

Growth through Engendering Enterprise:

ECOGEE

Building Trade Capacity in West Africa

USAID Cooperative Agreement no. 688-A-00-02-00064-00

Focus Groups Report

JULY 2003



**Submitted to USAID: The Mission for
The West African Regional Program**



By IBI—International Business Initiatives

2200 Clarendon Blvd., suite 1204

Arlington, VA 22201

Tel. 703 525-2222 Fax 703 525-2211

www.ibi-usa.com

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ECOGEE Project Summary

ECOGEE—Growth through Engendering Enterprise in ECOWAS Countries—is a three-year project co-funded by USAID’s Women in Development Office and the West African Regional Program (WARP). The project, launched in September 2002, supports West African women’s efforts to overcome barriers to business development and regional trade. IBI—International Business Initiatives implements ECOGEE together with the West African Businesswomen’s Network and the Corporate Council on Africa. Local West African firms who respond to public tenders issued by IBI will conduct a significant portion of the project activities.

I. Focus Groups Subcontracting Process (Guinea, Niger, Nigeria, and Sierra Leone)

IBI began ECOGEE project implementation with initiatives that help better understand the problems and priorities facing businesswomen in the sub-region. One such initiative is a study on women doing business in Mali that a local firm conducted after obtaining a contract through a competitive bidding process.

Using a similar competitive bidding process, IBI launched a request for proposals in Guinea, Niger, Nigeria, and Sierra Leone to reach local firms with the capacity to conduct focus groups. IBI placed advertisements in local newspapers and in the regional West Africa Magazine inviting firms to submit technical and cost proposals to implement the contract.

In December 2002, Nadine Duplessy Kearns and Patrick Henry of IBI traveled to West Africa—both went to Niger, Kearns to Guinea, and Henry to Sierra Leone—to meet firms that had submitted bids to conduct a series of focus groups. They evaluated each offer for firm capacity and cost.

The budget was \$10,000 US for four focus groups in each country except for Nigeria where eight focus groups were conducted for \$20,000 and the deadline for submission of proposals was extended. Henry traveled to Lagos in February 2003 to visit firms and make selections.

The chart below shows the results of the selection process.

Country	Bids	Organizations Interviewed	Organization Selected
Guinea	3	3	Pride Guinée
Niger	2 (not including one late proposal)	2	CNPG (Centre National de Perfectionnement à la Gestion) and the Complexe Technique WANGARI
Nigeria	10	3	BDO OFO Consulting
Sierra Leone	1	1	FAWE-Sierra Leone (Forum for African Women Educationalists)

II. Focus Groups Preparations

The IBI team prepared a guide in English and in French that each firm could modify and use for the focus groups. For a few of the groups, the firms translated the guide into a local language. IBI also provided the firms with the following guidelines for selecting 8 to 12 participants for each of the four groups:

Focus Group	Background Experience
Bankers and financiers (male)	Mid-level management and decision makers aged 35 and up
Women leaders	Leaders aged 35–50 in business, religion, civil society, and government
Customs and police officials (male)	At least 10 years of border-post experience
Women cross-border traders	Women aged 30–40 engaged in regional trade

Firms were responsible for recruiting participants who met the above criteria. They were also responsible for conducting the meetings and selecting their locations. In February-March 2003, in the four countries, Henry and Kearns concluded the contracts, made advance payments, guided the launching of the focus groups, and discussed the detailed requirements for reporting.

In Guinea, Niger, and Sierra Leone local firms conducted two focus groups in the capital city and two in a town located near the border with a neighboring country.

Because of the sheer size of the country, the local firm in Nigeria conducted eight focus groups: four in Lagos - Nigeria's commercial capital, two in a town near the southeastern border, and two in a town near the northeastern border.

III. Focus Groups Process

Guinea

IBI contracted with PRIDE Guinée to conduct the focus groups. Mr. Alpha Mamadou Balde, Executive Director, represented the organization and led the work.

PRIDE (Programme Intégré pour le Développement de l'Entreprise) began in 1991 as a USAID private sector development project with a focus on micro and small enterprises. In 1993, project employees created a separate institution—PRIDE Guinée—to focus on training, an essential component of the project. In 1999 came the end of USAID funding and the revitalization of today's PRIDE Guinée-Formation (training) and the launching of PRIDE-Finance, a microfinance institution.

PRIDE Guinée modified the focus group guide and recruited participants prior to Kearns’s arrival in the country in March 2003. Alpha Mamadou Balde, the male focus group moderator, trained Mrs. Binta Fatoumata to lead the female discussion groups. Kearns met with the two moderators and PRIDE Guinée staff to discuss the guide and focus group logistics. In Conakry, she observed the discussions of male bankers and female leaders. The other two focus groups—with women traders and police and customs officials—were scheduled to take place in Labé, a town at the Sierra Leone border.

The final composition of the Guinea focus groups follows:

Focus Groups	Participants	Location
Male bankers aged 35–50	10	Conakry
Women leaders aged 35 and up	15	
Male customs, police officers, gendarmes aged 30–40	12	Labé
Women cross-border traders with more than 10 years of experience	12	

Niger

In Niger, CNPG, or Centre National de Perfectionnement à la Gestion, and the Complexe Technique Wangari formed a team that received the focus groups contract. CNPG has years of experience conducting research for local and international agencies. One of Complexe Technique Wangari’s associates is an experienced focus group moderator.

During the preparation period, CNPG handled the recruitment of participants, logistics of arranging the focus groups, and note taking. Wangari assisted with recruitment of participants, provided the male and female moderator, and was responsible for producing the final report.

In February 2003, Henry and Kearns traveled to Niamey. They observed two practice groups, one with male professors from a local university and one with female students at the Complexe Technique Wangari. Mr. Ali Daouda, the experienced focus group moderator, worked closely with Mrs. Amina Hassane Wangari prior to the arrival of IBI staff to prepare her for leading the two female focus groups. Kearns and Henry discussed with them the revisions to the focus group guides.

In Niamey, Kearns and Henry also observed the two focus groups with women leaders and male bankers. The other two groups—with police and customs officials and women traders—were scheduled for Maradi, a town near the Nigeria border.

The final breakdown for the Niger focus groups was as follows:

Focus Groups	Participants	Location
Female leaders aged 35–60	10	Niamey
Male bankers aged 35–50	10	Niamey
Women traders aged 30–40	9	Maradi
Male police and customs officials with 16 to 25 years of experience	10	Maradi

Nigeria

IBI contracted BDO OFO Consulting (BDO) to organize focus group discussions in Nigeria—specifically, eight focus groups in three Nigerian locations. The focus groups planned were the following:

- Nigerian customs services in Lagos (male)
- Bankers in Lagos (male)
- West African Businesswomen Network (WABNET) members in Lagos
- Women business leaders who are members of Balogun Business Association (BBA) in Lagos
- Male micro financiers in Onitsha, a town located in eastern Nigeria reputed to be the largest market in West Africa
- Cross-border women traders in Onitsha
- Cross-border women traders in Maiduguri, a town located in the Lake Chad region of northeastern Nigeria
- Nigerian police force in Maiduguri (male)

BDO personnel included: Dr. P.O. Sonaike, Managing Director/CEO; Dr. J.O. Olagbaju, who conducted the Bankers’ focus group; Mr. T.A. Adeleye, the note taker at the bankers focus group; Mr. J.C. Ilozulu, who managed the study, coordinated report writing, and conducted the focus groups for customs and police officers and micro financiers.

From outside the company, BDO recruited experienced women moderators for the women’s focus group discussions, as requested by IBI. Dr. (Mrs.) N. Osarenren moderated the discussions for WABNET, BBA, and Onitsha women traders and Mrs. Izegelle moderated the discussion of the Maiduguri women traders. Prior to the focus group discussions, IBI held a training session on moderating for BDO officials, who, in turn, trained the women moderators.

