprice incentives associated with intrahousehold dynamics can be significant barriers to market entry. Women's perceptions of their ability to control income earned can be a critical nonprice incentive or disincentive to their decision to move into new activities as entrepreneurs or employees.

IMPLEMENTING A STRATEGY FOR PROMOTING THE GROWTH OF WOMEN'S ENTERPRISES

This section explores both constraints and incentives for intersubsector mobility likely to affect female more than male entrepreneurial ability and willingness to move out of low-return and into higher-return subsectors. The gender-specific analyses developed in this section bring to the economic analyses and enterprise focus of MSU research a behavioral perspective that focuses on the entrepreneur and gender-differentiated constraints and incentives.

Constraints to the Intersubsector Mobility of Women

Collier (1990) explains that the disappointing results associated with structural adjustment policies — meant to spur exports — can be attributed to "inflexibilities" that impede the shifting of labor, capital, and other resources from one sector or subsector to another. Women, he argues, face even greater intersectoral immobility than men and thus are often barred from gaining access to high-return export sectors.

The constraints to women's intersectoral mobility, Collier suggests, center on four processes: discrimination outside the household, cultural norms that create gender-specific role models, asymmetric rights and obligations, and the burden of women's reproductive responsibilities. Discrimination outside of the household, Collier contends, results in differential access to wage employment and credit, while gender-specific role models tend to narrow the range of economic activities in which women are willing

to engage. Because girls tend to copy women and boys tend to copy men, when a new economic opportunity is taken up by men, women may label the activity as "male" and be unwilling to take advantage of the opportunity. In Lesotho, women's limited access to credit enabled men to out-compete women in newly introduced product markets (Gorton, 1989). The quick entry of men established the new activity as a "male activity," and kept women from further attempts to gain entry to new activities.

In explaining asymmetric rights and obligations, Collier writes: "In rural Africa, women incur obligations to grow food crops for subsistence, to gather fuel and water, to cook, and to rear children. In return, men meet certain cash needs of the household." This pattern of reciprocal obligations is often unequal. Research in Sub-Saharan Africa has demonstrated that in some regions women work as much as twice the number of hours as men (Blumberg, 1988). Moreover, women must devote some of their time to holdings controlled by men. Blumberg (1988) gives evidence of the inefficiencies that result when women, working on men's holdings, do not control the returns to their labor. Asymmetrical obligations not only engender few incentives to be efficient, but they also leave women with limited time and labor for other, more lucrative, ventures. In other words, these obligations impede the labor mobility of women.

Finally, Collier argues that the burden of women's reproductive responsibilities further affects their mobility. During childbearing years, women are limited in the time they can devote to income-generating opportunities. The discontinuities in their ability to work and the inevitable loss of economic skills, Collier suggests, result in women having lower career aspirations than men. These lowered aspirations contribute to the lower educational levels for women so prevalent in Africa.

Widner (1990) and UNIFEM/IWTC (1990) add women's limited access to information to the list of constraints to intersectoral mobility. Widner's (1990) research in secondary towns of Kenya indicated that informal sector entrepreneurs earning the smallest incomes, of which many were women, tended to be younger, less well educated, and had less exposure to formal sources of information such as newspapers and radio news than those in the formal sector (Widner, 1990). Commercial sector information systems tend to be targeted to men and extension services often bypass women (UNIFEM/IWTC, 1990). Without access to information, women's knowledge of new and lucrative opportunities and their ability to gain skills needed to take advantage of these opportunities is severely limited.

Explanatory Variables in Women's Intersubsectoral Immobility

The above discussion suggests that the following variables hamper women's ability and incentive for moving into new and higher-return subsectors:

- **Limited access to credit and wage employment opportunities**, as a result of discrimination outside the household;
- **Gender-specific roles** that shape and limit intersubsectoral mobility;
- **Intrahousehold labor obligations and time-consuming domestic responsibilities** that limit women's labor mobility;
- **Low career and education aspirations** resulting from the discontinuities women experience in their career to rear children; and

- **Limited access to information and extension services**, which prevent women from gaining knowledge of new economic opportunities or the skills to take advantage of them.

Widner, Collier, and UNIFEM/IWTC suggest that enhancing women's intersectoral mobility will require: (1) providing credit to women through targeted lines of credit, using collateral substitutes and streamlined loan procedures; (2) increasing women's level of education and providing training in nontraditional role models (see Gorton, 1990); (3) introducing timesaving household and production technologies and child care facilities that alleviate the burden of women's reproductive responsibilities; and (4) disseminating information in forms and through channels to which women have easy access.

Incentives for Adopting a Growth Orientation

A number of researchers claim that growth-oriented strategies lack an understanding of female and male entrepreneurial behavior. In discussing differences between male and female entrepreneurs, Tinker (1987) asserts that women and men employ different management and investment strategies for their portfolios of economic activities. As a result, they display different growth patterns. Men, Tinker writes, tend to be drawn into the world of individual pursuit, while women operate more commonly in "human economies" based on kinship and other mutual support networks. These human networks provide women social security insurance against abandonment, divorce, and old age as well as a source of labor to which they can lay claim.

Tinker argues that male entrepreneurs tend to be more willing and able (because women tend to take responsibility for feeding the children) to invest their enterprise profits into the growth of their enterprise. After feeding their children, women more often devote profits to kinship networks — for example, to an enterprise for a sister, brother, or mother. The consequence of these investment strategies is an "amoeba-like" growth pattern in which female entrepreneurs expand the number of enterprises in which they have an interest rather than the size or profitability of any one venture.

The following model is meant to be a framework for examining entrepreneurial behavior and, in particular, different patterns of growth. Do female and male entrepreneurs have different interests and display different patterns of growth? Tinker argues that women have economic priorities over and beyond profits; moreover, she contends, they have little time or inclination to assume the management and other headaches associated with larger enterprises. In this paper, we hypothesize that women like men are interested in profit making. We argue that the contention that women have little interest in growth ignores intervening variables that explain women's enterprise strategies. Are women really uninterested in growth or merely unable to establish a sufficiently secure base, gain access to investment capital, and identify high-return product markets.

FIGURE 2

MODEL OF THE DYNAMICS OF ENTREPRENEURIAL BEHAVIOR

Survival Oriented-----> Security Oriented-----> Growth Oriented
 -----> diversification-----> specialization

includes both women & men, who are very poor, mostly involved in agriculture, limited nonfarm diversification.

this group includes women and men, though men from the previous group will move into this category first, by means of nonfarm investments. This group diversifies activities to spread risks. Individuals may farm as well as have more than one enterprise.

men will move into this category faster than women, who tend to spread the risks of men's enterprises with their diversified portfolio and assume responsibility for the children. Growth-oriented enterprises are larger and more specialized, and use more hired labor and external sources of capital.

The above model of entrepreneurial behavior is based partly on the research of Sebstad and Grown (1989), who hypothesize that entrepreneurs adopt different strategies for increasing or stabilizing their income. The poorest, they argue, are primarily agriculturalists, and although within agriculture they grow a diversity of crops on dispersed lots, they have limited nonfarm investments. These survival-oriented entrepreneurs, with their meager resources, attempt to diversify their agricultural activities to spread the risks of commodity price fluctuations and environmental hazards that result in crop loss. Once survival is secure and sufficient income is generated, these primarily farm-oriented entrepreneurs attempt to diversify into nonfarm activities. As their security base expands, they continue to increase the diversity of their portfolio. Entrepreneurs at yet a higher and more stable level of income, at some point and in some environments, are willing to specialize in a smaller number of activities, if not in a single activity.

Sebstad and Grown further suggest that men much more than women are able and willing to assume a growth orientation. Women's greater security orientation is attributed to the meager resources to which they have access, their primary responsibility for feeding the family, and the threat of abandonment and divorce. This threat, they argue, motivates women to invest profits in the security offered by kin networks. Men, on the other hand, have access not only to larger amounts of capital, but also have more latitude in terms of how and where they invest — partly because of their wives security orientation. Moreover, there is evidence that where men make risky investments, women tend to invest in more secure ventures to spread the risks of their husbands' investments.

The developmental forces underlying this model of entrepreneurial behavior are "diversification" and "specialization." Diversification here refers to Tinker's lateral growth pattern in which investment capital is used to finance a new and different enterprise, rather than to expand the size and productivity of a single enterprise. Liedholm and Mead (1990) explain that specialization is "the transformation of

raw materials into finished products (and) generally involves increasing numbers of steps as well as increasing numbers of participants, each specializing in a smaller part of the total process."

While specialization, within the model, is associated with a growth orientation, diversification can involve the addition of a new product line to a retail outlet or a manufacturing enterprise. Likewise, it can involve the addition of a new function — for example, a retail outlet — to what was formerly only a production unit. However, when this type of investment produces economies and generates greater productivity, it is defined as specialization. Thus, "diversification" and "specialization" are meant to refer to or measure the extent to which entrepreneurial investment strategies contribute to economic growth processes. "Diversification" refers to those investment strategies which produce no economies and meager, if any, direct increases in productivity, whereas "specialization" alludes to the realization of economies and rise in profitability.

It is hypothesized that the enterprise portfolios of women, more those that of men, expand by diversification rather than specialization. Men, with greater access to capital, fewer constraints on their mobility, and a stronger connection to the market economy, are more apt to be able to take advantage of high-growth activities and to amass capital for productivity-enhancing investments. With relatively less time, mobility, and capital resources, women may find lateral growth in the high risk environments in which they operate a more effective income strategy.

While distinguishing between growth patterns that lead to greater specialization and those that do not is analytically useful, it can also be simplistic. **Diversified strategies may lead indirectly to economic growth and development.** They may represent a means of increasing and stabilizing income levels to allow greater risk taking and specialization in other segments of the economy. For instance, Schmink (1984) notes that households tend to engage simultaneously in survival and (income) mobility strategies on a gender basis; women generally assume survival strategies and men mobility (or growth-oriented) strategies. The low but steady income of women, she contends, allows men to seek greater absolute returns at heightened risks. The complex routes by which economic growth emerges and progresses can be difficult to research. Nonetheless, researchers need to be wary of drawing simplistic conclusions.

The Prevalence of Diversification

How prevalent is Tinker's amoeba-like growth pattern, across regions, social groups, and among female-headed households? Evidence from Kenya, Nigeria, Sudan, and Burkina Faso attests to the importance of nonfarm diversification as an income strategy among rural farm households (Liedholm and Mead, 1986; Freeman and Norcliffe, 1984; Bendavid-Val, 1989; Reardon, Matlon, and Delgado, 1988; Chuta and Liedholm, 1979). Intrahousehold analyses, however, reveal that women have their own diversified portfolios, the income from which they control. For example, female marketers in the Kutus region of Kenya stated that beyond the time they devoted to their "full-time" marketing enterprise, they spent an additional 50 percent of their "weekly working time" farming (Downing and Santer, 1989). Vegetable vendors in rural Liberia earn income from selling vegetables and swamp rice, both of which they grow on their own plots; this production is in addition to farming on family rice plots (Downing, 1990).

Although Liedholm and Mead (1986) assert that diversified income strategies are more prevalent in rural than urban areas (Liedholm and Mead, 1986), Gorton's work in Maseru, Lesotho, revealed urban female entrepreneurs with anywhere from two to four enterprises (Gorton, 1990). Similarly, a Cornell food and nutrition study in the urban and periurban area of Banjul, Gambia, found both male and female

entrepreneurs operating multiple enterprises (Jabara, 1990). In Kingston, Jamaica, however, Bolles' (1985) and LeFranc's (1989) research showed female entrepreneurs employing a diversified strategy as a means of achieving a more growth-oriented portfolio. Female entrepreneurs in Kingston utilized capital from their full-time wage job to start a home-based "buy and sell" business (Bolles, 1985). These "buy and sell" enterprises were often initiated on a seasonal basis — for example, to sell a particular item during the Christmas season. Successful entrepreneurs could then use their seasonal profits to enter higher-return and less seasonal product markets and become what LeFranc referred to as "informal commercial importers." These importers traveled periodically to Miami or New York to buy specialized products to sell in Kingston, amassing considerable amounts of capital, which, in turn, they reinvested to increase further their enterprise profits.

Kingston's low income female entrepreneurs, on the other hand, were considerably less fortunate than these importers. Without access to capital, they produced or sold low-return products next to male vendors selling higher-priced items. While their male counterparts reinvested their profits into their businesses, these low income female entrepreneurs were forced to devote their earnings first to feeding their children, and only then to maintaining or increasing their inventory. Their primary responsibility for feeding their family put them at a severe disadvantage to their male counterparts. According to Bolles (1985), these low income female entrepreneurs had little concept of "profit;" their goal tended to be survival rather than strategic enterprise investment.

Babb (1985) also found diversified income strategies among poor marketers in Huarez, Peru. Here, however, diversification was based more on the family than the individual. "The need to diversify means that it is common to find families that engage in all three forms of production . . . , subsistence farming and household labor, petty production and commerce, and capitalist wage labor." Babb also noted the smaller size of female seller enterprises as compared to their male counterparts, who were often able to draw on resources generated from other forms of employment, travel further distances to purchase goods, and sell a larger volume at a lower price than females. These gender-based differences in business size suggest that although families in Huarez engaged in diversified income strategies, women did not receive equal access to family money to invest in their enterprises.

Although Tinker's (1987) evidence from Indonesia and the Philippines points to an amoeba-like growth pattern of women's enterprise portfolios, Hackenberg's and Barth's research of female-owned "sari-sari" stores in the Philippines showed that those business owners with greater resources, who could afford electricity and refrigerators, invested profits into expanding the volume of their inventory and diversifying their product lines (Hackenberg and Barth, 1984).

In Pakistan, Afghanistan, and other strictly Muslim countries, many women are confined to the household. This limited mobility severely curtails the extent and scope of women's economic activities. The ability of female entrepreneurs to expand their operations is limited by their primary responsibility to feeding their family and their ability to gain access to inputs and markets through male family members or middleman. Despite the prevalence of seclusion, in recent years, more and more female microentrepreneurs have entered the urban informal sector (World Bank, 1989b). Nevertheless, many of these women are "crowded into low-return activities, which limit their income and act as a disincentive to their greater participation in economic activities" (World Bank, 1989b).

While income strategies employed by female-headed households vary by region, household composition, and rural/urban location, common patterns can be found among low income female household heads (without a male present). Their sole responsibility for feeding their children from what income they can generate and their resultant limited access to investment capital keep them in low-return,

highly competitive product markets (Grown and Sebstad, 1989). Without resources, they have limited ability to diversify or move into another product market.

Factors Contributing to Entrepreneurial Diversification

Under what conditions do female and male entrepreneurs diversify rather than specialize? How do these conditions differentially affect female and male entrepreneurs? Acheson and Wilson (1990) assert that the prevalence of "small, unspecialized operations run by one or two kinsmen with a minimum of capital equipment" can be explained by thin markets and high internal transaction costs that exceed high external transaction costs.

The thin and fragmented markets common in so many rural areas in developing countries limit the quantity of any single product an entrepreneur is able to sell. To survive, entrepreneurs must diversify their portfolios or their product lines to fill market niches when and where they arise. Gender differences in terms of access to resources, geographic mobility, and market entry, however, make women more than men vulnerable to shallow markets. While male marketers have the freedom to travel considerable distances to multiple markets to purchase inputs and sell products, women's mobility in many regions is circumscribed by their domestic responsibilities and their need to be close to home. Gender-specific roles that tend to limit the number of product markets to which women are able or willing to enter further diminishes the scope and size of the market to which women have access. As result, female more than male entrepreneurs suffer from atomistic competition, and their enterprises are small and unspecialized (Watts, 1984). Female entrepreneurs try, to the extent possible, to find diverse pockets of demand that they are able to meet, where they do not face such extreme competition.

Despite the larger market afforded by urban locations, poor women and especially female-headed households are often unable to expand their urban enterprises because of limited capital. Bolles' (1985) and LeFranc's (1989) research in Jamaica showed that where female entrepreneurs had the security of a steady income from wage employment, investment capital from their earnings, and access to a strong market, they displayed a strong growth orientation and willingness to take risks. However, low income female vendors, with very meager capital resources, tended to stagnate in low-return product markets and exhibit a survival orientation.

According to Acheson and Wilson, high internal and external transaction costs also limit the size and specialization of enterprises. Internal transaction costs are incurred "in hiring, organizing, and training employees" and are heightened by opportunism, illiteracy, lack of accounting and business skills, and lack of effective communication. External transaction costs, on the other hand, accrue from the expense of acquiring inputs and marketing outputs. Poor communications, lack of coordination between supply and demand, irregular supplies of goods, and unpredictable changes in prices elevate these costs.

To circumvent the problems associated with high internal and external transaction costs, especially opportunism, entrepreneurs establish exchange and employee relationships based on gender, kin, or ethnic affiliations or "long-term bilateral ties" with a particular person or trader (Acheson and Wilson, 1990). These strategies manifest themselves in subsector channels dominated by a specific gender or ethnic group. For example, in Kenya, Downing and Santer (1989) found commodity subsectors dominated by women, from producer to processor to final marketer. In the same region, Bendavid-Val et al. (1988) discovered product markets that extended from rural regions to the metropolitan area and were controlled by Asians.

Although enterprises in developing countries use socially distinct channels based on mutual trust and affiliation to reduce external transaction costs, U.S. firms typically reduce external transaction costs by expanding their size and vertical integration. This obviates the need to rely on outside firms for input supplies or marketing of outputs. In most developing countries, high internal transaction costs preclude large-sized and vertically integrated firms. Higher internal than external transaction costs, Acheson and Wilson argue, motivate entrepreneurs to focus on reducing internal transaction costs.

To lower internal transaction costs, entrepreneurs tend to limit hiring of employees to a small number of trusted relatives or close friends. In Jamaica, female informal commercial importers, despite their strong growth orientation, relied almost solely on real or fictional kin to assist them in their business (LeFranc, 1989). In Ghana, Asante female traders in all commodities were deterred from hiring employees because of the fear of having to take responsibility for employee debts (Clark, 1990). Almost half of these female traders studied by Clark in Kumasi, Ghana, worked alone, and an additional 35 percent had only one helper. These helpers were largely daughters, but another large percentage was made up of "equivalent" or fictional kin. These examples illustrate the effect of internal transaction costs – in particular the ability to trust in both the honesty and capability of employees – on enterprise size. Clearly, where employee hiring is limited to a small cadre of trusted kin, enterprises will be small.

Kilby (1971) argues that deficient management, which can be classified as an internal transaction cost, is a crucial constraint to enterprise size. Women's greater illiteracy, innumeracy, and lack of business skills (at least in Africa and some parts of Asia) and their limited access to extension services and other sources of information, it is hypothesized, lead to higher internal transaction costs in comparison to men. These costs are further heightened by women's severe time constraints, associated with their dual productive and reproductive responsibilities. These time constraints mean that women experience much more difficulty than men in giving consistent managerial oversight to their enterprises and thus expanding the size of their firms. This hypothesis is supported by data from the ADEMI project in the Dominican Republic, which indicates that, despite the greater efficiency (output to labor ratio) of women's small-sized firms in the textile industry, males entered into a "growth" mode, hiring employees, at a faster rate than females.

Women's illiteracy and their more limited access to lucrative markets and market information lead to higher external transaction costs and greater vulnerability to opportunism than men. Women like men attempt to establish exchange relationships with long-term ties, kin, or gender-based affiliations to diminish external transaction costs. However, women's geographic immobility and the dominance of men in the market place and in the transport sector can force women to sell wherever they can, even at very low prices.

Explanatory Variables in Diversification

The above analysis points to two critical variables that motivate both female and male entrepreneurs to diversify rather than specialize their enterprise portfolios. These include **thin and fragmented markets** and **high internal transaction costs** (higher than external transaction costs). Gender differences in the size and degree of enterprises, it is hypothesized, relate to the following constraints that women face more than men:

- (Geographic) mobility constraints;
- Limited resources and gender-specific role models that limit the product markets which women enter;
- Illiteracy, innumeracy, and lack of accounting skills;
- Limited access to information, training, and extension services; and
- Limited security due to high abandonment and divorce rates, primary responsibility for children's welfare, erratic economic conditions, and limited access to credit, wage employment, and high-return product markets.

Implications of Diversified Strategies for Economic Growth

Diversification can be a means for increasing income, as Collier (1990) and others argue convincingly. However, the inability of many microentrepreneurs, especially women, to move beyond a diversified portfolio of small, unremunerative enterprises to more specialized and productive activities suggests that entrepreneurs can also get trapped in a diversification strategy, beyond which they cannot move. Acheson and Wilson write that to combat the thin markets and high internal and external transactions costs that unspecialized firms generate, donor organizations need to "focus on developing commercial legal institutions, literacy, honesty in government, and education and business skills."

While female entrepreneurs are especially in need of literacy, numeracy, and management skill building, they face other constraints, many of which have been highlighted in this paper. A range of macropolicy reforms as well as subsector and microlevel interventions, which address women's constraints to and disincentives for adopting a growth orientation, will be needed to implement a strategy for promoting the growth of women's enterprises. GEMINI research can help guide the design of growth-enhancing interventions.

HYPOTHESES, RESEARCH QUESTIONS, AND POLICY IMPLICATIONS

The discussion above examined many of the problems associated with implementing a growth-oriented strategy for microenterprise development that assists male as well as female entrepreneurs. The hypotheses and questions presented in this section are meant to guide research toward critical questions that need to be answered. Macro-, subsector-, and micro-level hypotheses and research questions are presented. Macrolevel hypotheses explore and identify likely changes in male and female enterprise and employment patterns in low-, good-, and high-potential subsectors. At the subsector level, the emphasis turns to areas of intrasubsector competition and complementarities and the implications of intrasectoral relationships for intervention identification. At the micro level, issues related to entrepreneurial behavior and entrepreneur constraints and incentives to intersectoral mobility are examined.

Macrolevel Hypotheses and Research Questions

Hypothesis: Women's food processing and distribution activities will continue to provide employment and enterprise opportunities to women as national economies evolve, because of the important backward and forward linkages of these functions.

- i. What are the critical interventions women need to ensure the productivity and viability of their food-related processing and marketing activities?

Hypothesis: Newly introduced or transformed subsectors that build on women's traditional activities hold the most promise for providing women with new enterprise and employment opportunities.

2. To what extent do **manufacturing, agriculture, and services** and dynamic subsectors such as garments, horticulture, and selling prepared foods — which build off of women's traditional activities — represent likely high-priced product markets for women?
3. To what extent will subsectors that are not related to women's traditional activities offer women new employment and enterprise opportunities?

Hypothesis: As women experience increasing displacement from their traditional agricultural and manufacturing enterprise activities, they participate in the labor force more as employees than as entrepreneurs.

4. Do women's enterprises grow absolutely or relatively in number or size as they begin to serve more modern and dynamic markets? Or, do employment opportunities for women expand while opportunities for proprietorship decline? Does male proprietorship decline to the same extent as female?

Hypothesis: As women experience increasing displacement from their traditional enterprise activities, they are squeezed into a narrower range of enterprise and employment opportunities in the tertiary sector.

5. Does the concentration of women in the tertiary sector grow absolutely or relatively as opportunities in traditional agricultural and enterprise activities decline?
6. To what extent does the tertiary sector offer enterprise opportunities as compared to employment opportunities? To what extent does it offer low- versus high-return enterprise and employment opportunities?

Macrolevel Policy Implications

Government policies will be important in facilitating women's transition from low- to high-potential enterprises and supporting women's participation in high-priced product markets. Policies should promote the participation of women in horticulture, garments, handicrafts, and other traditionally female activities, as they reorient toward an export market. In The Gambia, the government helped to create

a Women's Bureau; this bureau has been a political voice that supports women in the high-priced horticultural subsector and ensures that women's grievances are heard by policy makers.

- A women's bureau within the government can be critical to providing women the voice and leverage they need to gain access to the resources necessary to take part in economic growth processes.
- Financial and banking policies tend to restrict women's access to both credit and savings services. To facilitate the transition from low- to higher-return enterprises, women will need access to financial services, both credit and deposit. Increasing access will require the deregulation of interest rates, a decentralized network of banks in rural and urban areas, and collateral substitutes.
- Legal as well as banking policy reforms will be necessary to allow women to act as independent and growth-oriented entrepreneurs, sign contracts, withdraw money from bank accounts, hold a confidential account, and obtain a loan independently.
- Education and skills training policies that favor men over women will hamper the movement of women into higher-return activities. Moreover, women's entry into more modern product markets will likely be facilitated by an understanding of technical information — prices, weights, measures, and standards — as well as management skills.
- Minimum wage laws have been shown to inhibit the deployment of labor from family to firms. These laws particularly affect women, slowing their ability to earn independent income.
- Tariffs that impose high surcharges on women-owned enterprises as compared to men's enterprises need to be examined and the impact assessed.

Subsector-Level Hypotheses and Research Questions

Hypothesis: Subsectors are often gender disaggregated because of high external transaction costs, gender-specific role models, and constraints related to gender-differentiated access to resources, policies and regulations, and other incentive structures.

1. To what extent do gender-based economic affiliations reduce high external transaction costs?
2. What role do gender-specific role models play in segregating subsectors and channels with subsectors by gender?
3. Are there common bottlenecks in women's subsectors and subsector channels related to women's resource constraints, or do these bottlenecks vary significantly from region to region?
4. Do women tend to be relegated to the lower level of subsectors, furthest from the final national or export-oriented markets? In what instances are women able to participate in levels of subsectors closer to the national or export-oriented final market?

5. Are female and male channels within a subsector linked to different final markets? If or when this is true, to what extent does limited access to capital versus mobility constraints or some other constraint explain women's and men's differential market orientation (local versus regional versus national versus export)?

Hypothesis: As economies evolve, women's position within subsectors in which mechanization can replace labor in a cost-effective way will tend to be undermined by competition from larger-scale, mechanized enterprises.

6. To what extent are women in female-dominated subsectors better able to control profitable enterprises and segments of subsectors than those in subsectors shared more equally with men? With structural transformation, are women better able to find high-potential opportunities in female-dominated subsectors than in those they share with men?

7. How does the gender disaggregation of subsector channels change with structural transformation? Are gender-mixed subsectors increasingly dominated by men (do male channels out-compete female channels) or do channels become less sex-typed? Are women's channels within subsectors increasingly threatened by mechanization and larger-scale concerns? Are men's channels similarly threatened?

Hypothesis: The introduction of new, appropriate technologies and processing techniques into women's subsectors can increase their competitive position within subsectors and allow complementary linkages to be forged.

8. With structural transformation, to what extent are women likely to benefit from complementarities associated with forward and backward linkages, including subcontracting opportunities, between their activities and larger-scale, more mechanized enterprises?

9. Can new technologies and processes — for example, commercial brewing of malt — enhance women's competitive and complementary position within a subsector?

Subsector-Level Policy Implications

- Employment policies will be needed that promote new opportunities for women, because of the likelihood of women's displacement in a number of subsectors.
- Policies that subsidize large-scale, competing enterprises will need to be addressed, to support low-potential enterprises that are important sources of income for women. The income multiplication effects of women's small enterprises need to be weighed against the low multiplication effects of larger-scale operations, to provide justification for such policy reforms.
- Local, regional, or national policies — which burden marketers with unfair taxes and market fees, limit the mobility of goods, control the prices and marketing of certain commodities, restrict food vendors, and subsidize large-scale milling operations — should be targeted for policy dialogue, because of women's important participation in food distribution, processing, and preparation and the viability of these subsectors.

- Policies, projects, and other interventions will be needed to support women's **competitive position** in viable subsectors. This will require interventions that are sensitive to gender-disaggregated channels and constraints within marketing subsectors.
- Policies, projects, and other interventions will be needed to promote **complementary linkages** between large-scale, high-potential enterprises and women's enterprises.

Microlevel Hypotheses and Research Questions

Hypothesis: Entrepreneurs can be characterized as having survival, security, and growth orientations. They tend to move from a survival to a security orientation by increasingly diversifying their portfolio of economic activities. Females move along the continuum from a survival to a growth orientation at a slower rate than males because of a range of constraints and disincentives. Thus, more women than men are clustered in the survival- and security-oriented categories, while men dominate the growth-oriented category of entrepreneurs.

Corollary Hypotheses:

- a) Women tend to have more diversified portfolios than men, on average.
- b) More men than women are in the growth-oriented category.
- c) Diversification or a security orientation can be an important strategy for increasing and stabilizing income.
 1. Do women more often increase the number of enterprises they own or have an interest in over time (to diversify their portfolios), while men (in the growth-orientation category) more often increase the size of their "primary" enterprise?
 2. Within households where the major source of income is **not** agriculture, are women's portfolios of economic activities (paid and unpaid) more diversified, on the average, than their husbands'?
 3. Is diversification an intermediary step toward a growth-oriented specialization?
 4. To what extent do women "claim" to be interested in the growth and profitability of their enterprise(s)?

Corollary Hypothesis:

- d) Women move from a survival to a security to a growth orientation more slowly than male entrepreneurs because of a range of **constraints**:

CAPITAL/CREDIT/INCOME CONSTRAINTS

5. Do male entrepreneurs have access to greater amounts of start-up capital than female entrepreneurs? If so, where does this greater amount of capital come from (household income, individual income, inherited assets, family, friends, spouse, informal or formal financial intermediaries)? Do female and male entrepreneurs have access to different forms of assets (cash, land, livestock, jewelry) for starting their enterprises? What kinds of household assets and income are men, as compared to women, able to control and gain access to for investing in a new business?
6. After launching a new enterprise, do women have a more difficult time than men gaining access to working capital, or to investment capital?
7. To what extent do female entrepreneurs with their combined productive and reproductive responsibilities shift resources between their enterprise(s) and the household? If and when this is the case, to what extent does this behavior explain women's lack of operating and investment capital? Are men more apt to shift resources from productive enterprise to productive enterprise, and thereby increase the profitability and growth of their enterprises more successfully than women?

INFORMATION CONSTRAINTS

8. To what extent does limited access to information affect the profitability of women's enterprises, their knowledge of available technologies, lucrative markets, and the like?
9. To what extent does lack of information about new opportunities bar women from entering new and more lucrative product markets?

TIME CONSTRAINTS

10. Research has revealed the time constraints of women entrepreneurs in numerous sectors and regions — as a result of their combined productive and reproductive responsibilities. How much time do female as compared to male entrepreneurs devote to their portfolio of income-generating enterprises? How much time per enterprise do male as compared to female entrepreneurs devote to income-generating enterprises? How much time do women devote to subsistence production? to other domestic responsibilities?
11. How do women's time constraints change as they move from a home-based to a market location, from a rural to an urban location, and from informal to formal sectors?
12. To what degree do women concentrate in enterprises that build on or are integrated with their necessary subsistence activities to conserve scarce time and resources? To what extent are such activities potentially low return? high return?
13. How do women's time constraints affect the growth of their individual enterprises and their growth orientation as entrepreneurs?

LABOR ALLOCATION CONSTRAINTS

14. To what extent is it difficult for women to allocate their labor to more lucrative product markets because of their labor obligations to their husband and family?

MOBILITY/MARKETING CONSTRAINTS

15. To what extent do women experience mobility constraints that prevent them from operating out of multiple markets and larger regional or national markets, in which prices are higher (than in smaller, rural markets)?

16. Do the mobility constraints of women hamper the movement of their enterprises, over time, from less profitable to more profitable locations?

17. How do women's mobility constraints affect the growth of their enterprises?

SKILL AND MANAGEMENT CONSTRAINTS

18. Does the high incidence of illiteracy and innumeracy among women (as compared to men) result in limited access to markets and technical information? To what extent does this translate into lower profitability for women's enterprises? Does illiteracy and innumeracy become more of a constraint for female entrepreneurs as their enterprises increase in size?

19. To what extent do women limit the size of their enterprises because they feel they have limited management skills? because they perceive the management of larger enterprises to be "too troublesome?" because they could not find a manager whom they could trust?

AGE/LIFE CYCLE CONSTRAINTS

20. How do the constraints that female entrepreneurs face vary during their life cycle? As women age, how does their survival versus security versus growth orientation vary? For example, are older women, whose children can assume many household responsibilities, able and willing to devote more time and resources to their enterprises than women with young children? Are these older women more likely to invest profits into their enterprises than women with younger children?