Each focus group was to have a minimum of eight participants and last for at least two hours. IBI designed a separate instrument for each focus group that it reviewed with BDO during the training session. IBI developed specifications for the composition of each focus group to guide BDO recruitment of participants. The final composition of focus groups was as follows:

Focus Groups	Participants	Locations
Bankers – Decision makers in retail banking and lending aged 35 and up	10	Lagos
Customs men aged 40–55 with at least 10 years and border experience	9	Lagos
WABNET members aged 35–45	8	Lagos
Businesswomen Leaders – Women members of the BBA aged 30–50	8	Lagos
International Women Traders – Women members of OMATA aged 30–40	10	Onitsha
Male microfinanciers – Operators of small finance companies and thrift societies, community bankers, and moneylenders aged 40–50	8	Onitsha

Policemen aged 35–45	8	Maiduguri
Female cross-border fish traders aged 30–40	8	Maiduguri

BDO personnel used different approaches to recruit participants. They recruited businesspersons through their associations, with the exception of WABNET. They told association presidents about the ECOGEE project, the importance of the focus groups, the kind of participants desired, and asked for their help in making contacts. IBI linked BDO with WABNET officials. BDO recruited police and customs participants discretely, through friends within these organizations.

For the bankers focus group, BDO sent an equal number of invitations to each of the three generations of banks in Nigeria (that is, banks established between 1894 and 1960, between 1961 and 1985, and between 1986 and the present). BDO sought the advice of friends in some banks whose status were comparable to those desired before invitation letters were sent to short-listed banks. BDO asked banks to send representatives of the caliber specified by IBI.

BDO agreed beforehand with WABNET and customs (discretely) on dates and times for the focus group meetings. BDO informed women traders in Onitsha and the head of the market association in Maiduguri of the dates of focus group meetings and they in turn helped to organize them. For the BBA focus group, BDO agreed beforehand with the association’s leader on the time, date, and venue.

BDO held the focus group discussions (FGDs) at convenient venues. The bankers FGD took place in one of the seminar rooms, rented for the purpose by BDO, in Bankers House at Victoria Island, Lagos. BDO deemed this location suitable because of its proximity to the area where banks are concentrated. The focus group for BBA met in their office in the International Trade Fair Complex, Lagos-Badagry Expressway. The Onitsha businesswomen focus group took place in their association’s office in the Onitsha market. The Maiduguri women’s group met in their association’s office in the popular fish market. The WABNET group met in BDO’s office. The police and customs focus group discussion took place in The Lake Chad Hotel, where the moderator stayed, and in the private residence of one of the customs men.

Note taking and tape recording captured the information of the bankers’ and WABNET discussions. BBA used both methods partially for the BBA discussion until the tape recording was discontinued at the request of one participant. In others, BDO used only note taking since the participants did not allow tape recording. Notwithstanding the lack of full use of tape recording, BDO recorded everything discussed and used the transcripts of all discussion groups in writing the focus groups report.

Sierra Leone

The Sierra Leone Chapter of the Forum for African Women Educationalists (FAWE) and an independent consultant conducted focus groups on barriers to cross-border trading in February and March 2003. FAWE conducted two focus groups in Freetown, the capital, and Kambia, a town close to the Guinea border.

IBI advertised widely for bidders and made a country visit in December 2002, but was unable to identify an institution in Sierra Leone with the capacity to carry out the research independently. There was no in-country application; one firm in Togo submitted a proposal. IBI therefore selected FAWE as the organization with the potential capacity and contacts to conduct the research. FAWE is an education-focused NGO with branches throughout Sierra Leone. Its main focus is the education of girls, but it has been expanding to involvement in school building; management programs in the formal, non-formal, and technical vocational sectors; teacher training; counseling; and community development.

Felix Edwards, an independent consultant who works with FAWE on a semi-permanent basis and has experience in the field was a determining factor in choosing the organization. He has been working in Sierra Leone for five months, and in Africa for ten years. He has a background in education—both teaching and administration—and extensive experience in democratic development. He has a master's degree in international education from the University of Sussex (U.K.), and has worked in Malawi, South Africa, Nigeria, Haiti, and the United States, in addition to Sierra Leone.

Edwards helped set up and observe the focus groups and wrote the report. FAWE provided two focus group moderators—Mrs. Rosaline Grant and Mr. Joseph Adedoyin—and an administrative assistant—Mr. James Lahai—to take notes and transcribe the sessions.

IBI staff spent two weeks training focus group moderators and other staff involved in the program. The training involved instruction on general methodologies for focus groups, outlining the aims and objectives of the program, and small practice sessions before the convening of two practice focus groups. Because Rosaline Grant was the most capable moderator, it was decided that she would moderate all the focus groups. Kearns and Henry remained in Sierra Leone for the first two focus groups to provide further feedback and collect an independent data set.

In Freetown, one focus group consisted of males between 35 and 50 from the banking sector. The second one was with female leaders aged 35 and over from government, civil society, business, or religion. In Kambia, one group was with women between 30 and 40 who were involved in cross-border trading. The second group was with male customs and police officials with at least 10 years of experience. FAWE recruited seven male bankers from three commercial banks, ten female leaders, ten female traders, and nine male police and customs officials. The female leaders came from the following sectors: electricity, hospitality, journalism, telecommunications, religion, education, tax collection, social development, and civil society. All female traders were involved in petty trading within Sierra Leone and with Guinea. Of the group of male police and customs officials, four were from the police and five from customs. None were very high ranking, so all had some interaction with traders.

The final breakdown of the Sierra Leone focus groups was as follows:

Focus Groups	Participants	Location
Female leaders in business, religion, civil society, and government aged 35–50	10	Freetown
Male banking sector professionals aged 35 and over	7	
Female cross-border traders aged 30–40	10	Kambia
Male customs and police officials with 10 years experience	9	

To minimize work disruptions, FAWÉ scheduled the focus groups in the afternoons. The two Freetown groups met in FAWÉ’s offices; the Kambia groups met in a primary school classroom.

FAWÉ recorded all focus group sessions and had a note taker present. FAWÉ transcribed the tapes. At each session, the independent consultant took the notes on which this report is based. FAWÉ moderators conducted all sessions in English, except for the focus group conducted in Krio for female cross-border traders. The consultant has a basic understanding of Krio and a translator was present to provide translation when needed. FAWÉ had the transcription for this session translated into English to provide a better understanding of the discussion.

IV. Overview of Findings

All focus groups referred to the daily difficulties that business people face across the region with infrastructure issues. Though the ECOGEE Project does not address infrastructure issues directly, it must consider that long transport times, lack of continuous water and power, and the high cost of communications mean that businesses—women-owned in particular—are adversely affected by these infrastructure problems. In turn, these problems lead to a general inability or a lack of desire by entrepreneurs to grow their businesses.

Though a micro or small business can effectively and profitably function in an infrastructure-poor environment, to grow a business to medium- or large-scale entails a higher level of working capital and higher levels of investment. In the region, this investment is often needed for basic infrastructure rather than for expansion of the business. For example, a generator might not be necessary to run a small-scale dressmaking enterprise with four employees, but a factory-like operation with 20 employees will need a generator to operate. Infrastructure is required to grow the business. If government cannot provide this service, individual businesses owners must undertake the task. The problems that poor infrastructure causes and the expenses that it adds to businesses in the region cannot be understated or emphasized enough.

In addition to making business difficult on a day-to-day basis, the participants indicated that the lack of transport infrastructure, communications infrastructure, and financial infrastructure were the largest barriers to intraregional trade. The times and costs of moving goods and services within the region caused people to view trade outside of their country in a negative light. For example, the participants in many of the focus groups—

and especially the bankers—felt that it was easier to transfer money to Europe than within West Africa. Often business people conduct transactions within the region in cash and carry the cash themselves between countries. This type of system automatically limits the size of trade because participants can safely carry only a limited amount of cash. Participants from Anglophone countries also spoke of the difficulties in doing business in Francophone countries, due to poor transport links and worse telecommunication links. Focus group participants could generally state the cost of a call to London, England but did not know the cost of a call to a neighboring French-speaking country.

Issues across the region

The four sets of focus groups provided specific recommendations relating to training and pressing needs for business growth. More important than these recommendations were unstated issues that became apparent in the course of the discussions in each country. In all four countries, certain interventions are critical to the growth of businesses run by women and, in general, to the reduction of trade barriers across the region. The issues identified will guide the work of the ECOGEE Project at the regional level. The specific training requested will be handled within each country.

For a number of reasons, entrepreneurs are generally an extremely difficult group to train or work with: often they believe that they do not need assistance because their businesses are providing for the immediate needs of their families.

Each group reported a dearth of the information that economic actors in each country need to make decisions. This was true of all groups, and for women and men of all ages and professions. The lack of information is caused by both poor communication infrastructure in each country and the absence of resources for disseminating reliable information. This absence feeds stereotypes and erroneous assumptions. For example, all groups except police and customs erroneously assumed that the banks were generally doing a good job, and, more specifically, helping businesses grow. Instead, banks play an extremely limited role in the economies of the four countries and provide little, if any, support to businesses. Even focus group participants who used banks had little or no idea about other services or areas where banks might be able to assist in the development of businesses or the economy. Bankers understood the inherent risks in their business, but did not readily suggest how banks might assist economic growth. Businesswomen do not understand the significance of banks to expanding and growing their businesses. They might not use new sources or types of credit due to the simple fact that they do not understand the proper functioning of banks. This suggests that a substantial amount of education needs to occur to tie banks and business development together.

A second theme discussed in all focus groups—especially by women—is the lack of separation between personal wealth and possessions and business wealth and capital goods. This factor alone seems to account for the inability of micro, small, and medium businesses to grow larger. In general, businesswomen participants did not use banks for financial transactions. Further, they did not have incorporated (and, in many cases, legally registered) businesses or succession plans. These general patterns echoed the fact

that business is still a male-dominated activity, one that women undertake only after they have cared for their children and homes. By playing to the cultural stereotype, men and women seemed to relegate the economic activity of women to a second-class status, though, in many cases, women run complex business enterprises that are medium- or large-scale. Their second-class status forced skilled women entrepreneurs into a situation where the growth of their business was not their main focus. Instead of devoting capital and money to expanding a business, women entrepreneurs used them for urgent or pressing family matters. More often than not, lack of success or failure of a woman's business depended on how family matters impacted the finances of her business rather than her business skills.

A third theme in all group discussion was the widespread lack of understanding about key business development concepts—such as market segmentation, marketing, and consumer demand. Businesses and, specifically, trade seemed to be based on the success of one key person whose lead many others followed. In particular, businesswomen did not understand the conception of developing a market segment through research or product testing. Instead, the tastes of the women leading the business dictated which products are bought, sold, and traded. Furthermore, businesswomen did not conduct research about market conditions or look around to see what others were producing. This lack of basic research or understanding about sales or marketing means that many of the same type of businesses form around the same market and compete for scarce customers. Though petty trading improves the livelihoods of women and increases the incomes of their families, such businesses cannot grow beyond micro enterprises because of intense competition for an extremely small market. Cross-border traders in each focus group provided a good case in point. While women undertake business activities that assist their families, these businesses provide little overall growth for the economy because they do not create additional jobs. Due to the absence of basic research and sales and marketing skills, women's businesses tend toward micro and small, providing personal gains but not necessarily helping the economy as a whole.

Economic actors in all the focus groups felt that corruption was high or that corruption made prices high, though these feelings were not based upon any concrete statistics or knowledge. In discussing these themes, customs officials and police officers said they felt that their jobs were important to intraregional trade and that the “tariffs” or “bribes” (choice of word they used depended on the audience) they charged were not a barrier to trade. An interesting caveat is that most of the police and customs officials in the focus groups had received very little or no recent training. It is safe to assume that they did not know what rates or tariffs to charge, but based their charges on old or out-of-date materials. The general lack of information on the subject feeds assumptions about the corruption of police and customs officials. In addition, across the region, no one engaged in economic activities could authoritatively state what laws apply and why, and what taxes or tariffs should be charged.

What defined corruption within the cultural context of each country never came through during focus group discussions. No attempt was made to impose a definition, but participants were provided with ample opportunity to define corruption for themselves.

What emerged in discussions were mixed messages about what constitutes a corrupt practice on part of officials and what constitutes a corrupting act on part of businesspeople. As used in this report, corruption is defined not as an immoral act, but as a situation where inefficiencies at work in the market system overrule the efficiencies that a market offers. Participants did not view asking for or paying an illegal bribe as corrupt. They viewed such barriers to trade as inconveniences. For example, constant police stops that could be planned for along trade routes were not necessarily viewed as barriers to trade. No participants in any of the groups questioned the legal basis of these police stops. Though this daily petty corruption has a large ripple effect on the economy and the costs of goods and services, participants viewed it as more of an inefficiency.

As noted above, economic actors continually make decisions and develop beliefs that are based on no information. This disrupts the otherwise smooth functioning of the market system and leads to larger consequences for the entire economy. High transportation costs are passed on to consumers, transport delays hamper the travel of businesspeople in the region, and extremely poor decisions are made throughout the economy.

A large part of this general lack of economic information can be attributed to poor infrastructure, but some stems from lack of knowledge that the information exists. For example, in each focus group, customs agents or police officials stated that customs information was publicly available in each capital city. No participant knew where to find such information. Participants also identified the mistreatment of cross-border traders by the police or customs officials as another common problem. Though all focus groups identified this problem, no participant could state authoritatively the basis in law of the mistreatment of cross-border traders. The only answer provided was that traders were “foreigners,” even though many are of the same ethnic group as those living on the other side of the border. The reason for poor treatment could be as simple as not knowing or understanding the laws of a neighboring country but participants never offered this explanation or solution.

Information and knowledge are key to implementing any successful regional program . Information needs to be provided to businesswomen on such key topics as tariff structures, business taxes, general business laws, how to incorporate a business, what is a corrupt practice, how to define market segments and market products, and the services that banks might offer. These topics were not mentioned directly, but came out of the structure and flow of the conversations within each focus group. The general base of advanced economic and business knowledge among focus group participants was low. This is the starting point for all the discussions and work that follows. Certainly, participants understood the basic functioning of markets and a micro and small level of business activity, but they did not know how to move to the next phase of business development.

Results from the focus groups

The general findings listed below are the consensus issues derived from focus group discussions in the four countries. They highlight areas of general agreement throughout the region. The amount of overlap from country to country was rather amazing: most of

the focus groups agreed on communications methods, explained how to target different groups, addressed the subject of how women business people should be trained, and noted the need for alliances to change government policy. The one area where focus group participants differed from country to country was their identification of where lobbying or attitude change needed to happen.

Communication methods

All focus group participants made sure to note that any training had to be tailored to meet the needs of the target groups. Participants noted that many micro or small enterprises were owned and operated by individuals who are not literate or numerate. In order to reach them, training needs to be tailored to their needs and basic counting and reading skills may need to be taught. Radio lessons, videos on television, and direct workshop training need to be utilized.

Delivering training in meeting or workshop formats is more appropriate for those who can read and count and those who own larger businesses. This training should include a mentoring component so that successful businesspeople can guide those who are just beginning. Both men and women can serve as mentors, as long as they are successful in business. Participants suggested videos that people could watch at leisure. For higher-level audiences, they recommended written materials, but viewed these as additional resources for meetings and mentoring rather than as stand-alone materials.

Training delivery

In focus group discussions, women had surprisingly mixed views about who should provide training for women. Initially, all the focus groups noted that women should train other women. After discussing the issue in depth, they decided that men could train women on business-related topics. When possible, businesswomen prefer a female trainer or mentor, though male trainers and mentors can be acceptable. Other possible trainers were trusted people such as teachers or female NGO leaders, though they could only train in basic skills.

Training courses

Training courses for businesswomen need to focus on the level of skill and education of trainees. Basic skill courses—covering basic planning and basic management issues—are more appropriate for women in micro and small enterprises. These topics need to be broken down to their basic formulations for use by possibly illiterate women.

Women in advanced businesses need higher level courses. Their training needs to focus on business planning, growing a business, and customer relations. In addition to these management topics, focus groups highlighted a need for a number of key financial skills to be taught to businesswomen, including record keeping and accounting, shipping and receiving, and inventory control. These financial aspects of business were deemed critical to women working better with financial institutions. The banker focus groups continually noted that lack of sound financial skills was the major reason that women-owned and -operated businesses did not receive any type of financial assistance.

Alliance building

All participants had an understanding of how to form pressure groups to lobby the government. However, they identified this activity as critical for training and development assistance. There is a need to understand why this process should be undertaken and how to undertake it. As a first step, training in organizational development is required, along with training in lobbying once organizations are able to form pressure groups.

Issues/areas for lobbying

In Nigeria, women would lobby the government on marital status issues relating to opening bank accounts, loans, and property rights. Women would also lobby for more training for police and customs officials, and for the government to implement laws that are favorable to operating or expanding a business. Nigerian women would work with banks to increase their access to funds for business development.

In Niger, women participants believed that they need help working on access to credit, training programs for women, and capacity building, and on sensitizing religious leaders and men about the importance for families of business and trade.