CULTURAL CONSTRAINTS

21. To what extent are female entrepreneurs steered toward or forced into low-priced product markets because of gender-specific role models and cultural sex typing of commodities, parts of commodities, and activities?

Corollary Hypothesis:

- e) Women move from a survival to a security to a growth orientation more slowly than male entrepreneurs because of a range of **disincentives**:

INCOME CONTROL

22. To what extent do women allocate labor and other resources to low-return over higher-return activities because of their assured control over the former?
23. What is the likelihood that women will be able to maintain control of growing and profitable enterprises? In what instances do men tend to take over women's profitable enterprises and in what instances are women able to maintain control of profitable enterprises?

RESPONSIBILITY FOR THE FAMILY

24. To what extent does women's primary responsibility for their children make them adverse to risk — and a growth orientation?
25. To what extent does women's tendency to spread the risks of their husbands investments hamper their own risk-taking and growth orientation?
26. To what extent does the threat of abandonment or divorce — and being left with sole responsibility for the family — hamper women's risk taking and movement into a growth orientation?

Microlevel Policy Implications

Policies, projects, and other interventions should mitigate the constraints faced by women entrepreneurs and build on their incentive structures and facilitate their shift from lower- to higher-return product markets. Although macropolicies will be essential to create a conducive economic environment, microlevel policies and projects will also be important to ensure that women as well as men can take advantage of a favorable macropolicy environment.

- Gender-disaggregated data will be needed on the constraints and disincentives at the microlevel that impede the growth of microenterprises and entrepreneurs' transition to a growth orientation.
- The choice of agencies to implement microenterprise development projects should be made based on their capabilities for understanding gender-based constraints and incentives.
- Local-level policies or project interventions will be needed that facilitate the fulfillment of women's dual productive and reproductive roles. Child care policies, flex-time, maternity policies, and classes in nutrition, literacy, and numeracy may be needed to strengthen both women's productivity in the work place and her ability to care for her family.

- Other educational, vocational, and technical training policies and interventions, including training in "nontraditional" activities that pushes against gender-specific role models, may be needed to facilitate the entry of women into higher-return, higher potential, and sometimes "nontraditional" activities.
- Local policies and interventions may be needed to assist women in successfully marketing higher-priced products. Surveys in many countries have revealed that "access to markets" is a critical and often-cited constraint faced by female entrepreneurs. Easing this constraint may require providing women with important market information, addressing problems related to transport, and training women in postharvesting handling and processing techniques.
- Local-level policies and interventions may be needed to assist women entrepreneurs in obtaining inputs. Moreover, organizing saving groups will help to ensure that female entrepreneurs are able, on a regular basis, to save sufficient funds to purchase inputs and invest in the growth of their portfolio or enterprises.

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APPENDIX A
LITERATURE REVIEW

APPENDIX A

LITERATURE REVIEW

This literature review focuses on gender as it relates to GEMINI's Growth and Dynamic of Microenterprises theme. Gender differentiations are analyzed at three levels: macro, subsector, and micro. At the macro level, aggregate trends of women's and men's participation in sectors and subsectors as well as expected changes in participation levels with economic growth are explored. At the subsector level, analysis turns to gender differentiation within subsectors and, further, to investigations of complementarities and competition within subsectors that suggest strategies for increasing women's and men's entrepreneurial success. At the micro level, characteristics of female as compared to male enterprises are examined as well as factors that constrain the profitability of women's enterprises and the growth orientation of female entrepreneurs.

Preceding the macro, subsector, and micro analysis, however, is an examination of the monetary and nonmonetary importance of women's enterprise income to economic growth and development. This analysis provides a justification for supporting (though not subsidizing) women's enterprises even in low-return, low-potential subsectors. Research underscores repeatedly that despite women's often small profits, this income is critical to the survival of many poor households.

THE IMPORTANCE OF WOMEN'S ENTERPRISE INCOME TO ECONOMIC GROWTH AND DEVELOPMENT

Women's Cash Earnings

There is much evidence showing that women, on average, earn significantly less income than men in their microenterprises. MSU data from Egypt, Zambia, Sierra Leone, and India indicate the lower returns of women's as compared to men's enterprises. Much evidence supports the MSU data; for example, Blumberg, in her overview paper, "Women and the Wealth and Well-Being of Nations," found that women's earnings in many developing countries averaged far lower than their husbands.

On the other hand, Due and Mudenda, in a 1985 study in Zambia, found that women's total cash earnings exceeded men's in Southern, Central, and Northern Province; their earnings were higher from both farm and off-farm sources in Southern and Central Province. Similarly, GTZ found that women in Nimba County, Liberia consistently earned more cash from both farm and nonfarm sources than men, regardless of cropping system. GTZ included in their measurements of income the value of women's subsistence production (Westphal et al., 1987).

Research in Mali suggests that economic crises in African countries may be generating new economic dynamics in which women are earning as much as if not more than men (Lewis and Russell, 1989). Data from The Gambia, where wage employment has plummeted because of structural adjustment along with groundnut prices, points to higher incomes for women than men (Downing, 1990).

Income Multiplication Effects of Women's Earnings

Haggblade, Hazell, and Brown (1987) suggest, in Sub-Saharan Africa, some patterns regarding the relative importance of various categories of expenditures to regional multiplication effects. Along with Mellor (1976), Haggblade, Hazell, and Brown claim that household consumption expenditures in Sub-Saharan Africa have greater income generation and multiplication effects than those associated with either forward or backward production linkages to agriculture. Forward linkages in this instance include marketing, storage, transportation, bulking, and processing; backward linkages are those associated with production input supply.

These studies imply that African women, who are almost everywhere responsible for food purchases, contribute significantly to regional multiplication effects. Given women's mobility limitations resulting from their household responsibilities, women may have a greater tendency to spend their income locally as compared to men.

Evidence from Kenya showed that women marketers were more likely to purchase their enterprise inputs inside the region, while men's inputs were more often imported into the region. Men, on the average, travelled three times the distance that women did to purchase inputs. Moreover, the inputs purchased by women were more often locally produced as compared to those purchased by men (Downing and Santer, 1989). Thus women's input expenditures, though half the amount of men's, redounded to the region while men's expenditures were more often made outside of the region and thus did little to generate regional income generation and development.

Women's Enterprises Play an Important Role in Structural Transformation

Women bear much of the cost of structural transformation. On the one hand, women's enterprises are most vulnerable to industrialization and mechanization (evidence discussed under subsectors). Many of women's traditional activities will decline or disappear with structural transformation. On the other hand, because of women's willingness to try innovations and their low opportunity costs, they are also in some of the fast-growth, new subsectors, such as TNC (transnational corporation) export activities, newly introduced activities, and prepared foods. Transformations in the global economy have resulted in new opportunities for women in export-oriented industries owned by TNCs in search of cheap labor. Women more than men are willing to accept the low wages and poor conditions offered by export-oriented industries (ICRW, 1980).

In addition, women's enterprises more than men's appear to act as a safety net during economic transformations by absorbing and adjusting to economic changes. For example, the number of informal sector, female-owned enterprises tends to expand as opportunities in the public and private formal sector diminish. This expansion is a reflection of the ability of women in informal sector enterprises to respond to the needs of a market with little disposable income. The contraction of formal sector production increases the demand for some informal sector goods and services. However, declines in real wages reduce the demand for other services. Exactly who wins and who loses (with structural adjustment) is not well understood, but it appears that the poor and especially women do not fare well. To survive, the poor must draw on a broad range of strategies. Women are particularly attuned to such survival strategies (Grown & Sebstad, 1989).

Provide a Safety Net for the Households During Economic Contraction

Evidence reveals that as male unemployment rises, female labor force participation rises. Evidence from a conference organized by the International Center for Research on Women, entitled "Weathering Economic Crises: Women's Responses to Recession in Latin America and the Caribbean," which brought together researchers from eight countries in the region as well as Europeans and North Americans, underscored this trend. Women expanded their entrance into the labor market during the recession, while men's labor force participation rates declined or remained stable. In Jamaica, for example, women increased their share in the labor force from 44.3 percent in 1973 to 47.3 percent in 1984, despite a prolonged economic contraction. In Santiago, Chile, the labor force participation rates of women in the lowest quintile of the household income distribution increased sharply, from 18 to 22.4 percent during the economic crisis of 1974-1975.

There is also some evidence that during periods of economic contraction, the household dependency on income from women's enterprises increases. Women increase their participation in the labor force in an attempt to compensate for declines in their husband's income and in particular for declines in wage-earning employment. Research in Mali revealed that the current economic crisis in that country has meant that "one source of income is no longer adequate to meet household needs; both the husband and the wife must generate income for the family. Women are increasingly joining the work force by creating their own enterprises. From the income generated by these businesses, women often provide the major source of income for the family" (Lewis and Russell, 1989).

Contribution to Human Capital Investment

Research in Africa and other parts of the world suggests that, in general, women contribute a larger proportion of their personal income toward expenditures on food and other day-to-day household necessities, children's clothing, medicine, and school fees than men, who retain more for personal spending. Carloni (1987) notes that in parts of Kenya, men treat income from certain crops or activities as their own spending money, whereas women's earnings usually buy food. Cuyer (1988) found that, among the Beti, women supply two-thirds of total cash expenses on food and household supplies, which constitutes about three quarters of their personal income, while men contribute about one quarter of their own cash income and retain the rest for personal spending. Similarly, Mencher noted in her study of five villages in southern India that, while women's contributions to household income are less in absolute terms, women contribute a higher proportion of their income to household needs while men retain more for personal spending on "status production" activities such as "sitting in teashops, eating food and drinking toddy or arrack with friends, and having a clean white shirt for special occasions" (Mencher, 1987, p. 3).

Women assume primary responsibility for activities and sectors critical to meeting basic human needs, at the household level, and the maintenance and reproduction of human resources, at the societal level. Research in The Gambia, Liberia, and Mali reveals that even when schools fees are traditionally an expense shared by husband and wife, declining male incomes have pushed these expenses more and more onto the wife (Downing, 1990; Lewis and Russell, 1989). Women's expenditures on food, medicine, school fees — as well as the time they spend nurturing their children — is critical to human capital development. Moreover, increasing divorce, abandonment, and male out-migration rates mean that women are more and more the major support of children in developing countries. Children's education and health is more and more dependent of female earnings.

Women's Enterprises Allow for the Growth-Oriented of Their Husbands' Enterprises

Men are affected by women's production and consumption decisions and women are affected by men's. When men's activities change in response to adjustments in the general economy and society, women make economic choices that either accommodate or take advantage of these shifts (Bruce and Dwyer, 1988). For example, the ability of men to take up wage labor depends on women assuming effective management of food production and other household activities (see Peters, 1986). Guyer (1980) notes that **women's small but regular contributions to household income allow men to engage in higher-risk activities associated with greater absolute returns.**

Diversification of income sources is an important means of risk management aimed at ensuring household survival (Carloni, 1987). Guyer (1986) found that in the Gambia, when men devoted more land from millet, the staple, to groundnuts, the cash crop, women took up rice, a new crop, or went into trade or intensified cultivation of traditional crops in order to spread the risk of their husbands' venture.

Although women's net income more often goes toward current expenditures, women both influence investment decisions and invest independently from men, using their own income. Moreover, a number of studies (Peters, 1986; Guyer, 1986; Carloni, 1987; Dixon-Mueller, 1985) suggest that although men tend to make the larger capital investments, there is evidence that women spread the risks of men's investments by undertaking activities with different vulnerabilities than their husband's. In doing so, women contribute to the success of male-headed households as well as overall regional development. This underscores the importance of fostering women's independent income, as it has both important multiplication and investment implications.

GENDER ISSUES IN MACROLEVEL ANALYSES OF MICROENTERPRISES

By macrolevel analyses, Liedholm and Mead refer to a "process of structural transformation whereby different sectors of the economy grow or decline in importance as the economy develops." Although the growth and decline of sectors can vary depending on a variety of factors, over the long run there appear to be regularities which economists refer to as structural transformation. Where a country or region fits into the long-term process of structural transformation can provide important insights concerning product groups or subsectors that are likely to be dynamic or undynamic.

At the macrolevel of analysis, women's participation in the small- and micro-enterprise (SME) sector, their concentration in particular industry or service groupings, and changes in their participation level with structural transformation are examined. A critical question is whether the number, size, type, and location of women's enterprises differs significantly from men's. Also important is the extent to which structural transformation narrows or widens gender differences. Finally, macrolevel analyses include an investigation of the constraints imposed by the regulatory and macropolicy environment on male and female entrepreneurs.

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Participation of Women in the SME Sector

Most studies show that women make up a significant, and in some cases major, proportion of proprietors and employees in the SME sector. MSU research has contributed substantially to our understanding of women's participation in the sector as a whole and in specific subsectors.

In a survey of manufacturing and repair enterprises in Haiti in 1979, MSU researchers Haggblade, Defay, and Pitman found that all firms were owned by a single entrepreneur, 80 percent of whom were men and 20 percent women. Women accounted for 18 percent of the owners or managers and 16 percent of the employment in small manufacturing and repair enterprises in Haiti. Women made up 50 percent of pastry shop employment, 30 percent of tailors, and 27 percent of manufacturers of straw products. Women owners in these subsectors tended to hire women employees; only 6 percent of the workers in male-owned enterprises were female, while 67 percent of the workers in female-owned enterprises were female.

A 1981 survey of small-scale manufacturing in Jamaica revealed that women proprietors outnumber men in the rural areas, but in Kingston and the major and small towns over 85 percent of the proprietors were male. The high incidence of women's proprietorship in the rural areas was largely accounted for by craft work and dressmaking.

In a 1984 study of manufacturing and repair enterprises of two largely rural governorates in Egypt, MSU researchers found that women made up a significant part of the small-scale industry labor force. Women made up almost the entire labor force of the dairy industry and over 30 percent of the work force in all industries other than dairy — including 50 percent of the work force in the textile subsector. Women owned a majority of the household enterprises; in fact, if one excludes household dairy producers, women still make up 80 percent of all household enterprises. Microenterprises, located outside the home, were distinguished from household enterprises. Even within the microenterprise category, women accounted for 45 percent of the entrepreneurs. However, if one excludes dressmaking, an activity that possesses many of the characteristics of a home-based activity, men account for over 99 percent of the owners of microenterprises (Davies et al., 1984).

MSU researchers conducted a nationwide survey of small-scale manufacturing, service, and trade enterprises in Zambia in 1985. The survey was undertaken in the rural and semiurban localities, with populations of less than 50,000, excluding the Copperbelt and Lusaka provinces. The results showed that women accounted for 60 percent of the ownership of small-scale enterprise (SSE) activity and 54 percent of the employment. Women were particularly dominant in beverages, ceramics, garments, and vending - in that order. They accounted for more than 90 percent of the ownership in knitting, beer brewing, and pottery. Their representation was very low in leather, repairs, and metals. Even in basket and mat making, women accounted for only 12 percent of ownership and 17 percent of employment. Women tended to dominate in employment in those enterprise groups in which they dominated in ownership, indicating that female entrepreneurs hired largely female employees (Milimo and Fisseha, 1986).

In a recently completed census of manufacturing, trade, and service enterprises in two rural departments of Niger, these two departments, Maradi and Dosso, coincide with two different ethnic groups. One of the departments is more strictly Muslim than the other, thus limiting women's participation in the labor force working outside the compound. Maradi women had a larger role in enterprise ownership and employment in commerce than in manufacturing and services; in Dosso, however, women were more prominent in manufacturing, largely due to mat making. In both Dosso and Maradi departments, women showed a high rate of ownership in forest-based, food, and retail activities.

Vending, which was separated from retail, was not as important an activity for women as retail; moreover, in the rural areas of Maradi, less than 20 percent of the vending enterprises were female owned. Data also revealed that women were more often proprietors than employees. According to researchers, this was the result of women proprietors who hired men and managed their enterprise from their household because of culturally related mobility constraints.

Haggblade, Hazell and Brown (1987) argue that different perceptions of female participation in the work force contribute to the wide range in African rural nonfarm employment shares. In Western Nigeria and Benin, for example, shares of nonfarm activity in rural employment attain 63 percent and 41 percent, respectively, because of high female participation rates and because survey designers in those countries have classified 75 to 85 percent of active women as working outside of agriculture. At the other extreme, women in Chad appear to participate at low overall rates and exclusively in agriculture. Whether these apparently wide variations stem from reporting biases, seasonal variation, or actual differences in female participation rates, there can be no doubt that the role of women significantly affects assessments of the magnitude of rural nonfarm employment.

MSU researchers have evidence that in cases in which women are barred from participating in the market place or in a male-typed subsector, they may own and manage an enterprise from the household, in an out-of-public site. In Jamaica, for example, Fisseha found that where women owned male-typed enterprises, they hired men to operate their business but maintained tight control over management. In Niger, MSU researchers revealed that women, a number of whom were Muslim Hausa, also hired men to sell their products in the market. Blumberg (1989) characterizes Hausa women enterprises as "hidden trade," in which Hausa women sell agricultural commodities, prepared snack foods, handicrafts, and so forth from the seclusion of their compounds. Hill (1969) found that Hausa women engaged in retailing grain and other produce grown by their husbands as well as own-account trading over which they control the proceeds.

These studies make clear the potential difficulty in measuring women's participation rates in enterprises, particularly in Muslim societies. Constraints on women's participation in the market economy drive them to find creative ways to generate income — ways that surveys may find difficult to discern and measure. Moreover, WID researchers argue that questionnaires that ask women about their "primary" and "secondary" activities will often get biased answers that underestimate women's economic activities. Women tend to perceive their "primary" activities as those most valued by the society in which they live. In many cultures, these are activities associated with women's domestic responsibilities. Dixon-Mueller and Anker (1988) argue that only when interviews are more open-ended and interviewers take time in querying women about what they do to earn income, do women reveal the extent of their labor force participation and the multiplicity and diversity of their productive activities.

Differences in Size of Female- and Male-Owned Enterprises

In two governorates in Egypt, Davies et al. (1984) reveal the greater size of male- as compared to female-owned enterprises. In Zambia, Milimo and Fisseha (1986) found that female-owned enterprises were 18 percent smaller than the corresponding size of male-owned enterprises. In Peru, Babb (1985) describes male marketers as "larger scale" than females. And in the Kutus region of Kenya, Downing and Santer (1989) demonstrated that male marketers generated gross monthly revenues twice the size of female marketers.

Gender-Differentiated Subsectors

In all regions, industry groupings, subsectors, and channels within subsectors tend to be sex typed, though sex typing of economic activities is particularly salient in Africa. MSU research findings in Egypt, Zambia, Niger, Jamaica, and Haiti substantiate other research indicating the types of industries and subsectors dominated by women. Jiggins (1988) describes women subsector involvement within the manufacturing, commerce, and service sectors of Sub-Saharan Africa. Within manufacturing, women tend to concentrate in mat and basket making, beer brewing, cloth dyeing, dressmaking, soapmaking, food preparation, and commodity processing; women's activities within the service sector include cooking and maid services, hair plaiting, informal lending and deposit; and within commerce, women are involved in retail and wholesale trade, vending of prepared food and other food- and non-food-related commodities.

Although sex typing of activities is prevalent throughout the world, the exact gender-based division of labor varies by region and culture. In some countries, for example, weaving is primarily a female activity; in other regions, however, male or female participation in weaving varies according to the type of loom being used. Thus while there are activities like food marketing, processing, and preparation, tailoring, and brew brewing that are commonly the bailiwick of women, regional and cultural variations require that gender disaggregation of subsectors be based on region-specific research.

Gender-Differentiated Patterns of Enterprise Growth and Decline

GEMINI research seeks to understand, based on past research and evidence from a number of different countries at different stages of development, likely patterns of change related to women's and men's overall participation in the SME sector and their labor force movements between sectors and subsectors as a result of structural transformation. How will women's as compared to men's enterprises fare with increased mechanization, urbanization, and economic transformation? How will the number, size, type, and location of women's as compared to men's enterprises change?

Change in Numbers

Grown and Sebstad (1989) write that "women's employment in developing countries has increased both absolutely and relatively (between 1950 and 1980)." Van der Wees and Romijan (1987) of the ILO state both developed and developing countries show a sharp increase of recent in women's participation rates in micro and small enterprises. They state that this rise is expected to continue until the end of the century and is particularly dramatic among females, aged 25 to 44, living and working in urban areas. As women's urban employment rises, the ILO predicts greater underemployment in rural areas.

According to the ILO, the significant developments that have influenced these trends include large-scale rural and international migration, the growth of the service and industrial sectors in some countries, a decline in the agricultural labor force, the relocation of labor-intensive industries, and the spread of new technologies changing the organization and nature of work. The United States represents an example of a sharp increase in women's self-employment and small enterprise involvement where accurate statistics are available. In the United States, the number of female nonfarm proprietors increased at an annual rate of 9.4 percent between 1977 and 1983, while male nonfarm proprietorship increased at an annual rate of 4.3 percent. Other developed countries show similar increases for women in comparison to men.

The Disappearance of One-person Enterprises in "Traditional" Subsectors

Evidence from a number of sources suggests that the smallest, one-to-two person firms in traditional sectors show signs of decline over time (Liedholm and Mead, 1987; Dennis Anderson, 1982). These activities tend to be on the margin of economic viability. Evidence from Sierra Leone and India indicates that "traditional" activities such as spinning and weaving, basket making, pottery, and some types of food and beverage groups — activities in which women predominate — appear to be declining in importance (Liedholm and Mead, 1987).

From Home-based Enterprises to Market-Oriented Enterprises

Berger (1989) writes that in the Latin America and Caribbean (LAC) region, urbanization has transformed work that women used to do at home into work that is done for pay in the marketplace. The traditional economies of rural women were often home based and inextricably linked to their reproductive responsibilities in the household. However, a lack of access to land and other productive resources, along with modernization of agricultural production, has forced women to orient their activities more directly to the market. Dennis Anderson (1982) confirms the trend toward geographic separation of home and work with urbanization and industrialization in other regions. In Asia and Latin America, he documents the movement of women's enterprises from home toward the market, where women have greater access to consumers, innovations, and price information.

Davies et al. (1984) research in Egypt reveals the marginal viability of home-based enterprises. Calculations of returns per hour to family labor showed consistently low returns for women's household enterprises.

Expanded Opportunities in Existing Subsectors

Evidence from Sierra Leone and India shows that "many of the small scale, light consumer good enterprises have grown rapidly, even after large scale domestic factory production in these subsectors has begun; these include women's dress- and furniture making enterprises" (Liedholm and Mead, 1987). Moreover, data from West Africa indicates the enormous importance of clothing production to the SME sector; this includes women's *gara* dyeing activities, their dress making, and retail stores. Beer brewing in rural areas of Burkina Faso, Zambia, Botswana, and Lesotho is also an important subsector in which women dominate. Although local beer brewing is vulnerable to imported and factory-produced brews, some governments have taken measures to protect women's concerns in this subsector because of its importance to rural household income.

Hagglade, Hazell, and Brown (1987) assert that the women's subsectors that will grow most rapidly with regional economic growth include food processing and preparation, tailoring, trading, and many other services. McKee (1989) asserts that women will continue to play critical roles in agricultural production, processing, and distribution. Jiggins (1988) notes that new investment opportunities may be opening up for women — for example, in manufacture of roofing sheets and bricks out of local materials, and in construction of small bars, hotels, warehouses, and workshops.

Women's Increasing Concentration in Agriculture

Safilios-Rothschild (1987) conducted research in a relatively undeveloped area of Western Province and an area of Central Province in Kenya with a fairly developed nonfarm urban-based sector and close ties to Nairobi. This comparative study suggested that with increasing urbanization and decreasing plot size, women's and men's income-generating activities become more segregated both spatially and functionally. Men are increasingly employed in nonfarm wage and self-employment activities in towns, while women become sole agriculturalists.

Opportunities in Newly Introduced Subsectors

Newly introduced subsectors that represent un-sex-typed industries offer opportunities for women as long as they have access to resources to take advantage of the opportunities. Gorton's (1990) work in Lesotho showed that men were out-competing women in newly introduced subsectors because of women's inability to obtain credit.

Newly introduced export activities, financed by TNCs, have resulted in a burgeoning of employment opportunities for women. Noeleen Heyzer (1988) writes that global relocation of jobs from the high-wage industrialized countries to relatively low-wage countries of Asia resulted in a growth of employment opportunities for women in industries such as electronics, textiles, and garments. Export Processing Zones led to an upsurge of competition among countries, each vying to offer the most liberal status and compelling inducements. In several Asian countries, women now make up almost half of the total industrial workforce. While some point to the hardships endured by women in these new industrial jobs and of exploitation by TNCs, others argue that the situation must be seen in light of the lack of more attractive employment opportunities for this group of often uneducated, unskilled women.

The labor market conditions for women in developing countries provide TNCs with a labor pool for which wages are lower than in developed countries and less than men would be paid for comparable work. Although arguments have been made in the past that women are not a stable and committed labor force because of their provider responsibilities, TNCs have increasingly found that female workers have characteristics that make them more attractive than male workers. Most importantly, women with fewer opportunities for earning income are willing to accept lower wages. However, women are also perceived as more dexterous than men and thus better suited for detail work in the electronics and garment industries. ICRW (1980) even argues that some TNCs encourage the hiring of married women because they quit on a regular basis to have children. A more rapid turnover of workers results in lower labor costs, since new workers are hired at a lower starting pay.

Structural adjustment efforts have increased the promotion of export-oriented industries. And while the WID literature of the 1970s and early 1980s warns of the displacement of women with such policies, evidence reveals that women are finding new opportunities with structural adjustment. In Nepal, women horticulturalists are exporting fruits and vegetables to India; women horticulturalists in The Gambia, with the help of donors, are vying for positions within the growing horticultural export subsector; women horticulturalists in Lesotho, supported by the World Bank, are growing asparagus for export. While it is too early to tell whether women will reap any real benefits from these activities, the possibilities can certainly be improved by host-country governments and donors willing to promote women's competitiveness in these new and dynamic subsectors.

Policies that Affect the Growth Potential of Women's and Men's Enterprises

Agricultural Policies

Agricultural policies are critical to the growth of the SME sector because of essential backward linkages to the agricultural sector. Mellor as well as other economists concur that "efforts to promote structural transformation without corresponding increases in agricultural productivity may lead instead to slower overall growth" (Liedholm, forthcoming).

Agricultural policies that artificially depress agricultural prices can dampen the growth potential of the SME sector by increasing the price of many inputs and decreasing the availability of inputs and farm demand for SSE products. Women are particularly vulnerable to low commodity prices because of their high participation rates in farming, agricultural marketing, and food-related enterprises. Moreover, because women are important consumers of SME products, their lowered farm incomes (disposable income) depress demand for a range of SME products. On the other hand, food prices that are too high also depress women's disposable income, because of their almost universal responsibility for expenditures on food. The more that food expenditures consume the women's budget, the less cash there is available for other SME products.

Evidence from Kenya suggested that with structural transformation, men's involvement in nonfarm wage labor increases and women are more and more the sole agriculturalists (Safilios-Rothschild, 1987). In other words, women's role in agriculture may become even more pronounced as economies develop. Moreover, given the strong backward linkages of nonfarm activities to agriculture, micro- and small enterprise development may become increasingly dependent on the success of female farmers. Thus, policy prescriptions regarding agriculture will require that extension services and technology packages be targeted to women farmers, who may be increasingly responsible for agricultural production with increased wage labor jobs. Agricultural productivity cannot happen without incorporating women as participants and beneficiaries into project assistance activities.

Trade Policies

"A key role must be assigned to policies that stimulate demand for products of efficient small enterprises." This suggests identifying dynamic areas of the economy and then maximizing the capacity of small firms to respond to these "growth engines" and promoting "improved import substitution through an expansion of dynamically efficient small enterprises." In Africa, "the leading dynamic sectors are likely to be initially in agriculture and foreign trade." The promotion of export-oriented activities will be key to overcoming the limitations of small national markets (Liedholm, forthcoming).

The important role of women in agriculture and marketing represents a dynamic area on which export-oriented agribusinesses can (and have) capitalize. In The Gambia, donors have cooperated to assist women in competing with largeholders by providing credit, extension services, and technology packages to women gardeners, marketers, and fertilizer retailers. Moreover, government agricultural research and extension departments have targeted technology transfer packages to women. Such interventions demonstrate the possibility of structural change through the poor's ownership and control of technologies and enterprises (McKee, 1989). They also represent a means of expanding the extent to which women benefit from and contribute to economic growth and development.

Liedholm's policy prescriptions for promoting the SME sector are also being touted by A.I.D. Because agriculture will likely be a dynamic growth sector, policies should ensure that women are not exploited but rather benefit from expanded opportunities in agricultural-related export activities. Donor activities in The Gambia represents a model for this.

Policies Affecting the Price and Availability of Inputs

Exchange rates, tariff structures, and other policies can impinge on the price and availability of inputs to both women's and men's enterprises. However, women's greater reliance on local inputs may mean that they are less affected by such policies. On the other hand, relaxation of import restrictions are likely to unleash cheap substitutes for the products that women sell.

Financial and Banking Policies

Financial and banking policies are critical to the availability of capital for small-borrowers, especially women. Experience has shown that regulated interest rates result in the rationing of credit to larger borrowers even when targeting requirements stipulate a small-borrower population. Collateral requirements, lengthy loan procedures, and other high transaction costs associated with obtaining a loan bar women from formal credit markets.

These problems are well acknowledged and documented. However, banking policies that limit women's access to savings and loan services have received less attention. Evidence from Lesotho reveals bank policies that prevent women from withdrawing money from a bank without the signature of her husband or obtaining a loan in her own name. According to banking manuals in Bangladesh, rural banks prohibit illiterates and women in purdah from opening savings accounts (Berger, 1987).

Policies Favoring Large-scale Industries

Policies that favor large-scale industries able to take advantage of economies of scale, such as beer brewing and maize milling, can displace important sources of income for women and generate more costs than benefits for the national economy. For example, in many parts of Sub-Saharan Africa, governments are investing in industrial beer brewing using imported barley, hops, and glass bottles (see Jiggins, 1988; Ahmed, 1983). Jiggins notes that under the aegis of public health legislation, brewing of millet, maize, and cassava beer and spirits is being made illegal, suppressing development of women's beer brewing into a larger-scale, more profitable activity. Haggblade's research (1984) in Botswana was critical to showing the negative effects of government policies that subsidized large-scale beer brewing enterprises on women and rural households as a whole.

Agricultural Marketing Parastatals

Government-controlled marketing, on the whole, dampens women's income-generating opportunities. State-supported industrial and trading enterprises as well as cooperatives in direct competition with women's traditional processing and marketing activities undermine subsectors of substantial importance to women (Jiggins, 1988).

Structural Adjustment Policies

Economic reforms that reduce wage employment opportunities tend to increase job competition in the informal sector and, in certain subsectors, probably depress real wages. Those subsectors most vulnerable to competition are those which have the least barriers to entry and the lowest capital requirements — areas where women are concentrated.

Policies Affecting Vending

Policies that restrict or outlaw vending and regulate stall fees in local markets affect the profitability of important sources of income for women.

Education and Manpower Training Policies

Education and manpower training policies are critical to improving the productivity of women. Given the greater participation of women in the labor force, training and education for women will be critical to economic growth and transformation.

GENDER ISSUES IN SUBSECTOR ANALYSES

Gender Disaggregation Within Subsectors

Subsector analysis examines the linkages between production of raw materials, processing, and retail and wholesale marketing to consumers and the participants in a product market from producers to final consumers. The advantage of subsector analysis is that it facilitates the identification of intrasectoral bottlenecks within a commodity system that dampen income generation anywhere along the channel from producer to final marketer. Subsector analysis also reveals the position of different participants in a subsector, and their competition and complementarity. As such, it is a useful analytic tool for identifying interventions.

Within a given subsector or product market, there may be numerous channels between producers and final consumers, many of which are gender disaggregated. Research in the Kutus region of Kenya showed gender-disaggregated channels of income generation associated with specific commodities. Maize, for example, was marketed through three different channels: one consisted of producers selling to the National Cereals and Produce Board; another involved farmers selling to retail traders at the local open air market who, in turn, sold to local consumers; and the last involved producers selling to store traders, working out of fixed structures, who sold to the NCPB. Direct sales by producers to the NCPB were uncommon, given the transport costs and difficulties.