In Guinea, some participants believed that women should receive basic training in lobbying. Lobbying issues include: corruption, access to credit, reduction of customs duties, women's rights, and sensitization of husbands.

In Sierra Leone, participants did not identify issues on which women would lobby the government or others.

V. IBI Recommendations for Follow Up

IBI recommends an immediate national level solution that would leverage project resources to make the most impact. As we saw in the focus groups there is a lack of information made centrally available to businesswomen, whether they are entering the marketplace or are expanding their operations. We propose the development and wide dissemination of a booklet specific to each country titled:

Doing Business in Country X 2004
Volume I
Regulations, Taxes, Finance, Business Information

The booklet's focus reflects the topics on which businesswomen need more information:

- 1) the rules of starting and operating a business,
- 2) legal taxes and customs that must be paid
- 3) how to obtain credit/finance at different stages in the business operation
- 4) how to obtain and use information for marketing and strategic planning

IBI plans to use a similar open bidding process to the one used for the focus groups. We will launch a request for proposal from local firms in the ECOWAS countries in order to select one in each capable of developing the booklet using our template. We will spend less than \$5000 per country and allow the booklet to be sold afterwards to ensure that printing and dissemination continue after our initial print and distribution.

On a regional level, IBI will work closely with WABNET to ensure that their 2003 General Assembly program includes a variety of training programs that will be open to women coming from all countries in the sub-region. We recommend panel discussions to show best practices in using banking services in West Africa, preparing for business linkages opportunities/events and locating in-country market information.

ANNEXES

PRIDE GUINEE

EXECUTIVE SUMMARY

Growth Through Engendering Enterprises Project (ECOGEE)

Focus Group Discussions in Guinea

For

INTERNATIONAL BUSINESS INITIATIVES

April 2003

INTRODUCTION

PRIDE Guinée, under the supervision of International Business Initiatives (IBI), organized and led the focus groups in Guinea. PRIDE consultation covered two months from February 1 through March 31, 2003. In accordance with the IBI terms of reference, PRIDE Guinée, represented by its Executive Director, chose two female moderators and three assistants, responsible for locating participants according to age, profession, and place of residence. In Conakry, PRIDE organized and led two groups: The first, made up of bankers, included ten people (nine men and one woman) and took place on March 4th; the second, made up of fifteen women leaders, took place on March 5th. PRIDE conducted the two other groups in Labé, a town on the Sierra Leone border. The third group, composed of twelve men, customs and police officials and gendarmes, occurred on March 25th. And the fourth group, made up of twelve women traders took place on March 26th.

The goal of the discussions with the four groups was to bring out and evaluate the barriers to the creation and development of women-run businesses in West Africa and the promotion of sub-regional trade.

MOOD OF PARTICIPANTS

The main conversation on the current situation in Guinea was almost the same in all the focus groups, “things are bad.” It’s paradoxical: Guineans do not deserve the currently prevailing precarious living conditions; this was stressed unanimously by all of the groups. Management of the economic affairs of the country are not headed in the right direction, government services are putting the break on development of private business, inequalities between men and women persist to the detriment of women. According to customs officials, there is a deficit in the balance of trade because imports are greater than exports for all Guinean businesses.

According to women leaders and traders, major problems still remain: security of persons and property; an acknowledged lack of institutions that finance businesses. Guineans have great difficulties in getting water, electricity, and telephone service. Routes towards borders are in very bad condition. Air transport is very expensive. There is no marine or rail transport, which complicates transportation and necessitates the mixed transport of persons and baggage, increasing the risk of accidents. Women leaders and bankers believe that today the Conakry port and airport are considered the most expensive in the sub-region. Legal and regulatory texts exist but only on paper. On the ground there is a feeling of almost total anarchy examples of which include the lack of follow-up for the strict application of texts on the books and the widespread nature of corruption. The advantages provided by ECOWAS are not familiar to most Guinean entrepreneurs, especially women. No group expressed real optimism on the future of private enterprise. With the chronic deficit in infrastructures and services, the future of business is bleak, so long as practices and behaviors do not change on the administrative level.

INFRASTRUCTURE

The most important factors that allow private business to develop are far from the reach of Guineans. Women criticized customs officials because of corruption and hassles at all levels. Other fundamental factors are in the realm of dreams and uncertain for all Guineans today, particularly less expensive and more accessible telephone and e-mail services; reliable electricity and water; efficient transportation services; insurance; and investment possibilities. In addition, women intraregional traders mentioned the Guinea Franc as being a problem since many of their trading partners are in countries in the WAEMU (West African Economic and Monetary Union) zone and use the common currency, the CFA.

Given the aforementioned problems of the day, Guineans denounce the absence of road infrastructure on borders, electricity, and email as factors that prevent trade between Guinea and neighboring countries. The government is physically responsible for the realization of adequate infrastructure according to focus group participants. They indicated that businesses would contribute to the realization of infrastructure by paying taxes provided that there is a guaranteed start-date for improvements. In their focus group, women believed that they could attack these infrastructure issues by getting organized into groups to expose the problems, lobby, and reach important and influential people.

BANKING SYSTEM

Bankers themselves confirmed that the Guinean banking system is mainly directed towards trade, banks avoid granting medium- and long-term financing to avoid risks of outstanding payments. Women leaders attested that it is necessary to have lots of contacts to be able to get a bank loan. Bank credit is a mystery because of its rarity, and women traders confirmed that citizens do not have much confidence in decentralized credit systems since the bankruptcy of Crédit Mutuel of Guinea and the outstanding payment of deposited savings. All of the participants, including bankers, said that generally the interest rates in effect are too high – they vary from 20 % in commercial banks to 36 % at the micro-finance network level.

Bankers indicated that businesswomen could not, for the most part, fulfill the conditions of opening and maintaining a bank account because the fees are very high. The main services that women take advantage of at commercial banks are savings, sometimes overdrafts and short-term loans. For overdrafts, it is necessary to have special relations with bank employees and for loans, one must have a merchandise import file and present a pro forma invoice of the same origin as the bank's main shareholders. For example, BICIGUI in Guinea, an affiliate of the BNP in Paris supports purchases from France.

Bankers confirmed that the legal and regulatory framework is well designed, but there are many problems in practice. The Central Bank does not yet assume all of its government-granted functions to positively influence all of the desired changes in the banking system. The rate of outstanding payments recorded by primary banks and micro-finance institutions is very high. Since the justice system does not function well, all of these

conditions create a big problem for the business environment. Bankers noted that judges handle credit dispute cases very poorly as they have little expertise in handling these sorts of conflicts well because most are trained in civil law and few in commercial or business law.

BUSINESS ASSOCIATIONS

All of the groups indicated that businessmen and women's associations are almost non-existent in Guinea. Knowledge is weak in this area and good examples are lacking; confidence among businesspeople is being established but with difficulty. Management of these associations is complicated because the majority of successful Guinean businesspeople are illiterate. Generally, women associate among themselves, first for social events, and then little by little they form business partnership.

Today the importance of associations is recognized. Some women and men who are in business come together at the level of large capital markets to facilitate imports of merchandise; economize on purchases; better deal with the major constraints linked to business administration and other problems of the country; and change harmful practices and behaviors which impede business development.

WOMEN IN BUSINESS

According to the focus groups participants, businesswomen face more barriers than men. The groups cited, among others: illiteracy and household pressures (number of children, marital status—divorced or widowed, support for their business based on preference of their polygamous husbands). Families and some husbands morally support women, but not practically; it is brave women, however, who can bear all the problems of their businesses. The women rarely have access to significant credit (only micro-credit) because of the problem of collateral and mastery of the credit system. Some deal with the problem of succession; others worry about it less, because of their inability to forecast well or to extrapolate to the long-term. Several activities such as information dissemination, education, training, and follow-up should be organized to improve women's skills and allow them to support their businesses effectively.

CUSTOMS OFFICIALS AND POLICE

Participants defined well and understood the roles and responsibilities of customs and police officials and other security agents. They asserted that these officials are meant to ensure the security of people and property, issue travel documents that are valid and accepted, and disseminate information on tariff measures and exemptions on the exchanges of local products in the framework of the ECOWAS convention. On the whole, all of these roles still go unheeded; an important difference exists between the content of regulatory texts and their practical application on the ground. The groups of women and bankers denounced administrative hassles, generalized corruption and the fact that the state is not concerned with respect for regulatory and legal texts that it puts in place.