The marketing channel to the open air market was female dominated. Almost all retail maize marketers were women, and almost all retail food marketers were women. Women marketers, in turn, sold to women consumers responsible for household purchases of food. Traders in the open air market made small profits and purchased and sold in small amounts. Women consumers, in turn, could, for the most part, only buy in small amounts. Store traders, on the other hand, were usually men or women

working in male-owned enterprises. These enterprises only bought in large amounts, which they transported by lorry to the NCPB. While the male store traders paid a higher price for maize than the female open air traders, many small producers were forced to sell at a lower price to the female open air traders because of small harvests (Downing and Santer, 1989; SARSA, 1989).

Women's predominance in the food marketing subsector all over Sub-Saharan Africa is well known. However, in East Africa, women are more often relegated to local trade, while men engage in more lucrative long-distance trade. The constraints that keep women in local trade are social and cultural, related to the greater capital constraints of women as compared to men, and a result of women's mobility constraints associated with their provider responsibilities. What allows women in West Africa to dominate in long-distance trade from which their East African counterparts are barred? Some suggest that matrilineal societies of West Africa permit women greater freedom and that matrilineal residence permits women greater mobility, since the extended family shares domestic responsibilities, allowing these women to be more mobile than those from patrilineal societies of East Africa.

Research in other regions suggests that, as a result of sociocultural norms, women tend to buy and sell from one another and thus be "pulled" into gender-disaggregated channels. In addition, there are barriers which "push" women into certain segments of a subsector, which are often less profitable than those of men, as was evidenced in Kutus, Kenya. However, gender-differentiated subsector channels are probably common in all regions of the world both developed and developing (Barton, 1977; van der Wees and Romijn, 1987). Barton's (1977) research in what was then South Vietnam showed that women dominated in the ownership of small retail businesses in Saigon; however, they were almost nonexistent in larger enterprises, especially those that were export oriented. Research revealed that entry into larger retail and wholesale business was contingent on having entry to male clubs where the big business deals were negotiated. Thus women were limited to certain subsector segments.

Constraints which Explain Gender Differentiation Within and Between Subsectors

Women's limited access to capital, circumscribed geographic mobility due to domestic responsibilities that tie them close to home, time constraints that pressure them to combine productive and reproductive responsibilities, social and cultural biases, and the tendency for men to take over more profitable enterprises — all represent constraints that shape and delimit women's participation within and between subsectors.

As was revealed above, women's enterprises in former South Vietnam were limited in size, scope, and to segments of subsectors because women were unable to gain access to male-only clubs where larger entrepreneurs met to discuss business deals (Barton, 1977). In Kenya, women controlled retail tomato marketing; however, long-distance wholesale trade of tomatoes was dominated, though not exclusively, by men. Larger capital investments were required for long-distance trade, due to handling, bulking, and transport costs, and in many instances the need of a lorry. Moreover, women's mobility constraints associated with their provider responsibilities prevented women from participating in marketing channels outside of the region (Downing and Santer, 1989). Evidence from Guatemala shows that in many regions women are responsible for spinning wool, but only men are allowed to weave. Weaving yields much higher returns and is barred by cultural norms to women (ATI, 1989).

According to Freeman and Noreliffe (1984), social and religious norms tend to shape the economic options available to women, especially in Islamic countries. Even in non-Islamic countries, convention frequently dictates that women participate in activities that can be done in the home, with low capital

requirements, and with skills they already have. This leads to their predominance in subsectors and channels within subsectors that are home based, food related, and labor intensive.

For the most part, women's processing and trading activities grow out of tasks they are responsible for performing as part of their daily routine, and for which basic equipment and premises are available. Women process crops, particularly crops in which they have a production interest, as well as small livestock and fish; engage in small-scale egg and poultry meat production, and beer-brewing and selling (Jiggins, 1988; Due and Mudenda, 1985); run kiosks and engage in petty trading of vegetables, fruits, and clothing (Freeman and Norcliffe, 1984); and sell firewood and occasionally goats and sheep (Okali and Sumberg, 1986). Food processing and preparation for sale are especially prominent activities and an important source of income for rural women (Dixon, 1979; Longhurst, 1982). For example, Longhurst found that food processing for sale was the single most important remunerative occupation in a moslem Hausa village in northern Nigeria.

The Costs and Benefits of the Subsector Approach for Women Entrepreneurs

McKee (1989) notes that the subsector approach is a powerful tool for promoting women enterprise opportunities in subsectors that have potential for future growth. The approach facilitates the identification of interventions to strengthen the intrasectoral linkages that can foster the productivity and profitability of women's subsectors.

McKee (1989) asserts there are two approaches to subsector intervention. The first involves choosing a subsector in which a large female population participates and then designing interventions that strengthen the infrastructure that supports women's and men's livelihoods within the sector. Another approach is to pick "winners" and assist women in entering new unserved markets or shifting to more productive technologies.

An example of the latter approach is seen in The Gambia, where women have traditionally been responsible for vegetable gardening. Over the past 15 years, donors have sponsored women's gardens, providing infrastructure, technology packages, and credit. This assistance has allowed women gardeners to enter the horticultural export market. Recent assistance from the World Bank will provide credit to female fertilizer retailers, strengthen marketing infrastructure for female marketers, promote labor-saving technologies for women to reduce their time constraints, and provide child care facilities at women's gardens. These activities are essentially creating and strengthening the female horticultural subsector. They are aimed at increasing the competitiveness of women in a subsector that is shared with largeholders with whom women currently subcontract.

Another important use of subsector analysis relates to the ability to identify and assess women's competitiveness and thus the potential of their activities and channels within a subsector. It also reveals complementarities and thus opportunities for linking women entrepreneurs to other entities within a subsector. Linking women entrepreneurs to complementary activities has the advantage of expanding the market of women's products and linking them to higher-priced channels within a product market.

The disadvantage of the subsectoral approach is related to women's tendency to have diversified portfolios; thus a subsector intervention could have limited impact on their overall income-generating strategy. Subsector interventions are most successful when the subsector contains a large number of the poor (women and men), there is a strong market for subsector products, and the government (and other policy makers and donors) recognize the importance of the subsector.

MICROLEVEL ANALYSES: WOMEN'S ENTERPRISES AND WOMEN ENTREPRENEURS

Characteristics of Women's Enterprises

The low profits rendered by many women's enterprises have been well documented. Research by Liedholm and Mead and other associated MSU economists reveals that the returns to women's enterprises tend to be lower than those of men's enterprises in case after case. Given women's limited access to resources this is not surprising. Women's start-up capital is a fraction of that of men's; in the Kutus region of Kenya, female marketer's were able to amass only one quarter the start-up capital to which male marketers had access. Women's enterprises also rely on much more rudimentary technology; for example, in Zambia, Milimo and Fisseha found that only 0.4 percent of female-owned enterprises had any powered machinery compared to 1.5 percent of male-owned enterprises.

Milimo and Fisseha also show that the labor force in female-owned enterprises in Zambia was 18 percent smaller than the corresponding size in male-owned enterprises. It was not clear whether Milimo and Fisseha referred to paid labor force or both paid and unpaid. Women tend to rely on unpaid family labor more than male entrepreneurs — partly as a result of the home-based location of many of their enterprises, but also because of their limited time and mobility related to their domestic responsibilities. Milimo and Fisseha confirm that women's enterprises have more child workers and more family members working in their enterprises as compared to male entrepreneurs.

As Miller and Clarke note, women turn to family members for labor because of their need to minimize cash outlays. However, Miller and Clarke also indicate that women often pay family members in-kind and that these payments subtract from real profits. Women's tendency to merge their reproductive and productive activities, to use resources to their fullest, results in the shifting of resources between enterprise and household, and vice versa. The enterprise may be located in the home, rely on family labor, use household electricity, and the like; on the other hand, profits from the enterprise may be used for the day-to-day needs of the household: food, school fees, clothing, and medicine. Women entrepreneurs may have little knowledge of their profits, which are spent as quickly as they are made. These characteristics help to explain why women's enterprises retain less profit for reinvestment as compared to men's. Men's ability to amass greater profits relates to their easier access to resources, but also to the responsibility women assume for the household, which frees up men's earnings for reinvestment.

Berger (1989) adds to this characterization of women's enterprises. She notes that there are two types of classifications for microenterprises: (1) industrial classification of enterprises among manufacturing, services, and commerce; and (2) different characteristics of firms as they relate to the economy as a whole. Berger classifies the characteristics of firms as **casual work**, which includes temporary and seasonal activities and precarious survival activities such as street vending at no fixed locale; **independent and more or less stable firms**, such as small stores or manufacturing operations and the traditional artisanry; and **subcontracting firms**. Many of the microenterprises in this group constitute a form of disguised wage employment rather than independent businesses; they often produce components of a product which are then sold to a formal sector firm for assembly.

Classifying women's enterprises in terms of casual, independent and stable, and subcontracting underscores that importance of an enterprise to a women's portfolio, indicates linkages or

interrelationships with other firms or activities, and implies the need for different kinds of interventions — be they strengthening linkages in the case of subcontract work or minimizing transaction costs for those involved in seasonal work, and so forth.

Factors That Constrain the Growth and Profit Potential of Women's Enterprises

Concentration in Product Markets for Which There Is Poor Demand

Research shows that women tend to be concentrated in activities that have low capital requirements and few entry barriers, but for which there is not a strong market (Liedholm and Mead, 1987; Jiggins, 1989; and Berger, 1989). Jiggins writes that women are concentrated in food trading, where the market for food is thin, since a high proportion of what is produced is consumed directly and profits tend to be divided among many actors, such as transporters, haulers, and bulkers. These difficulties have been overcome by large-scale women traders — for example, in West Africa — as they command a major part of the market as well as the trade and transport networks through which these products flow (Jiggins, 1989).

Women's dual reproductive and productive roles result in constraints that tend to keep them in informal sector businesses that have low profit margins. To use their limited time and resources most effectively, women engage in income-generating activities that build on or can be integrated with necessary subsistence activities. For example, Chipande (1987) found that women in Malawi preferred to cultivate groundnuts as a cash crop rather than tobacco, even though the latter yielded higher returns — since groundnut production could be combined with maize production for family subsistence. Research of women marketers in Kenya showed that because of their domestic responsibilities and their need to stay close to home, women marketers were concentrated in retail as opposed to wholesale trade. The products they sold were locally produced, and selling at a lower price than the imported goods in which male retailers specialized. Women's monthly sales were, on average, half those of male marketers who travelled three times as far as women to purchase their inputs.

Limited Access to Start-up and Working Capital

Women also face problems in raising capital and obtaining formal sector credit to invest in improvements to or expansion of their marketing activities. WID research has demonstrated women's smaller incomes, their limited access to land and other collateral for borrowing from formal or informal financial intermediaries, and their more limited access to household assets as compared to men. Moreover, women have more difficulty saving because of the constant demands of the family on their income. Data on women marketers in Kenya revealed that women had only a fraction of the start-up capital available to them as compared to men (Downing and Santer, 1989).

Limited Access to Markets, Information, and Efficient Transportation

Difficulty in marketing is an often-cited problem of female entrepreneurs. Although this difficulty sometimes refers to lack of demand, in many instances women have difficulty transporting their products to market because of inadequate transportation infrastructure and limited access to motorized transport. Research on female microentrepreneurs in Lesotho revealed that 75 percent of respondents had problems

acquiring inputs and selling their products because of lack of access to efficient transportation to market (Gorton, 1990). Research in Liberia revealed that women marketers were being exploited by truckers who charged exorbitant prices, knowing that women had no other access to transportation services.

Research in The Gambia showed that female produce marketers lost a significant portion of their produce due to a lack of access to efficient transportation. Their only means of reaching the urban market was a combination of "headloading" and public bus. The difficulty of transport for those off the main roads, serviced by public transportation, motivated women to sell at the nearest market to consumers and wholesalers. Women wholesalers were able to buy from women at unfair prices at their garden site. Because of high rates of illiteracy and lack of access to market information, wholesalers were able to buy from women producer/retailers at a high profit margin.

Time Taken for Domestic Responsibilities

Research in the OHV Zone of Mali revealed that women spend as many as six hours, three days per week, preparing meals on the days they have cooking responsibility (Luery, 1990). Evidence from The Gambia and Liberia reveal similar results (Downing, 1990; Westphal, 1989). The number of days a woman is responsible for cooking depends on the number of wives her husband has. In addition to cooking and subsistence production, women must clean the compound, care for the children, do laundry, shop for food and household necessities, as well as devote the time available to their enterprises.

Lack of Labor and Time Saving Technologies

Women's rural nonagricultural activities are usually labor intensive, based on traditional skills, and dependent on primitive technologies and child labor (Dixon, 1979). The returns to labor of women's enterprises are often extremely low because of a lack of labor and time saving technologies. Surveys of women entrepreneurs in Lesotho, The Gambia, and Mali show women asking repeatedly for appropriate technologies (Gorton, 1990; Downing, 1990; and Luery, 1990). When female entrepreneurs in Mali were asked about what they would use a loan for, their responses were divided between labor saving devices like oxen, grinding mills, and other processing technologies and inputs that would increase their earning power, like fertilizer and herbicides.

Poor Management

Women's more limited access to education and training as compared to men may affect their management capabilities. While research has not been conclusive concerning the correlation between education and good management, the lack of numeracy skills can prevent entrepreneurs from keeping financial or production records. Jiggins (1988) and Dixon (1979) note that women's marketing enterprises suffer from discontinuous managerial input where women face multiple claims on their time from domestic obligations. Moreover, if women more than men adopt diversified portfolios, as will be argued later, this too affects the managerial efficacy. Kilby (1971) suggests that returns decline with each added activity. This raises the question of whether women's management efficacy is related more to their relative lack of education (in Africa) or to the diversified productive and reproductive activities in which they are almost universally involved.

Factors That Constrain the Growth-Oriented of Female Entrepreneurs

Research that only examines firms may miss critical information that explains "the growth dynamics" of these firms. For example, comparisons of the profitability and growth record of women's and men's firms may overlook the constraints that entrepreneurs face that have little to do with their business but relate to their "livelihood" portfolio or biases imposed on them by their social or cultural milieu. Women experience constraints related to domestic responsibilities and social and cultural restrictions associated with being a woman.

Access to Resources

The danger in comparing male and female firms is that it can be too easily assumed that they are operating on an even playing field. In reality, women in most of the Third World earn a fraction of the income of men, own a small percentage of the land and capital equipment that men do, have less access to education and training, credit, information, political power, and a myriad of other resources. As a result, women are unable to contribute their full potential to economic growth and transformation.

However, research has shown that when given access to resources, women are responsive to improved incentives. For example, Henn (1983) noted that Beti women in Cameroon, who in 1964 received a return of eight cents per hour for food production, increased their food sales significantly in response to an increase in food prices, even though their work day was already 40 percent longer than men's. Evidence from Michigan State University's Food Security in Africa project revealed that in Somalia, when both men and women farmers were given hybrid seeds and inputs, women's yields were greater than men's. Evidence from The Gambia revealed that women adopted sesame, introduced by Catholic Relief Services (CRS), at a dramatic rate, showing their willingness to innovate. Sesame production increased from zero to 12,000 hectares in three years.

Investment Patterns

Women and men exhibit strongly different priorities in production and consumption. Research in Africa and other parts of the world suggests that women contribute a larger proportion of their personal income toward household expenditures than men, who retain more for personal spending. Jiggins (1988) and Dixon (1979) note that women are able to retain less profit for reinvestment than men because of their concern with feeding and caring for their families. Also, their savings are often raided by their men. As a result, they lack sufficient capital to invest in more merchandise, improved transport, or sales and storage facilities.

There is a sizeable body of WID research that suggests that the objectives of women entrepreneurs are different than those of men — that women's motivation is more often household survival whereas men's is more often profit motivated, implying more of a growth-oriented strategy. While often true, this assertion ignores the dynamic constraint and opportunities of women. Profit versus survival orientation changes according to income level and as a variety of other constraints are mitigated. For the poorest, the goal is survival — to generate income to purchase food, shelter, and clothing. Women in this category tend to spend profits on consumption rather than reinvesting them in their business to increase size and profitability. For entrepreneurs whose basic survival is assured, the goal is security.

Additional assets are acquired by diversifying the economic activities engaged in and thereby spreading the risks associated with any one venture. Women who feel relatively secure may concentrate their investments in higher return but riskier commercial enterprises (Grown & Sebstad, 1989).

Women may facilitate the movement of men from survival to security and even to a growth-orientation by spreading the risks of their husband's investments, assuming primary responsibility for feeding and caring for the children, as a result of asymmetrical household rights and obligations and control of family assets.

The requirements for a female or male entrepreneur to risk relinquishing a diversified portfolio for one that is more specialized are not well researched. Given the vulnerability of the global commodity market upon which many Third World economies hinge, sometimes volatile political situations, and frequent policy shifts, it is unclear the extent to which there are many incentives for any entrepreneur to adopt a very specialized portfolio. It is also unclear the extent to which the macroeconomic environment as compared to microlevel constraints explain the prevalence of female or male entrepreneurs' tendency toward diversified portfolios.

Time and Mobility Constraints Related to Domestic Responsibilities

The time women spend on subsistence production, child care, fuelwood gathering, fetching water, cooking, cleaning, shopping, and taking care of their husbands combined with their income generating activities amounts to a 16-hour day, in many instances. Thus there is small wonder why women attempt to combine their domestic and income-generating activities to save time. Women's domestic responsibilities also result in mobility constraints for some entrepreneurs. Time and mobility constraints can prevent women from operating in multiple markets, from selling in larger, regional markets with attractive prices, and from purchasing high-value inputs from which they could earn a greater profit margin. Data from Kenya revealed that 56 percent of male marketers as compared to 22 percent of female marketers sold in multiple markets. Men travelled three times the distance women did in purchasing inputs.

Involvement in Diversified Portfolios

Liedholm and Mead (1986) found that rural households rely on a diversified mix of income-generating activities, partly to even out fluctuations in income over the year. According to Freeman and Norecliffe (1984), Haggblade, Hazell, and Brown (1987), and Kitching (1977), diversified portfolios enable entrepreneurs to shift capital between activities — for example, between farm and nonfarm activities, allowing for maximum returns. Based on their study of nonfarm enterprises in the Central Province of Kenya, Freeman and Norecliffe (1984) found that rural households tended to shift capital from farm to nonfarm activities, as well as in the reverse direction — though the flow of capital from agriculture into nonfarm activities tended to be greater than the reverse flow.

Diversified portfolios appear to allow for the efficient shifting of resources and in spreading the risks of any one venture, but they can also translate into discontinuous and ineffective management of any one enterprise and severe time constraints for the entrepreneur. Clearly, enterprises that are part of a diversified portfolio receive less attention than if they were a major activity. Kilby (1971) reveals that the greater the number of activities an entrepreneur is engaged in, the lower the profits for any one enterprise.

On the other hand, Collier (1989) shows that for rural households engaged in agriculture, diversity leads to income increases — especially with the addition of nonfarm enterprises to the portfolio. The motivation to diversify for the poorest comes from "consumption insecurity." The escape from consumption insecurity, Collier suggests, is found only when households or individuals are able to overcome the constraints to entering a range of activities that offer higher returns than subsistence. Based on survey work in Kenya, Tanzania, and Zimbabwe, Collier presents data that "establishes a clear and powerful hierarchy between household income and the range of activities in which the household is engaged." In other words, **multiple activities appear to raise income.**

The degree of diversification appears to be related to both location and gender. Milimo and Fisseha (1986) found that "the part-time nature of SSE employment is more pronounced in rural than urban areas." (MSU Paper No. 9, 1987: p.28). Evidence also suggests that women have more diversified portfolios than men, as a result of their security motivation and thus tendency to spread the risks of any one venture, including their husband's; because of men's concentration in wage labor. Marina Gorton's work in Lesotho revealed that most women had between two and four enterprises.

A survey of male and female marketers in the Kutus region of Kenya revealed that of the 23 female marketers interviewed, over 50 percent said that they had a farm in addition to their marketing enterprise in Kutus town. Moreover, half of the female marketers owning a farm devoted at least 50 percent of their weekly work time to farming, while working "full-time" in their marketing enterprise as often as the male marketers interviewed. Of the 26 male marketers interviewed, over 60 percent owned a farm in addition to their marketing enterprise. There was a greater tendency for farms owned by male marketers (as compared to female marketers) to be a considerable distance from Kutus region. Half of the male marketers owning a farm devoted no labor to it — either their wife or their family worked the farm; just over 30 percent were residents of Kutus town (Downing and Santer, 1989).

Nevertheless, the question left by this literature is whether, to what extent, and in what cases do multiple activities lead to increases in income as Collier suggests rather than smaller profit margins for any one enterprise as Kilby suggests. Or can these characteristics exist side by side. This is an area that requires further research.

This characteristic of female entrepreneurs underscores the need to examine the portfolio of "livelihood" activities in which women and men are involved, to understand the constraints of the entrepreneur.

Illiteracy and Lack of Numeracy Skills

Women's illiteracy and lack of numeracy skills clearly affect their ability to make sound economic decisions, keep production and financial records, and otherwise manage their enterprises.

APPENDIX B
METHODOLOGY

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APPENDIX B

METHODOLOGY

The methodology proposed by MSU for GEMINI research includes:

- Overviews of the structure of national economies and the role of microenterprises; this would include analyses of the policy and regulatory environment;
- Several types of surveys including one-shot, census-type enumerations, borehole or retrospective histories of enterprises and entrepreneurs, and longitudinal surveys which follow the progress of particular enterprises; and
- Subsector studies conducted to understand the viability or potential of microenterprises in the context of the subsector of which they are a part, and to identify strategic interventions points.

The strategy employed for incorporating gender issues into MSU's methodology includes the addition of gender-specific questions related to the three types of survey instruments as well as a separate survey effort that follows and builds off of MSU census-type surveys. It is suggested that open-ended interviews based on rapid appraisal techniques be utilized to understand behavioral variables that can be more difficult to obtain from structured questionnaires.

This appendix begins with a definition of gender analysis, to provide an overview of what is entailed in conducting gender analysis. Subsequently, broad implications involved in incorporating gender variables into MSU's overall methodology are explored; this section examines gender implications related to unit of analysis, decisions related to subsector disaggregation, interview techniques, and more. Finally, four methodological approaches are examined as a means to obtain critical gender-related data. The first represents a methodology that would be added to those currently being used by MSU. It focuses on analysis of entrepreneurs, their labor productivity, investment strategies, and the extent to which these strategies result in increased diversification as compared to specialization. Next, gender concerns important to analyses of policies and regulations affecting the microenterprise sector are reviewed. This is followed by detailed suggestions for incorporating gender-specific questions into MSU's three survey instruments. Last, gender implications of subsector analysis are considered.

WHAT IS GENDER ANALYSIS?

What are the methodological implications of gender for GEMINI's research component? Incorporating gender into this methodology involves what the WID literature refers to as gender analysis. Very generally, gender analysis orients the research toward people, and the constraints and incentives that underlie their behavior. Thus, gender analysis can bring a powerful complementary behavioral perspective to economic research that emphasizes firms and their efficiency and profitability.

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Although gender analysis includes gender-disaggregated survey questions, it goes beyond the collection of gender-disaggregated census-type data, detailing the participation of women and men in different subsectors. It is also an analytic tool for examining intrahousehold relationships and social and cultural norms that influence the kinds of activities in which women and men engage and the opportunities they are able to take advantage of. It involves not only research into the gender disaggregation of economic activities, but also examination of gender differentiated constraints faced in generating income and incentives for participating in different economic activities. Economists often measure incentives in terms of prices; for women entrepreneurs, the ability to control income they earn can be a more important incentive than price for engaging in the production of a commodity. As a result, women may concentrate in low-return activities that, based on price, make little rational economic sense. Understanding women's nonprice incentives and disincentives can be critical to efforts to steer them toward higher-return activities.

Gender analysis permits the design of interventions that are targeted to the appropriate labor force and ensures that development interventions benefit a broad base of the population, both women and men. In addition, it ensures that proposed economic incentives have their intended effects.

Opposition to gender analysis is often related to the fear that it will involve costly and time consuming data collection efforts. However, much gender-disaggregated data critical to analyses can be obtained with only slight modification to normal surveys or from interviews with groups or key informants; in many instances, this gender-disaggregated research is a rich source of secondary data.

METHODOLOGICAL IMPLICATIONS OF INCORPORATING GENDER INTO GEMINI RESEARCH

Unit of Analysis

Incorporating gender concerns into any research effort automatically brings people into the focus of the analysis. In the case of GEMINI research, the incorporation of gender analysis complements MSU's stronger focus on enterprises with a more in-depth analysis of entrepreneurs: their strategies for generating income and their constraints to and incentives for adopting a growth orientation.

Use and Meaning of the term "Household"

Males and females within a household can have very separate economies, and thus they may only minimally, if at all, share or pool income. Consequently, efforts to identify "the enterprise of primary or secondary importance to a household" may be meaningless. The individual may be a more revealing analytic unit for examining the importance of an enterprise to a larger portfolio.

Disaggregation of Subsectors

Disaggregation of economic subsectors should be based on social variables, such as gender, as well as industry grouping. Given women's high participation rates in tertiary activities, it is important to disaggregate further vending, commerce and so forth. Care needs to be taken that disaggregation is not gender biased.

Choice of Subsectors for Detailed Analysis

Similarly, in choosing subsectors for more detailed analysis, it is important that a sufficient or representative number of subsectors where women are concentrated are analyzed. In Niger, for example, the only women's subsector analyzed in depth was mat making, and yet it was found to be low potential. Without further analysis, it is difficult to make recommendations concerning what subsectors hold more potential for women. Choice of subsectors is critical given the need to identify high-potential subsectors for female and male entrepreneurs.

Interview Techniques

Dixon-Mueller and Anker (1988) argue that "the ways in which questions about economic activities are asked of respondents will inevitably shape the answers." They write that words such as "employment," "job," or "primary activity" mean different things to different people. For example, activity rates in Kenya for married women between the ages of 20 and 49 varied from 20 to 90 percent, depending on whether the keyword "job" or "work" was used (Anker and Knowles, 1978). Women in particular are likely to misrepresent their economic activity. They define their work as "homemaking" despite the hours per day they devote to agricultural production.

Thus, to ensure that women's enterprises are counted, it may be critical to probe beyond the single question as to "who operates a enterprise in this compound?" To ensure that women's work is measured, Dixon-Mueller and Anker suggest that "keywords" or "keyphrases" be arranged in a logical sequence in which the meaning of successive questions is clarified as one moves from one question to the next. Muellor-Dixon and Anker (1988) suggest the following kinds of questions for obtaining information on an entrepreneur's portfolio of economic activities, the time spent on different activities, and whether products produced were sold or for family consumption:

- Q1. Did you perform any activity (or: did you do any work) in the past season (or: year) that resulted in income for you or your family?
- Q2. What type of work was that?

For each activity or for each of interest to researchers, the following questions can be asked.

- Q3. Did you do this work for someone else, or was this done for your own business, family enterprise, or family farm enterprise?
- Q4. (If relevant) Were any of the products sold by you or by anyone else?

- Q5. How many days in the past seven did you do this activity?
- Q6. How many days in the past season (or: past year) did you do this activity?
- Q7. In days when you did this activity, how much of the day did you normally take to do this activity?

Interviews also need to be conducted in a way that ensures that female entrepreneurs are counted in censuses. Questions such as: "Is there any small-scale enterprise in the household? Who is running it?" may be insufficient. Answers will be much more accurate if women are asked directly about their own enterprises. Evidence has shown (Dixon-Mueller and Anker, 1988) that when men are asked about women's activities, they either do not know but say they do or may not consider women's income-generating activities to be sufficiently significant to count. Most methodologists agree that separate interviews are more effective. This may require male and female enumerators.

In Muslim societies where women are in seclusion, enumerators will not find women entrepreneurs in the market; and in places like Jamaica where women manage enterprises but use men employees in subsectors that are traditionally male, enumerators may overlook women entrepreneurs. MSU research in Niger found female entrepreneurs only by conducting household surveys.

Measuring the Diversity of Portfolios

The use of "primary" and "secondary" may not be as useful as asking the number of enterprises in which an individual is engaged. Moreover, using "primary" and "secondary" may conceal the size and diversity of an entrepreneur's portfolio. Questions concerning time and labor allocation as well as income investment may reveal more accurately the importance of an enterprise to the individual. The following section provides, among other things, more detailed suggestions on how to measure and obtain information on the diversity of male and female entrepreneurs' portfolios.

A METHODOLOGY FOR RESEARCHING ENTREPRENEURIAL BEHAVIOR

The following is a survey guide for collecting information on entrepreneurial behavior, including microentrepreneurs' growth and investment strategies, accumulation and reallocation of productive capacity through time, strategies for minimizing internal and external transaction costs, and the degree of diversity or specialization of entrepreneurs' portfolios. Entrepreneurial histories are central to the methodological strategy followed by this survey instrument. These histories are meant to explore enterprise growth strategies and transformations and shifts in entrepreneurs' productive capacity. The focus on shifts in entrepreneurs' productive capacity relates to the idea that while enterprises may die, entrepreneurs' productive capacity accumulates throughout their career. Thus, information on these shifts in productive capacity may reveal insights into the dynamics of microenterprises and microentrepreneurs that is not provided by a focus solely on enterprises.

The guide is designed to be used for conducting open-ended, focused, unstructured interviews with female and male entrepreneurs, key informants, and groups of entrepreneurs.

Survey Guide: Entrepreneur Histories and Motivations

1. Entrepreneur characteristics
 - gender
 - age
 - marital status
 - # of children
 - household composition
 - education: literacy and numeracy
 - apprenticeship/training
 - # of household members with nonfarm enterprises

2. Entrepreneur history
 - family occupations
 - mother
 - father
 - siblings
 - spouse
 - work history (paid and unpaid work) since age 15
 - farm
 - nonfarm

3. Present portfolio

<u>Time</u>		<u>Type of Payment</u> (Unpaid, Cash, In-kind)	Market Location	Volume of Sales	Location of Input Purchase
(Hrs/day)	(Days/week) Days/season or /year				

- a.
- b.
- c.
- d.
- e.
- f.

4. Do you work in any family-owned and operated businesses? What type are they? Do you play any part in making decisions about the business, e.g. what to sell, where to sell, selecting assistants, etc.? Which decisions do you make by yourself and which are made jointly with your spouse or other family member?

5. Which of these activities is most important to you? Why?

6. What motivated you to start a business?
7. Which business did you start first?
8. How did you decide what kind(s) of business to start?
9. When did you start your second business? What motivated you to start it? How did you decide what kind of business to start?
10. Have you helped any of your children or relatives start a business? Were the children you helped male or female? What relation to you were the relatives you helped? Were they male or female? How did you help them? Did you provide them with start-up capital? Do you receive any of the profits from your relative's business?
11. How do you hear about business opportunities?
12. How do you hear about market prices? about what markets have the best prices?
13. How do you hear about where to purchase inputs?
14. Employees of present portfolio

of people who assist you in your nonfarm enterprises

family sp/c/m/f/b/s	other kin	fictional kin hired	form of payment
a. gender pt/full time occasional			a. cash in-kind labor exch.

sp = spouse; c = children; m = mother; f = father; b = brother; s = sister.

15. Are your (family/kin/etc.) employees very helpful? How could they be more helpful? What kinds of problems do you have with employees?
16. Non-income-generating activities (unpaid work from #3)

type of unpaid work	expenditure saving	social security
---------------------------	-----------------------	--------------------

- a.
- b.

c.

d.

e.

f.

17. How do you spend income earned from income generating activities?

a. investment priorities: when you earn income from your business(es), where do you spend it first, second, third?

1)

2)

3)

18. When you want to save your money for the future, in what form do you save? when you want to save for an emergency, in what form do you save?