TRAINING AND CAPACITY BUILDING OF WOMEN IN BUSINESS

The less than laudatory picture just painted shows how indispensable the USAID regional program is, and argues in favor of its implementation in Guinea. The implementation has to be done carefully, with appropriate strategies and participative methods refined on the ground. The program facilitators should be true “coaches” who are leaders experienced in awareness raising, lobbying, training, business management, and follow-up/counseling.

To promote training and capacity building, all groups underlined the importance of communication methods, which take into account the specificities of Guinea, a country that is very landlocked in all senses. Given the high rate of illiteracy, films, skits on the radio, and TV should be used. Training should be organized in local languages on such subjects as analytical skills, simplified management, marketing, accounting, leadership, lobbying, business planning and financing, and customs regulations and tariffs. In addition, businesswomen should be made aware of the advantages that ECOWAS, OHADA (Organization for the Standardization of Business Law in Africa), and other sub-regional organizations offer. ECOGEE should also develop specific programs on democracy and good governance and prepare businesswomen for the fight against corruption, sexual harassment, and exclusion.

For the transmission of messages, all of the participants agreed that it is necessary to use existing local structures that are well established in the country: women-run NGOs, training NGOs like PRIDE, businesswomen’s associations and women business leaders. Women leaders and customs officials indicated that the number of successful NGOs capable of effectively contributing to the implementation of this program is very few in Guinea. Bankers and women leaders stated that marketing is a new concept in the business world in Guinea; they noted, nevertheless, that marketing activities are beginning to interest businesspeople.

**Centre National de Perfectionnement à la Gestion (CNPG)
and the
WANGARI Technical Complex**

EXECUTIVE SUMMARY

Growth Through Engendering Enterprises Project (ECOGEE)

Focus Group Discussions in Niger

For

INTERNATIONAL BUSINESS INITIATIVES

May 2003

INTRODUCTION

International Business Initiatives (IBI) implements the USAID-funded ECOGEE project. IBI sent out a request for bids in four countries (Guinea-Conakry, Niger, Nigeria, and Sierra Leone) carefully chosen to assess barriers to the creation and development of women-run businesses and cross-border trade. IBI planned to conduct focus groups with well-studied categories of the population that has a significant impact on development of trade and business (bankers, customs and police officials, and women traders) and can help lobby for women's causes (women opinion leaders, members of government, civil society and the private sector).

In the bidding process, IBI selected a team made up of two organizations – Wangari Technical Complex and the National Center for Management Improvement (CNPG). CNPG, an organization specializing in continuing education, carried out the recruitment work while Wangari Technical Complex, a firm specializing in training, managed the discussion groups and drafting of the report with the help of Dr. Ali DAOUDA, Sociologist and Specialist in focus groups, and Mrs. Amina HASSANE, Manager.

Two focus groups (bankers and women leaders) took place in Niamey in the presence of two IBI consultants, and two focus groups occurred in Maradi, a town that is the economic capital of Niger and is located very close to Nigeria.

MOOD OF PARTICIPANTS

It should be noted here that the four focus groups really described the state of poverty of the country and the failure of implementing development policies in Niger. But the participants had a hope that things are beginning to evolve in “small steps” or “at a snail's pace.”

The analysis of barriers to business development is clear according to the groups. The barriers are formed as a result of lack of training in management or Internet according to women leaders; of the traders' mistrust of the banking system according to bankers; the low rate of savings and excessive repression by the police and customs officials according to women traders; and fraud and false statements by traders according to the police and customs officials.

INFRASTRUCTURE

The focus group discussions revealed that the legal, economic, political and socio-cultural environment creates an important barrier to the development of intraregional trade and business in general. The current problems cited in Niger are:

- Lack of rail infrastructure anywhere in the country
- Obsolete telephone networks or high costs of getting new phone connections
- Insufficient water infrastructure
- Insufficient and excessively expensive electricity
- Obsolete transport fleet
- Pitiful state of road infrastructure

BANKING SYSTEM

Niger has experienced a number of problems in the development of its banking system with the existence of only two banks for more than 25 years. The first bank in which the Government of Niger had a majority share, Development Bank of the Republic of Niger (BDRN), was abruptly liquidated in 1984 by officials at the time, thus leaving almost all Nigerians traumatized by this sudden decision, supposedly required by the World Bank. The second bank, the BIAO, also had problems in 1995 when the Meridien, its principal shareholder had bankruptcy problems. Depositors had difficulty withdrawing their deposits for more than six months before it was taken over by Belgolaise.

Crédit du Niger, the housing-loan bank in Niger, has also been in mothballs for about ten years. It no longer provides long-term loans. In addition, the closure of the Caisse Nationale d'Épargne, a government organism which was also abruptly shut down in 1992, left no recourse for depositors who to this day have not yet recovered their rights. The Mutuelle d'Épargne et de Crédit Taimako also suffered reversals with the embezzlement of more than 800.000.000 CFA francs (approx. US\$1.6 million) by a bank agent, also creating shock and despair for depositors. The Mutuelles du Woccu had management problems and closed their doors in 1996.

The banking system is nevertheless developing a bit but the various problems that have occurred make a cautious policy for the granting of credit by commercial banks necessary. The rate of bank use is one of the lowest in the world and the services offered by the seven commercial banks in the market are not adequate to meet existing demand. Thus many people do not keep money in banks, preferring to keep it at home and run the risk of transporting it, either by carrying it themselves or by using their own parallel networks. Bankers admitted that interest rates are very high at 11-19 % to which 19 % in VAT must be added. As for women traders, the 50,000 CFA franc (approx. US\$1,000) minimum required to open a savings account is already beyond their financial horizons.

Participants believe that it is necessary to develop an effective system in order to have more use of banks in the country and to adapt the banking system to local demand by exploring other sorts of guarantees and credit sources.

Since 1990, there have been some development projects that have tried to put in place some credit and savings mutuals in order to give those living in rural regions where banks are almost non-existent safe places to put their savings.

BUSINESS ASSOCIATIONS

All four focus groups recognized their usefulness and their positive impact on the development of intraregional trade. Business associations defend the interests of their members and can be used to promote the image of businesswomen that often suffers negative public opinion. These associations can play an important role in lobbying to government officials to reduce taxes thought to be exorbitant.

WOMEN IN BUSINESS

Participants asserted that women have the same abilities as men to direct a business but receive less support from their families than men do. Women experience socio-cultural pressures and face more barriers, natural ones like childcare and their role in the home, etc., and also cultural and economic barriers. Furthermore, women have less access to training in business management.

Participants believed that in order to succeed, a woman needs working capital, bank credit, but especially the support of her family because she bears all the weight on her shoulders and any little thing can do her harm. She must have a will of steel and a perseverance that guarantees success.

CUSTOMS OFFICIALS AND POLICE

Police and customs officials play a security role in trade by keeping an eye on tax evaders and those who make false statements about their businesses.

Bankers thought that police and customs officials exert too much pressure on women traders with exorbitant rates of customs duty.

Women traders are even afraid of customs officials because, as they explained, “They can question a legally accomplished customs clearance and seize our merchandise which at times disappears to their house and you can’t say anything”. The officials very often question some customs clearance and seize merchandise that is resold during the week at auction.

Women leaders acknowledged the pressure exerted by the customs service, the excessive rates requested for customs clearance of merchandise, and delays due to excessive annoyances.

TRAINING AND CAPACITY BUILDING OF WOMEN IN BUSINESS

All of the participants agreed that there is a need for training and awareness in management as well as in law, information technology and the fight against poverty.

The main media outlets to use are audio-visual and small discussion groups that allow for the exchange of experiences.

Those best placed to promote training and capacity building are women business leaders, projects financed by donors, and to a lesser extent male business leaders.