- business investment
- gold
- jewelry
- trees
- grain
- livestock
- kin networks
- children's education
- some other form: _____

19. What proportion (give priority) of your assets are invested in the following?

- business investment
- gold
- jewelry
- trees
- grain
- livestock
- kin networks
- children's education
- some other form _____

20. Besides capital, what prevents you from expanding the size of your business? What prevents you from:

- hiring more employees

- purchasing more inputs
- selling to more distant & lucrative markets
- spending more time on your business

Incorporating Gender Issues into Overviews of National Economies

This level of analysis includes a survey of the policy and regulatory environment and its impact on the microenterprise sector and patterns of linkages between different sectors of the economy. In Malawi, GEMINI examined the extent to which expansion of cash cropping or estate production could be expected to have multiplier effects through consumption linkages to small enterprises.

Analyses of the policy and regulatory environment need to consider the different effects of this environment on female as compared to male enterprises and/or subsectors. Financial and banking policies are particularly sensitive for women. However, price controls, marketing regulations, and subsidization of large-scale milling and beer brewing operations can unfairly depress the profitability or even viability of women's enterprises.

Analyses of linkages between sectors need to incorporate a knowledge of gender-differentiated participation in these sectors. For example, if men control the major cash crops, the income earned from the expansion of cash cropping may have less effect on women's than men's consumption levels. WID research has revealed the tendency for men to keep a large proportion of their earnings for personal spending; it has also revealed gender-differentiated expenditure patterns. Together, these findings suggest that where men control cash cropping, those enterprises which would benefit most from expansion would exclude those involved in beer brewing, prepared foods, home improvements, and durable items. Since women are responsible for purchasing food and other daily household necessities and sometimes clothes, enterprises selling these commodities will be unlikely to benefit to the same extent as others, selling products that men more often buy.

Incorporating Gender into GEMINI Survey Instruments

One-page Census Survey (see Appendix C)

1. **Unit of Analysis:** Each line should focus on an individual entrepreneur within the household. To ensure that full information on women's and men's enterprises is obtained, it is most efficient to have a male and female enumerator interviewing males and females separately. Enumerators will need to be careful when asking about "economic activities" because of the gender-differentiated interpretations of this term. To be successful, enumerators need to probe into use of time and allocation of labor to get full disclosure of entrepreneur's full enterprise portfolio.
2. **Code of Industry:** Industrial groupings as revealed in MSU reports such as that for Niger tend to be biased toward manufacturing, such that there is much more detail on manufacturing subsectors than those subsumed under services or commerce where many women are concentrated. Lumping all services and only disaggregating commerce by wholesale, retail, and

vending may mask important differences in women's subsectors and the differential viability of these subsectors.

3. **Family Income Source:** Major, minor, same — does this question include or mean to include within "family income" both cash and in-kind income and thus the value of subsistence production? Questions concerning "family income" can be problematic in those cases where women and men do not disclose their separate earnings to one another, keep separate purses, and have separate economic activities. In areas where polygyny is prevalent, "family income" may not be analytically useful. In Latin America and Asia, the notion of family income is probably analytically more useful.
4. **Primary and Secondary Businesses:** As Dixon-Mueller and Anker (1988) reveal, "primary" activity often means different things to different people — differences between male and female interpretations may be particularly great, as discussed above. It is probably more useful to list all "economic activities" using questions on both time devoted and portion of income earned from an activity to prioritize the list. In addition to the question concerning seasonality, one might ask about the number of days worked or engaged in a given activity during the past seven days or during the past three months. Interview technique will be important to obtain an accurate census of microenterprises within a household.
5. **Market Orientation:** The addition of a question concerning market orientation could reveal mobility constraints, differences in profitability (if prices are higher at larger, urban markets), and provide an indication of whether an enterprise is "traditional" or oriented toward a more modern and dynamic market. The following responses could be used for this question: local rural, local urban, regional, national, and export market.
6. **Number of Workers:** The census should be reorganized to be able to discern whether family workers are female or children, whether hired workers were female or male, and so forth.

Figure 1 represents a reorganization of the census survey to address the issues above.

Two-Page Census Survey (see Appendix C)

1. The gender, age, and marital status of the proprietor should be noted initially. The gender of the enumerator is also useful and simple to note.
2. Question on primary activities: the problems with using "primary activities" has already been discussed. A better alternative which also reveals the diversity of an entrepreneur's portfolio is to list activities (suggested questions for obtaining this list are provided above). The list could then be prioritized by amount of time devoted to each enterprise and, if possible, according to cash and noncash contributions to expenditures and obligations for which the entrepreneur is responsible.
3. Question #3 combined with the shorter one-page questionnaire provides information on the change in size of the enterprise since the first year. If question #4 is modified to include a list of the entrepreneur's entire portfolio, information concerning the change in size of all other enterprises could be obtained here.

Associated with this question is one concerning change in location since the first year. This question gets at the hypotheses asserting that, with structural transformation, women's enterprises move away from the home-based locations and begin to serve more dynamic modern markets. The coding for answers for this question are not indicated on the questionnaire. However, to address this hypotheses it will be necessary to have fairly precise answers, such as:

- a) periodic, weekly, rural market
 - b) periodic, weekly, urban market
 - c) daily regional, urban market
 - d) national market — major city
 - e) export-oriented market
4. After asking "how long is it since you acquired this business," it would be interesting to ask "what was your motivation for starting this business?"
 5. In question concerning: "how many people were working in the business during the first year," since working may imply cash payment and exclude unpaid family workers, it may be more precise and less confusing to ask: "how many people assisted or helped you in the business...." Additionally, the answer to this question should include: "how many of those who helped you in your business were paid?" This combination of questions would distinguish more precisely between paid labor and unpaid family or apprentice labor.
 6. In the question asking "have you changed your location since the first year of your business," a question should be added asking where did you move from and to? Answers might include: "moved from": a) home b) separate structure on the homestead c) non-market road location d) market e) small town d) large town; moved to: a) home b) separate structure on the homestead c) non-market road location d) market e) small town d) large town.
 7. Question on "what did you do before you acquired this enterprise" could be confusing in the context of diversified portfolios. The respondent needs to be able to respond with multiple activities that may include both farm and nonfarm activities. Moreover, the question seems to imply that if one farmed before, one no longer does — which may not be the case. A female entrepreneur may have farmed before and may continue to farm; she may have had a marketing enterprise before and may continue to have one. She may simply have added a new enterprise to her portfolio.
 8. The question concerning change in the "size of your own production" again could be confusing. Does this question refer to the size of production of a specific enterprise or of the entrepreneur's entire portfolio? We know from question #4 how many enterprises the entrepreneur has — in other words, the characteristic of the portfolio, both farm and nonfarm. One might add here in question #10, "over the last five years, how have the following changed":
 - a) number of enterprises (farm and nonfarm) you own or are otherwise involved in

- b) size of total production/sales from the these enterprises
 - c) size of production/sales of each (list)
 - d) overall market demand for products produced by each enterprise (list)?
9. In question #11 concerning "what is the normal working time for your enterprise," this could be worded "how much time do you devote to your enterprise(s)" with the following questions for **each** "economic activity," including activities that provide a return of cash, in-kind earnings, or subsistence contribution:
- a) How many days in the past seven did you do this activity?
 - b) How many days in the past season (or: past year) did you do this activity?
 - c) In days when you did this activity, how much of the day did you normally take to do this activity?

As the question is currently stated, it appears to refer to one enterprise rather than the entrepreneurs' entire portfolio. This question needs to be asked for each "economic activity" in an entrepreneur's portfolio.

10. A question concerning "where do you sell your main products" might follow the question asking "to whom do you sell." It would be important to know if the rural consumers were in a wealthy or poor area, if urban consumers were those in a small town or in the capital city, and so on.
11. Questions on "business constraints" do not include constraints that are typically experienced by female entrepreneurs. In addition to those listed, response codes could include:
- a) transport to market
 - b) social and cultural norms that prevent me from selling in more distant and profitable markets
 - c) scarcity of time to devote to enterprise due to other productive and reproductive responsibilities, e.g. difficulty of spending time away from my family
 - d) unavailability of nonfinancial inputs
 - e) safe depository for earnings to which family members cannot have access and which will allow me to save for the purchasing inputs and expanding the productivity of business
 - f) time- and labor-saving technologies, under "tools and machinery"
 - g) low demand for products, under "product market"
 - h) under money, distinguish between start-up and working capital

- i) related to production and marketing know-how, a response related to management know-how
12. Question #20 concerning "major competitors": given that in a number of instances channels within subsectors are gender differentiated, it would be interesting to ask whether the competition is with other SSEs owned by women or other SSEs owned by men. It also might be interesting to know whether competitive SSEs are larger in size — in other words, are SSEs with 5 or 10 or 20 employees out-competing those of a smaller size, such as one-person enterprises.

"Borehole" Survey (see Appendix C)

1. Under "Part I," another question could be added after "tell me about how your business has developed since it began," to obtain information concerning the entrepreneur's entire portfolio, their strategy for income mobility, such as how entrepreneurs have shifted resources within their portfolio. This would provide information on whether the entrepreneur has increasingly diversified his/her portfolio over time or become more specialized. It might indicate whether the portfolio expands "laterally," by adding new small enterprises, or whether there is an attempt to increase the size and profitability of a primary enterprise. All questions in "Part I" could be asked concerning the entrepreneurs entire portfolio rather than a single enterprise within this portfolio. This might provide some revealing information on how entrepreneurs manage and juggle all of the economic activities in which they are engaged.
2. Question #3 would be more precise if the word "worked" was replaced by "assisted" or "helped."
3. Question #4 should ask the gender of different types of "workers" or "assistants" and it should provide a total, disaggregated by gender and "this year" and "first year."
4. Under "Part II," the question concerning "how did you acquire this business" could add the following answers to those already provided:
 - my spouse bought it for me
 - took it over from other (than parents) family members
6. After asking "what are the major activities and products of this business, a question concerning "what motivated you to get into this activity or product" and "how did you learn about this or these product(s) and service(s)?" could be added.
7. Question #11 should have an additional answer to "what were the sources of this initial capital": loan from spouse
8. There should also be a question under Part II concerning marital status and number of children, after or before questions #14, 15, and 16.
9. Question #19 — asking chronological order could be somewhat problematic if entrepreneurs have always had multiple enterprises.

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10. Question #20 — in asking women about "economic activities" it may be necessary to ask a series of question since women can answer such a question with "housework" and by this include a number of economic activities. Questions for obtaining information on "economic activities" developed by Dixon-Mueller and Anker, already provided above, include the following:

- Q1. Did you perform any activity (or: did you do any work) in the past season (or: year) that resulted in income for you or your family?
- Q2. What type of work was that?

For each activity or for each of interest to surveyors, the following questions can be asked.

- Q3. Did you do this work for someone else, or was this done for your own business, family enterprise, or family farm enterprise?
- Q4. (If relevant) Were any of the products sold by you or by anyone else?
- Q5. How many days in the past seven did you do this activity?
- Q6. How many days in the past season (or: past year) did you do this activity?
- Q7. In days when you did this activity, how much of the day did you normally take to do this activity?

Questions could also be included concerning the importance of income earned from these different activities, such as whether they represent major, minor, or same portion of individual earnings or family (defined as those eating out of the same pot) earnings.

11. After questions #23 and #24, a question should be asked about "your spouses' occupation."
12. Question #25 refers to "economic activities your family was involved in when you began this business." This question is confusing since previous questions refer to "your father" and "your mother" who may or may not live in the same compound as the respondent and who may or may not share a "pot" with the respondent. Thus it is unclear to whom this question refers. Would it, for example, refer to the husband or wife, to mother and father, to sisters and brothers, or only to those sharing the same pot? The indication of "run by" clarifies who within the family operates the listed enterprise, but does this distinguish between owner and manager, in the case in which they are different?

In addition, although asking a single entrepreneur about the activities of family members may be the most efficient means of collecting this information, there is also the chance that answers will be incomplete — that the respondent will not remember or know all the activities in which other family members are engaged. Experience has revealed that men often discount women's economic activities and see them solely as housework.

Another possible confusion concerning this question relates to the idea that a single family member may operate a number of enterprises. Thus the question should be posed in such a way as to be sensitive to diversified portfolios. These same comments apply to question #26.

On the positive side, these questions can provide valuable information on intrahousehold dynamics. If correct information can be obtained on the spouse's economic activities, this would allow research to explore differences in husband/wife portfolios and changes in their respective portfolios over time. It could also reveal differences in the "security" versus "growth" orientation of male and female entrepreneurs. To ensure the accuracy of this information, however, it would probably be worthwhile — given the in-depth nature of the "borehole" survey — to interview the spouse separately.

13. Under "Part IV," it would be interesting to add some questions that do not assume that growth is "vertical" (growth in size of a primary enterprise) rather than "lateral" (growth in the diversity of the portfolio), as the WID literature suggests is a more common growth pattern for female entrepreneurs. For example, in asking "which of the following changes have taken place since you began in this firm," the following could be added to the list:

Established New Business

Purchased or started a totally new enterprise

Helped family member start a new enterprise

It will be important to distinguish between a new enterprise and an old one which sells a new product, or a branch that sells a new product line. Such distinctions will be important to deciding whether an entrepreneur is "growth" or "security" oriented.

14. Under "Part IV," question #29, questions concerning commonly cited constraints of female entrepreneurs should be included:

Other Difficulties

Spending time away from my family

Devoting sufficient and continuous time to the enterprise due to time constraints resulting from other productive and nonproductive responsibilities

Conserving revenues — from family consumption — for purchasing inputs and other making reinvestment

Need for time and labor saving technologies

Lack of access to market: high cost of transport to market as well as lack of transport facilities

Legal restrictions to entering a contract, opening and withdrawing money from a personal, confidential bank account

Inadequate marketing facilities

Illiteracy and innumeracy

15. Under "Growth Periods," after asking if the enterprise had any periods of fast growth in question #30, it would be interesting to ask if the entrepreneur is interested in having his/her enterprise grow. If the answer is yes, a question could follow concerning efforts made to increase the sales/productivity/profitability of the enterprise. If the answer is no and the entrepreneur is not interested in the growth of his or her enterprise, it would be interesting to ask why? Enumerators could probe further: does the entrepreneur's lack of interest in enterprise growth relate to the following:
 - a) I can hardly sell the products I make now — lack of demand
 - b) difficulty of managing a larger enterprise
 - c) lack of time to run a larger enterprise
 - d) greater risk of amassing debt
 - e) fear of borrowing money
 - f) cannot find trustworthy managers and/or workers
 - g) if I make more money, my husband/father/brother will take over my business -- fear of loss of income control
 - h) if I get bigger in size, the government will make me pay taxes
16. Question #32, which asks "how many workers did you have at the beginning and end of your biggest growth period," should distinguish between "paid" and "unpaid" workers or assistants.
17. Question #34 might be a more powerful question if worded in the following manner: "What changes did you make in this business and other activities to expand the output of this business?"
18. Question #35 could include:
 - a) complaints from my husband/wife, family, or even the village chief that I was spending too much time away from home and my family obligations
 - b) legal restrictions preventing me from signing a contract, having a bank account, and borrowing money in my own right
19. Under "Decline Periods," it would be interesting to explore the extent to which female entrepreneurs were a safety net for the family — in other words, how did wife respond when husband's enterprise income declined and how did husband respond to the declining of his wife's enterprise(s). One could add, if the respondent is married, after question #41:
 - Q1: Has your spouses business(s) experienced output decline?
 - Q2: How many workers did spouse have at the beginning of that time? at the end of that time?

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Q3: What do you think caused the decline in your spouse's enterprise(s)?

Q4: How did you respond to these difficulties? Did you do anything different with your own enterprises?

Asking the spouse about the other spouse is appropriate in this case, since what is sought is an understanding of the respondent's response to the spouse's difficulties.

20. Question #49, under "Labor": include labor laws restricting where females can work. Under "Regulations" include: restrictions on agricultural marketing or processing.

It would be interesting to see if the liberalization of price and marketing controls is noted in this and following questions.

Add the category "Financial/Monetary" and include:

- scarcity of credit
- low interest paid on savings deposits
- financial policies preventing women from holding a confidential bank account or loan

21. Question #51 could include under "Financial:" Increased access to credit through efforts of donors or the government to organize ROSCAs; under "Nonfinancial": Access to foreign markets

22. Under question # 53, include labor laws.

APPENDIX C
CENSUS SURVEYS

ONE-PAGE CENSUS SURVEY

PROVINCE _____ ()
 DISTRICT _____ ()
 LOCALITY _____ ()

ENUMERATOR _____
 SUPERVISOR _____
 DATE _____

of hhs with no activity _____

Serial number	ENTERPRISE							Workshop		USUAL NUMBER OF WORKERS							Powered machines owned (e)		
	Name of owner and business address	Primary				Secondary		Location (c)	Structure (d)	Proprietor	Family	Hired	Non-cash assistants	Total	Out of the total			Proprietor (e) Female (e) Part-time (e) Children (e)	
		Type	Code	Seasonality (a)	Family income source (b)	Type	Code								Female	Part-time			Children
								X											X

number of months; / ^b major, minor, same; / ^c 1. home, 2. separate building, homestead, 3. away; / ^d 1. permanent, 2. temporary, 3. open / ^e 1. yes, 2. no

C-5

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TWO-PAGE CENSUS SURVEY

RY NO.: _____ PAGE NO.: _____ ENUMERATOR: _____ DATE: _____

NAME OF OWNER: _____ GROUP TYPE: _____

DEPARTMENT: _____ DISTRICT: _____

LOCALITY: _____

SEQ. NO. _____ SSE TYPE: _____

PRIMARY ACTIVITIES: (a) _____

(b) _____

BACKGROUND INFORMATION

Type of schooling? _____, Final Grade _____

How long is it since you acquired this business? _____ Yrs.

How did you acquire this business (i.e., [1] started alone from Scratch, [2] Inherited, [3] Bought, [4] started in partnership, [5] Rented, [7] _____ [8] _____)

How many people (including yourself) were working in the business during the first year of your business?

(A) Total for all _____, Only those fully hired? _____

(b) Have you changed your location since then? _____

What did you do before you acquired this enterprise? _____

[1] Farming, [2] Other business, [3] Gov't employee, [4] LSE employee, [5] SSE employee, [6] Unemployed, [7] School, [8] _____, [9] Other _____

Over the last five years, how have the following changed (i.e., [1] Increased a lot, [2] Increased a little, [3] No change [4] Decreased a little, [5] Decreased a lot, [6] do not know):

(a) Number of enterprises similar to yours? _____

(b) The size of your own production/sales? _____

(c) Overall market demand for products like yours? _____

What is the normal working time for your enterprise?

a) Number of days per week: _____

b) Number of hours per day: _____

To whom do you sell your main products, rank them? _____

[1] Rural consumer, [2] Urban consumer, [3] SSE, [4] LSE, [5] Institutions, [6] Local Government, [7] National Government, [8] Tourism, [9] other: _____

- . Have you ever received official/institutional credit and if so when? _____ and from whom? _____ () :
- . Have you ever received official/institutional technical assistance, e.g., of production, marketing, bookkeeping, etc., and if so when? _____ and from whom? _____ () :
- . Have you ever received any business-related training? If so, when? _____ and from whom? _____ () :

BUSINESS CONSTRAINTS

- . In your case what were the major problems to start a business, RANK?
 - (a) _____
 - (b) _____
 - (c) _____

[1] Skilled worker, [2] Market Space, [3] Tools/machinery, [4] Workshop, [5] Money, [6] Product market, [7] Production/Marketing know how, [8] Regulatory restrictions, [9] Other _____

In your view what are the major problems faced today by enterprises such as yours? (Use the codes given in Qn. 16.)

- (a) The most serious problem: _____
- (b) A second most serious problem: _____
- (c) A third most serious problem: _____

What holds you back from increasing your level of production/sales?

(See codes in Question 16) [1] _____ [2] _____

Apart from money, what assistance do you need most? Rank.

- a) _____
- b) _____
- c) _____

Who are your major competitors? (1) _____ (2) _____

[1] Other SSIs, [2] Large scale enterprises, [5] Imports, [3] Local Government, [4] Central Government, [6] _____ [7] _____ [9] Other _____

Do you have any comments to add? _____

BOREHOLE SURVEY

14

Firm ^(C-13) Dynamics Quastromano
Michigan State University

Locality _____ Enterprise _____

Establishment Number _____ Name of Respondent _____

Name of Enumerator _____ Date of Visit _____

Ethnic Origin _____ Respondent is (check those appropriate):
A. Owner _____
 Manager _____
 Worker _____
B. Male _____
 Female _____

Name of Proprietors (1) _____
 (2) _____
 (3) _____

Name of Manager _____

Major Products _____

PART I: FIRM CHARACTERISTICS

1. In what year was this business established? _____

2. Tell me about how your business has developed since it began.

3. How many people (including the founder) worked in the business a) THIS YEAR.
b) IN THE FIRST YEAR?

This Year: _____ In the First Year: _____

4. If possible, can you divide these workers into the following categories: a) THIS YEAR, b) IN THE FIRST YEAR?

	<u>THIS YEAR</u>	<u>IN FIRST YEAR</u>
Owners (or) proprietors	_____	_____
Other family labor	_____	_____
Non-family paid labor	_____	_____
Apprentices (trainee's)	_____	_____

5. What type of ownership did this business have, a) THIS YEAR, b) IN THE FIRST YEAR?

	<u>THIS YEAR</u>	<u>FIRST YEAR</u>
Individual	_____	_____
Partnership	_____	_____
Cooperative	_____	_____
Private Corporation	_____	_____
Family	_____	_____
Other _____	_____	_____

6. What are the major activities and products of this business?

7. How much does each activity/product contribute to overall sales?

<u>Activity/Product</u>	<u>Sales</u>
_____	_____
_____	_____
_____	_____
_____	_____
Total Sales:	_____

8. In which of the following markets did the business sell its products, a) THIS YEAR, b) IN FIRST YEAR?

	<u>THIS YEAR</u>		<u>IN FIRST YEAR</u>	
Local market	yes ___	no ___	yes ___	no ___
Regional market	yes ___	no ___	yes ___	no ___
National market	yes ___	no ___	yes ___	no ___
Export market	yes ___	no ___	yes ___	no ___
Subcontracting work for other firms	yes ___	no ___	yes ___	no ___

9. What kind of following activities did you carry out in your business, a) THIS YEAR, b) IN FIRST YEAR?

	<u>THIS YEAR</u>		<u>IN FIRST YEAR</u>	
Keep records of sales	yes ___	no ___	yes ___	no ___
Keep records of operating or production costs	yes ___	no ___	yes ___	no ___
Set aside money for replacing equipment	yes ___	no ___	yes ___	no ___
Keep separate business and personal financial records	yes ___	no ___	yes ___	no ___
Have a banking account with a formal financial institution	yes ___	no ___	yes ___	no ___

10. How much initial capital was used to start this business? _____

How much?

- (a) Personal Assets _____
- (b) Loans from:
 - (i) Commercial Banks _____
 - (ii) Government Development Bank _____
 - (iii) Money Lenders _____
 - (iv) Friends _____
 - (v) Family _____
 - Spouse
 - (vi) Cooperatives _____
 - (vii) Other _____
- (c) Gifts _____
- (d) Partnership _____
- (e) Other _____

PART II: ENTREPRENEUR CHARACTERISTICS C-17

12. In what year did you begin in this business? _____

13. How did you acquire the business?

Founded it	yes _____	no _____
Bought it	yes _____	no _____
Took it over from parents	yes _____	no _____
Other _____	yes _____	no _____

14. What is your age? _____

15. What region are you from? _____

16. What type of education have you had? (Number of years)

None	_____
Primary School	_____
Secondary School Type: _____	_____
College Education	_____
Koranic School	_____
Vocational School	_____
Technical School	_____
Other of Type Education	_____
(Please Specify): _____	_____

[Omit questions 17 and 18 if respondent has secondary or college education].

17. Can you read?
Yes _____ No _____

18. Can you do arithmetic?
Yes _____ No _____

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19. Please list your apprentice and work experience in chronological order.

<u>Date</u>	<u>Activity</u>	<u>Firm Size</u> (Sm/Lg/Fam)	<u>Position</u> (Proprietor/worker/apprentice)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

20. What other economic activities were you involved in when you began in this business?

<u>Date</u>	<u>Activity</u>	<u>Position</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

21. What other economic activities are you involved in now?

<u>Date</u>	<u>Activity</u>	<u>Position</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

PART III: FAMILY CHARACTERISTICS

22. How much education did your father and mother have? (Please check the spaces that apply.)

	<u>Father</u>	<u>Mother</u>
None	_____	_____
Primary School	_____	_____
Secondary School	_____	_____
College Education	_____	_____
Koranic School	_____	_____
Vocational	_____	_____
Technical School	_____	_____
Other Type of Education	_____	_____
(Please Specify): _____	_____	_____

23. Describe your father's primary occupation? -

Activity: _____

Nature of position: _____

24. What was your mother's primary occupation?

Activity: _____

Nature of position: _____

25. What other economic activities were your family involved in when you began in this business?

<u>Activity (manu/trade/serv)</u>	<u>Product</u>	<u>Run by:</u>
-----------------------------------	----------------	----------------

_____	_____	_____
-------	-------	-------

_____	_____	_____
-------	-------	-------

_____	_____	_____
-------	-------	-------

26. What other economic activities are your family involved in now?

<u>Activity (manu/trade/serv)</u>	<u>Product</u>	<u>Run by:</u>
-----------------------------------	----------------	----------------

_____	_____	_____
-------	-------	-------

_____	_____	_____
-------	-------	-------

_____	_____	_____
-------	-------	-------

29. What other difficulties did you face in running this business, a) THIS YEAR, b) IN FIRST YEAR?

Shortage of:

THIS YEAR

IN FIRST YEAR

Consumer demand	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
Technical advice	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
Skilled labor	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
Investment Capital for buildings and equipment	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
Working Capital for materials	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
Equipment	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
Materials	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
Spare parts	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
Electricity	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
Water	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
Space	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
Transport facilities	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
Other _____	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>

High cost of:

Capital	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
Skilled labor	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
Equipment	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
Materials	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
Other _____	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>

Other difficulties:

_____	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
-------	--	--

Growth Periods

30. Did your business have any periods of very fast growth?

Yes No Don't Know

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36. What did you do to overcome these difficulties? _____

Decline Periods

37. Has your business experienced any periods when output declined?

Yes _____ No _____ Don't know _____

38. If yes, in what year did the biggest decline:

Begin _____ End _____

39. How many workers did you have:

At the beginning of that time? _____

At the end of that time? _____

40. What do you think was the cause of this decline? _____

41. What did you do to deal with these difficulties? _____

PART V: THE SUBSECTOR

42. Has the number of firms in your industry in this locality increased, decreased, or remained the same a) IN THE LAST ONE YEAR; b) IN THE LAST FIVE YEARS?

	<u>LAST 1 YEAR</u>		<u>LAST 5 YEARS</u>	
Increased	yes _____	no _____	yes _____	no _____
Decreased	yes _____	no _____	yes _____	no _____
Remained the same	yes _____	no _____	yes _____	no _____

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43. Has the demand for the products of your business increased, decreased, or remained the same a) IN THE LAST ONE YEAR, b) IN THE LAST FIVE YEARS?

	<u>LAST 1 YEAR</u>		<u>LAST 5 YEARS</u>	
Increased	yes ___	no ___	yes ___	no ___
Decreased	yes ___	no ___	yes ___	no ___
Remained the same	yes ___	no ___	yes ___	no ___

44. What kind of firms did you compete with for markets a) THIS YEAR, b) IN THE FIRST YEAR?

	<u>THIS YEAR</u>		<u>THE FIRST YEAR</u>	
Household-based firms	yes ___	no ___	yes ___	no ___
Small/medium-sized indigenous firms	yes ___	no ___	yes ___	no ___
Small/medium-sized non-indigenous firms	yes ___	no ___	yes ___	no ___
Large indigenous firms	yes ___	no ___	yes ___	no ___
International firms	yes ___	no ___	yes ___	no ___
Other _____	yes ___	no ___	yes ___	no ___

45. Have you sold any of your products through an agent a) THIS YEAR, b) IN THE FIRST YEAR?

THIS YEAR: Yes ___ No ___ THE FIRST YEAR: Yes ___ No ___

46. If yes to 47a or 47b, why did you decide to do so? _____

47. Do you contract with other firms to make parts or provide services for your business, a) THIS YEAR; b) IN FIRST YEAR?

THIS YEAR: yes ___ no ___ THE FIRST YEAR: yes ___ no ___

48. What governmental policies and regulations cause problems for your business?
a) THIS YEAR, b) IN THE FIRST YEAR OF BUSINESS?

a) THIS YEAR:

b) IN THE FIRST YEAR:

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7. TITLER) Did any of the following cause problems for your business,
 a) THIS YEAR, b) IN THE FIRST YEAR?

Labor

THIS YEAR

IN FIRST YEAR

Minimum wage	yes ___ no ___	yes ___ no ___
Social Security	yes ___ no ___	yes ___ no ___
Working conditions (eg apprenticeship rules, hours, health)	yes ___ no ___	yes ___ no ___

Taxes

National

Income tax (corporate/personal)	yes ___ no ___	yes ___ no ___
Sales tax	yes ___ no ___	yes ___ no ___
Excise or value added tax	yes ___ no ___	yes ___ no ___

Other: _____

Municipal

Application Fees	yes ___ no ___	yes ___ no ___
License Fees	yes ___ no ___	yes ___ no ___
Poll Fees	yes ___ no ___	yes ___ no ___

Regulations

Licensing and registration	yes ___ no ___	yes ___ no ___
Zoning	yes ___ no ___	yes ___ no ___
Health	yes ___ no ___	yes ___ no ___
Price Control	yes ___ no ___	yes ___ no ___

International

Foreign Exchange restrictions	yes ___ no ___	yes ___ no ___
Import quotas	yes ___ no ___	yes ___ no ___
Import duties	yes ___ no ___	yes ___ no ___
None	yes ___ no ___	yes ___ no ___

50. What governmental policies and regulations helped your business, a THIS YEAR,
 b) IN THE FIRST YEAR OF BUSINESS?

a) THIS YEAR:

b) IN THE FIRST YEAR:

51. (TICKLER) Did any of the following have a positive effect on your business,
 a) THIS YEAR, b). IN THE FIRST YEAR?

<u>Financial</u>	<u>This year</u>	<u>In Year 1</u>
Access to government finance	yes ___ no ___	yes ___ no ___
Subsidized finance	yes ___ no ___	yes ___ no ___
<u>Nonfinancial</u>		
a) Government Purchases	yes ___ no ___	yes ___ no ___
b) Investment Incentive		
- import duty rebate or relief	yes ___ no ___	yes ___ no ___
- tax (holiday) or exemption	yes ___ no ___	yes ___ no ___
c) access to import quotas	yes ___ no ___	yes ___ no ___
d) government technical assistance	yes ___ no ___	yes ___ no ___
e) government marketing assistance	yes ___ no ___	yes ___ no ___
f) training assistance	yes ___ no ___	yes ___ no ___
g) access to industrial estate	yes ___ no ___	yes ___ no ___
<u>None</u>	yes ___ no ___	yes ___ no ___

52. In periods when you were expanding the firm, what government policies and regulations affected this expansion?

53. (TICKLER) Which of those polices/regulations had the greatest negative impact on your expansion?

	<u>Greatest</u> (mark one)	<u>Other</u> (mark no more than 3)
minimum wage	_____	_____
social security	_____	_____
working conditions	_____	_____
income tax	_____	_____
sales tax	_____	_____
excise or value added tax	_____	_____
application fee	_____	_____
license fee	_____	_____
poll fee	_____	_____
licensing and registration	_____	_____
zoning regulations	_____	_____
health regulation	_____	_____
price control	_____	_____
foreign exchange restrictions	_____	_____
import quotas	_____	_____
import duties	_____	_____

54. (TICKLER) Which of these policies had the greatest positive impact on your expansion?

	<u>Greatest</u> (mark one)	<u>Other</u> (mark no more than 3)
access to government finance	_____	_____
subsidized finance	_____	_____
government purchases	_____	_____
import duty rebate	_____	_____
tax holiday or exemption	_____	_____
access to import duties or license	_____	_____
government technical assistance	_____	_____
government market assistance	_____	_____
government training assistance	_____	_____
access to industrial estate	_____	_____

(Ask 55 and 56 if more than one policy/regulation is listed in 55 and 56.)

55. Did all of these policies begin to affect your business at the same time?

Yes _____ No _____

Explain: _____

56. If yes, how many employees did you have at that time? _____

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