BDO OFO Consulting

EXECUTIVE SUMMARY

Growth Through Engendering Enterprises Project (ECOGEE)

Focus Group Discussions in Nigeria

For

INTERNATIONAL BUSINESS INITIATIVES

April 2003

INTRODUCTION

USAID contracted IBI–International Business Initiatives to implement the Growth through Engendering Enterprises (ECOGEE) project. IBI in turn engaged BDO OFO Consulting to carry out eight focus group discussions (FGDs) with various stakeholders in three Nigerian towns:

- 1) Nigerian Custom Services, bankers, West African Businesswomen Network members, and women business leaders in Lagos (Nigeria’s business capital)
- 2) Women engaged in international business and male microfinanciers in Onitsha (a town in the eastern part of the country reputed to be the largest market in West Africa)
- 3) Cross-border women traders and the Nigerian police force in Maiduguri (a town in northeastern Nigeria in the Lake Chad region)

Each FGD lasted for at least two hours and involved a minimum of eight participants. IBI designed a separate instrument, provided guidelines for the composition, and reviewed the participant lists of each FGD. BDO OFO Consulting employed various approaches in recruiting participants:

- Identified and recruited businesspersons through their associations
- Invited bankers in equal numbers from each of three generations of banks (those established 1894–1960, 1961–1985, and 1986–present)
- Recruited police and customs participants discreetly through friends within the organizations

BDO held the focus group discussions at convenient venues and captured information through notes and/or tape-recording.

MOOD OF PARTICIPANTS

Participants expressed the general view that the Nigerian economy is in a poor state, although the nation has an abundance of human and material resources. They agreed that the key problem has been poor national leadership to manage the country’s affairs. Despite these problems, they agreed that many businesses thrive and there is much opportunity for private businesses.

INFRASTRUCTURE

During the discussion on infrastructure in Nigeria, the women traders wondered what they could do in some circumstances. One said: “In Nigeria, where nothing seems to be working very well, you have to keep on struggling and see what you can make out of it (business).” “Well, since you are not the only one affected by the difficulties, you will check and see if you will still make something after removing all your costs. You will not stop struggling because of this and that problem,” another added. “Business is about struggling, no matter how little the profit is,” they chorused.

The participants deplored the state of Nigeria’s infrastructure. For example, because of poor road conditions, it takes about six hours to drive from Lagos to Onitsha, 10 hours from Lagos to Abuja (the nation’s capital), six hours from Onitsha to Abuja through

Enugu, 10 hours from Abuja to Maiduguri, and 20 hours from Lagos to Maiduguri. It takes about one hour to drive from Lagos to Cotonou, the capital of Benin, Nigeria's Western neighbor. For haulage, it costs about ₦167 (\$1.34) to transport 50 kg of goods between Lagos and Onitsha.

For airfares, economy class between Abuja and Lagos is ₦8,000 (\$64), ₦8,500 (\$68) to Enugu (and then ₦4,000 [\$32] by airport taxi to Onitsha); ₦16,000 (\$128) from Abuja to Maiduguri, and ₦10,000 (\$80) from Maiduguri to Abuja. Airfreight between Lagos and Enugu, Lagos and Abuja, and Lagos and Maiduguri is ₦1750 (\$14) per 50kg. It takes about six hours to fly from Lagos to London and five hours from Abuja to London. Airfreight between London and Lagos is \$150 per 50 kg. Participants considered local flights to be relatively cheaper than foreign flights. Regarding intraregional trade, participants felt it took a long time to travel by air in West Africa, since the airplanes stop in almost every country to pick up and drop off passengers and luggage. This made air transportation boring and tiresome. International traders did not consider these costs and length of time as barriers as the traders were used to them. Though these inconveniences increase the price of goods, they could easily pass on these costs to customers.

The Lagos ports (Apapa and Tin Can Island), in comparison to those in Port Harcourt, Calabar, Warri, and Sapele, are more commonly used to receive goods in Nigeria. The time it takes to clear goods could be a minimum of two weeks depending on several factors, including how much the owners of the goods and the clearing agents were willing to spend on bribes to hasten the process. It also depended on the inspection rule in operation at the time, whether pre-shipment or destination. Under pre-shipment inspection, agents are appointed by the federal government of Nigeria to carry out inspection services of goods before shipment. Customs relies on the report (clean report of findings) of the inspection agents. As at the time of the FGDs, comprehensive destination inspection rule was in operation. Nigerian customs agents do this inspection physically because there are no scanners. This takes time and exposes the goods to pilferage.

The clearing can be a barrier to business development because the containers are often vandalized and the goods stolen. It also reduces the speed of transactions. Goods might not easily be sold and arrangements for another consignment might not commence, particularly when the payment system used is remittance rather than letters of credit. This problem mostly affects small-scale importers.

The telephone system is unreliable, although the advent of Global System for Mobile Telecommunication (GSM) and the private telephone operators have improved the situation. The unreliable telephone system results in the need for some people to acquire several phone lines.

The cost of telephone service depends on the destination, the time calls are made, and the payment system. For the GSM, a three-minute call costs from ₦45 (\$0.36) to ₦150 (\$1.20). For Nigerian Telecommunication Limited (NITEL) land-line and the fixed wireless lines, the minimum was ₦12.90 (\$0.11). A three-minute call to London from Nigeria costs from ₦100 (\$0.80) if by internet to ₦300 (\$2.40) by other means. However,

there are some operators who sell call time in bulk through prepaid smart cards, whose rates are as much as 20 percent below those of ordinary calls. These costs are not barriers to business, because they are affordable and can easily be built into the prices of goods. Moreover, the participants feel that reliability is more important than cost.

Internet and email services are unreliable. The participants access these in public cyber cafés and, in the case of bankers, in their offices. Access is often slow, a problem attributed to the internet service providers (ISPs). The cost ranges from ₦100 (\$0.80) per hour to ₦500 (\$4) per hour depending on location and time. Overnight browsing costs between ₦400 (\$3.20) and ₦500 (\$4). The costs are not barriers to business since the individual has options to choose from. Users buy what they can afford.

Electricity supply in Nigeria is considered unreliable and inadequate. One kwh of electricity for personal use is ₦4 (\$0.03); for business use, the cost is ₦8.50 (\$0.07). There are also fixed monthly charges for each category of users.

Public water supply is considered inadequate in Nigeria. In areas where there is service, public water supply is metered and users are charged according to their consumption. There are also private water suppliers who use tankers to transport water from several sources (including the public waterworks, private boreholes, and streams); they then sell to homes and other water sellers. The cost of water depended on the season (dry or rainy) and location, both of which affect the ease of obtaining water. The cost of a 20 liter container of water ranges from ₦20 (\$0.16) to ₦100 (\$0.80). This cost is a barrier to business, since it increases the cost of doing business and workers' cost of living.

Historically, infrastructure has been a government responsibility. Some private persons only come in to take advantage of opportunities presented by the poor performance of the public system. Businesses always play a key role in infrastructure development through the payment of tariffs and taxes.

Recent policy changes in some sectors, e.g., telecommunications, has resulted in the emergence of private operators. Participants felt that government should further privatize other infrastructural facilities and merely set standards for operation. This would enable private operators to come in. Banks too could support with lending. Additionally, there would be good linkage effects to other businesses, as is found in the Global System for Mobile Telecommunications (GSM) sub sector, which has boosted other businesses. In particular, there have been increased activities in the construction industry as a result of new installations required by private telecommunication operators. Commerce has also been boosted with sales and servicing of telephone handsets and accessories and sales of recharge cards. This has increased employment opportunities.

BANKING SYSTEM

About 90 percent of banking in Nigeria is commercial. Participants expressed confidence in the Nigerian commercial banking system, stressing that the attempts by the Abacha government to sanitize the banking system has helped a lot. Under the Abacha administration, bank managers and customers who contributed to the misfortune of banks

were arrested, detained, tried, and jailed. In addition, terminally distressed banks were closed. These actions made bank managers take notice.

Participants unanimously agreed that the banking system is accessible. They added that with an increasing number of banks, competition has become intense and banks have tended to be more customer-responsive. Service quality has improved, as has technology, office facilities, and staff.

Participants use the following commercial banking services: cash lodgment (depositing cash with banks), check cashing (collecting cash from banks on presentation of checks), local and foreign transfers and collection, and current and savings accounts. They have favorable interactions with the banks.

Participants suggested the legislative framework include the laws and institutions that govern banking business. They identified the main laws under which banks operate to include Banks and Other Financial Institutions Decree (BOFID), Failed Banks and Other Financial Malpractices Decree (Failed Banks Decree), Money Laundering Decree, and various guidelines and rules issued from time to time by the regulatory authorities such as the Central Bank of Nigeria (CBN) and the Nigerian Deposit Insurance Corporation (NDIC). Furthermore, publicly quoted banks and banks engaged in capital market activities are also subject to the rules of capital market regulators such as the Securities and Exchange Commission and the Nigerian Stock Exchange.

Strengths of the system

Participants identified the strengths of the banking system as follows: Nigerian managers who understand the business environment very well; good geographical coverage, which makes banking services available in very many places; and the entrepreneurial approach of bankers to business.

Weaknesses

Participants noted the weaknesses in the system to include: under capitalization and liquidity problems; high level of fraud and malpractice, usually linked to insiders; armed robbery attacks on banking halls and bullion vans; poor judiciary case administration, which allows cases to drag on for a long time; high loan repayment default rates; lack of highly experienced manpower; and poor infrastructure, which increases the difficulty of doing business. Bankers would like to see improvements in implementation of BOFID and other guidelines issued by CBN and NDIC.

The Nigerian banking system provides savings services, including targeted savings, e.g. child education and festivals. The minimum amount needed to open a savings account ranges from ₦500 (\$4) to ₦500,000 (\$4,000), depending on the customer focus of the banks. Annual interest rates are 3–10 percent, which also depends on the focus of the bank. Some banks use passbooks, paying in slip, and checks with limited features, while others do not. Some allow transactions to be carried out in any of their branches; others allow only deposits. Some banks allow withdrawals to be made only from the branch in

which the account is domiciled. Some allow payments in any form of the financial instruments; others allow only cash.

Participants agreed that Nigerian banks provide credit services. Credit facilities can be short, medium, or long term. Short-term credits include overdraft (O/D). There can be temporary O/D with tenors (the number of days in which a borrower was expected to repay the credit) ranging from one to 14 days. These are usually used as bridging facilities and are off-the-shelf in nature and expensive with interest rates of 30 to 40 percent. The conventional O/Ds have tenor of one to 12 months and are usually used for local purchase order (LPO) financing, importation, and working capital financing.

Medium-term credits have tenors ranging from one year to two years and are usually used to finance fixed assets. The interest rates charged are determined by the CBN. Generally, the interest rate is calculated by adding the minimum rediscount rate (MRR) (i.e., the rate at which banks borrow money from the Central Bank of Nigeria) plus 4 percent. However, banks usually add fees to this amount.

Long-term credits are for over five years, but banks are generally not interested in them because of the high risk of default and the short-term nature of their deposit portfolios—the totality of deposits. Various depositors tend to take their money out within short periods (in days). Since deposits tend to be short term, banks cannot count on that money when it comes time to renew longer-term credits/loans that mature.

The bankers identified various ways of money transfers to include the following:

- SWIFT for international transfers—These types of transfers would be instantaneous if the infrastructural facilities were good but they usually take two days.
- Transfers within the country –Banks that have wide geographical spread perform these transfers for customers and non-customers. The transfers take a few days.
- Transfers to other West African countries—These types of transfers are not popular and are done only by Ecobank and Diamond Bank, which have branches in some West African countries.

Non-banking means of money transfer used by traders include reputable public transport operators and courier companies.

Nigerian banks do not provide insurance services. Even with the advent of universal banking, banks either owned insurance companies or formed alliances with them.

Nigerian banks provide letter-of-credit (LC) services if requested; these take about three months to conclude because of poor infrastructure. The cost of LCs depends on the bank and its relationship with the customers. It could be ₦2,500 (\$20) plus a 1 percent flat value of the LC or less. However, many customers do not use LC since their suppliers insist on full payment before shipment. LC usage can only be meaningful when suppliers stop insisting on full payment before shipment.

Participants said that though CBN got banks to agree that the interest rate would be the minimum rediscount rate (MRR) plus 4 percent, it is not strictly adhered to. The MRR is fixed by the CBN and varies depending on the monetary policy. At the time of this study it was 16.5 percent. The actual rate charged depends on the value of facility, the tenor, risk, and customer; it is usually negotiable. The underlying rule is the cost of doing business. The crucial considerations in risk are ease of recovering the facility and interest which depends on the views of the credit committee and management.

BUSINESS ASSOCIATIONS

Generally, participants felt that business associations are worthwhile. They believed that business associations serve the interest of members by representing their views to the government on issues that affect them, organizing trade missions outside the country and visiting compatriots, and conducting workshops and seminars. Participants believed that trade missions and exhibitions these associations organize promote trade between Nigeria and other countries. Associations also assist with trade inquiries.

Participants identified the following business associations: Lagos Chamber of Commerce and Industry, Nigerian American Chambers of Commerce, West African Businesswomen Network, Onitsha Amalgamated Traders Association, Nigerian Businesswomen Forum and Balogun Business Association.

Focus group participants cited examples of things the associations have done, for instance, the relocation of the Balogun market to Lagos International Trade Fair Complex from Lagos Island. The Onitsha, Maiduguri and Balogun traders identified security and resolution of disputes between members as some of the services of their associations. Some participants identified ineffective lobbying of government as one of the inadequacies of business associations. Associations can do better in membership mobilization and influencing of public policy particularly on interest rates, infrastructure etc.

Participants did not see any need for preferential treatment of businesswomen or how this treatment would advance the course of women in business associations. Moreover, some women have held executive positions in some reputable business associations; so, it does not appear that women experience barriers based on gender. Participants are indifferent about being members of associations headed by women, arguing that there are some who are already members of associations headed by women and it does not make a difference so long as the person can deliver.

WOMEN IN BUSINESS

In business, gender is not usually the problem. However in some cultures, families do not give as much encouragement to women as they do to men. For instance, women are traditionally expected to take care of the home—including children, cooking, and housekeeping. In many circumstances, women do not start business until their children reach school age. Some banks require women to bring their husbands before facilities can be granted. Businesswomen are not expected to be out of the home on long business trips, because they are expected to tend to family matters. Women do not have succession plans

for their business, because their operations are usually too small to warrant such planning.

CUSTOMS OFFICIALS AND POLICE

Generally, participants agreed that both agencies are “thieves” whose main activity is to collect money illegally while taking longer than necessary to perform their lawful duties. The money traders parted with tend to increase the cost of goods, costs they must pass on to customers.

Police do not provide adequate security, particularly on the Lagos–Badagry Expressway and in northeastern Nigeria. The police and customs services could improve if they were provided with a high degree of retraining. They should also be better equipped. Furthermore, if they were adequately monitored and the bad eggs among them caught and properly disciplined, the others would change for the better.

In some cases the gendarmes in Nigeria’s neighboring countries tend to be overbearing, subjecting Nigerians to dehumanizing experiences. The participants did not think there was much difference between the police and customs officials in their illegal activities. Soldiers’ illegal activities are not severe. It does not appear these problems have attracted adequate attention beyond lip service. Governments of the states should show more seriousness in solving these problems.

Police interference in haulage is similar in intraregional transport as well. Participants recommended the same actions to address these problems.

On the other hand, police and customs officials saw themselves as performing their lawful duties. They expect those who do not have the complete necessary import documents to bribe them to allow them to go free. The customs officials revealed that customs men are adequately trained locally; that the fiscal policies might be difficult to implement to the letter because they do not seem implementable. Regarding pay, both agencies are paid through the civil service system. But the customs felt that the police are more favored, particularly when there is an increase in crime. As for promotions and postings, both agencies agreed that some are influenced, but not many. They also agreed that getting rid of bad eggs, adequate training, and improved equipment and conditions of service would improve their services.

TRAINING AND CAPACITY BUILDING OF WOMEN IN BUSINESS

Participants generally agreed that businesswomen need training in business management, pricing, costing, finance, ethics, business development (e.g., new business ideas), and customer relationship management. This training could be done through seminars, workshops, mentoring, roadshows, etc. They also unanimously agreed that getting charismatic and successful businesspeople to facilitate would be a good way of doing some of this training.

The need for training

The women FGD in Onitsha revealed that “most of the businesswomen are illiterate and semi-illiterate” whose education was stopped when they got married. At marriage, the women became full housewives. They only started subsistence business after they had had children. The nature of subsistence business tends to enable women to continue attending to family matters—which is considered their primary function. The family cannot afford women being away on extended business trips as international trade demands. Nigerian businesswomen believe that they need to travel and personally purchase their wares and arrange for transport before making the return journey.

The women FGDs in Onitsha and Lagos also revealed that businesswomen usually used their business money for personal expenses without due consideration of the effects of that action on the business. Such actions tend to reduce the financial resources of the business. The WABNET FGD revealed that “there is need to change the sociocultural factors that inhibit women in business.” These include self-limitations women imposed on their capabilities. Women tend to believe that the “struggling” in business is better left for men. After all, they rationalize, their husbands would take care of them. They attribute this attitude to their social upbringing and societal values. Moreover, it is said that men would always prefer to be the families’ economic pillars. This would ensure obedience and respect by their wives.

Also identified is the need to change the attitude of some women who emphasize fashion over their businesses’ financial needs. The penchant for fashion led some women to fund their fashion to the detriment of their businesses.

Area of training

The identified areas that ECOGEE training should address are business development, finance and accounting, customer relationship management, and ethics.

At the WABNET FGD, a participant observed that “We need an information center, a place where somebody can go and get information on the kind of business he or she is interested in.” The need for Internet training, particularly regarding business opportunities related to it, is also identified. Training in finance and accounts would enable women to keep better records and understand financial transactions better.

Training materials

Training materials should be designed to suit the various classes of businesswomen to be trained.

Means of training

The WABNET FGD identified “organizing workshops, training sessions, mentoring, getting people who are successful in business to talk to women, (and) telling them how they made it.” Other means identified are road shows, television, radio, and newspapers.

Trainers

All FGDs recommended use of charismatic and successful business leaders, whether men or women, to talk to women on how they became successful.

Means to change official policies

The FGDs recommended the formation of an association that would interact with government officials and relevant agencies, e.g., customs and police, on issues that affect their businesses.

The WABNET FGD participants recommended strict implementation of rules and regulations. They frowned on the ubiquity of prohibited items in Nigeria.

**Forum for African Women Educationalists (FAWE)
Sierra Leone Chapter**

EXECUTIVE SUMMARY

Growth Through Engendering Enterprises Project (ECOGEE)

Focus Group Discussions in Sierra Leone

For

INTERNATIONAL BUSINESS INITIATIVES

March 2003

INTRODUCTION

The Forum for African Women Educationalists, Sierra Leone Chapter (FAWE) conducted focus groups in Sierra Leone with support from International Business Initiatives (IBI) during February and March 2003. Four focus groups took place, two in the capital Freetown—a female leaders group and a male bankers group, and two in Kambia—a female traders group and a male customs and police officials group. Freetown is located on the coast of Sierra Leone and is a major port, Kambia is a town close to the Guinea border. The aim of the focus groups was to investigate the barriers to intraregional trade and how they could be best combated. An independent consultant based with FAWE wrote the focus groups report.

MOOD OF PARTICIPANTS

The ten-year civil war still looms large over the participants in the four different groups, but there were many differing views as to the current state of the country. Consensus seemed to be that it was at a crucial point, but the direction it was heading was much disputed. While some, such as the bankers, were optimistic about the pace of development others, such as the traders, felt that life was getting harder and harder and there were no signs of improvement. Management, both in the private and public sectors, was called into question, with many expressing doubts in the sincerity of the government in implementing real change and having little faith in education and business skills in the private sector.

Three other themes that occurred were education, credit and the divide between Freetown and the rest of the country. First, the education system has become very weak after it was destroyed during the war. This has a direct effect on the pace of development. Second, lack of access to credit for the poorest prevented small-scale businesses from growing and assisting the economy. Tied to this was the feeling that foreigners were encouraged to trade ahead of Sierra Leoneans. Finally, the divide between Freetown and the rest of the country is a very concrete one, with facilities and services simply not available outside the capital. This divide has a clear effect on the participants' mood. The two groups in Freetown were much more optimistic about the development of the country, while those in Kambia were not at all hopeful, seeing most of the funds for business kept in Freetown.

INFRASTRUCTURE

The three main barriers to trade were perceived to be the poor road system, the non-existent communications system and the rate of tariffs. Based on their lack of knowledge of the transportation costs outside of Freetown, it can be supposed that those living in Freetown are not traveling to other areas of the country often. When talking about the transportation system the two groups from Kambia mentioned the difficulties they experience in Guinea, a problem that should be easing with the advent of ECOWAS but obviously it is not. Air transport is rarely used and not seen as a useful avenue for trade. Water transportation was seen as more viable but the problems with clearing customs hampered its use.

For those living outside of Freetown, their knowledge and use of the communication system has become limited as the result of all their phone lines being destroyed in the war. The rehabilitation work has yet to start. However, even among those in Freetown, their knowledge of communication costs was poor to non-existent and internet use minimal. Utilities service was also poor, with the national power supplier, NPA (or No Power Available as more than one group put it), seen as inefficient. There were calls for it to be privatized, as there were also for the telephone system. Water is unregulated and its supply is again poor in Freetown and non-existent in Kambia.

All groups agreed that the responsibility for the maintenance of infrastructure lay between the government and the people. The government should actually maintain it but the people have to pay for the services as their “social responsibility”.

BANKING SYSTEM

The banking system was highly thought of by all groups, though far from all the participants used it. Most participants, even those traders that did not use it at all, had complete trust in it. There are not sufficient banks outside of Freetown but this did not have a great effect on people’s views. What was of more concern was access to credit for the poorest groups.

Bankers felt that the Banking Act of 2000 was too restrictive on their practices and that the central bank and government do not listen to their concerns. An area of specific concern was debt recovery. Since debt recovery is not well regulated, it is causing banks to be more reluctant to loan money to all but the most trusted customers. The credit system was also showing the after effects of the war with no real long term loans available, three years was the average long term loan period with a few exceptions extending to five years. ECOWAS was mentioned but did not seem to have had much effect as of yet, there was some hope that this would change.

Bank usage by even those in Freetown was minimal, with only the basic credit and savings schemes used with few exceptions. Those who did not use the bank said they planned to in the future but access to credit was a major issue.

BUSINESS ASSOCIATIONS

While all the groups were able to give a good working definition of a business association few were able to give examples of successful business associations working in Sierra Leone, specifically, traders were unable to name any. Some current associations came under fire for focusing on enriching the one person in charge rather than the entire group. This ‘selfishness’ came up a number of times and was ascribed as a Sierra Leonean characteristic of only thinking about oneself rather than the country as a whole. One participant noted, “people need to be educated about their role as citizens”.

Participants saw associations, like society as a whole, as dominated by men. But this was changing. The female groups thought that women needed to take a more active role in this change. The male groups agreed that women face more obstacles in business. All

groups agreed that they were happy to belong to an association run by a woman, competency was more an issue rather than gender.

The groups suggested four areas to be addressed in the future: training, networking, credit and lobbying.

WOMEN IN BUSINESS

The two factors that most affect women in business are credit and sexual harassment. Women are provided with little access to credit, both from the banking sector and from the family. For cultural reasons, families prefer to provide financing to male children; and banks are unwilling to provide loans without collateral which women find harder to access. The women leaders brought up the issue of sexual harassment; however, the blame for this was split along age lines. The older women in the group blamed young women in society for their provocative behavior. The younger women in the group disagreed strongly with this, saying that while there was some provocation the level of harassment was unacceptable.

The women in either focus group had not dealt well with succession; none of them had drawn up a will. They were able to suggest ways to move forward, such as involving children in businesses. In general, the skills that the groups thought were needed for women's business development were all personal attributes, rather than business specific knowledge.

CUSTOMS OFFICIALS AND POLICE

Customs and police officials saw their role as positive, providing security and assisting in clearing customs. However they acknowledged that they were in a tough situation as few members of the public are aware of customs requirements. These requirements are published but not widely available. The other groups cited better publicity of the tariffs as a way to improve the corruption that they believe to be endemic throughout the two sets of officials. Both sets of officials are very poorly paid, which some of the other groups saw as a reason, but not a justification, for corruption. The other groups also thought that the legal system needed to be strengthened so that it was better able to deal with corruption and bribery.

TRAINING AND CAPACITY BUILDING OF WOMEN IN BUSINESS

Participants believe that the most effective medium for training and capacity development is direct communication, through group meetings, workshops, drama and seminars. Surprisingly, they did not think the radio, often seen as an efficient means of communication, to be that useful as few people actually listen to it.

Participants saw women business leaders and NGOs run by women as the most effective groups to impart training. Others that can conduct training are teachers and donor assisted projects, even though there was some confusion of the difference between these projects and NGOs. Some also mentioned using customs officials, despite the latter believing that they could not be involved because "they would stone us".

The issues that need to be addressed outside of training are the improvement of infrastructure and the eradication of corruption. Areas that need to be addressed with training were: basic business skills, financial skills and the forming of alliances and pressure groups.