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**Women Entrepreneurship in Tanzania: Is there
discrimination and inequality in the access to start-up
capital?**

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Bio

Halima Abdi Sharifu graduated from the Institute of Finance Management, Dar salaam, Tanzania with a Bachelor of Science degree in Social Protection. She also holds a certificate in education. Additionally, before her degree she has worked as a teacher in an Elementary School for four years. Currently, she is studying towards her Master's degree in innovation and technological entrepreneurship. This dissertation is part of the Master's program.

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Abstract

Women in more recent years have become more economically independent and socially autonomous in some parts of the world.

A 2012 World Bank's report on gender (in) equality in Tanzania shows that there has been an improvement in this regard as women now own 47 per cent of non-agricultural household enterprises in the country and also account for 35 per cent of wage employment in the country. Despite this achievement, it appears that Tanzania still experiences some lapses especially in the area of accessibility to startup capital as some women entrepreneurs are likely to not enjoy the same opportunities as men in accessing start-up capital due to discrimination by banks and similar financial institutions.

The present research aims at assessing the perceptions of women entrepreneurs in Tanzania regarding bank loan access and difficulties their experience in the process of financing the startup of their business.

Focusing on small scale businesses, the present study implemented a personal face-to-face inquiry to 75 women entrepreneurs from Dar es Salaam area. Resorting to statistical and econometric methods, we did not find any significant evidence that women are being discriminated against when applying for loan for their capital startups. Nevertheless, we were able to gather some of the reasons why women are sometimes denied access to loans. Some of these reasons include failure to demonstrate the viability of their businesses, lack of entrepreneurial skills, issue of collateral security and high default rates by women, lastly relationship between the entrepreneurs and the banks.

Keywords: Gender Inequality; Women Entrepreneurship; Start-up Capital; Tanzania

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1. Introduction

In many countries of the world the participation of women in the small business sector is no longer new as women are now seen to be playing a major role in the economy's growth and development by promoting growth and reducing poverty (Still and Timms, 2000; Klapper and Parker, 2011).

Over the years there have been a lot of changes in societies as more and more women have access to higher education, employment, political empowerment and economic independence (Singh and Gupta, 2013). However, in many countries (both developed and less developed nations) issues relating to gender inequality/discrimination, especially in the area of entrepreneurship, are still surmount (Chitsike, 2000; Saul and Mickiewicz, 2009; Klapper and Parker, 2011).

Inequality and discrimination although taken often as synonymous do not mean the same thing. Specifically, inequality involves an inactive status difference between the advantages given to individuals of distinct demographic, usually race/gender, whereas discrimination is an actively applied and encouraged action that endorses inequality in many settings. As referred in ICT-ILO (2007: 1) “[d]iscrimination ... entails treating people differently because of certain characteristics, such as race, colour or sex, which results in the impairment of equality of opportunity and treatment. In other words, discrimination results in, and reinforces, inequalities”.

From an economic point of view, the study of gender discrimination and inequality should not be overlooked as women are increasingly contributing to the economic development but yet continue to face a lot of obstacles compared to their male counterparts (Derera et al., 2014). However, according to Derera et al. (2014) the obstacles women face do not explain the details of the process women follow in getting access to startup capital. Indeed, a vast number of women entrepreneurs, especially in developing nations, still experience problems such as lack of money, resources and economic power (Chitsike, 2000; Singh and Gupta, 2013).

The issue of access to finance is just one of the many challenges that are being faced by the women entrepreneurs. Other barriers stem from the interaction of socio-cultural values and strong family orientations which turn out to influence the choices women make (Ituma and Simpson, 2009).

Not much research has been done in the area of gender inequality and entrepreneurship, especially in the developing and the Least Developed Countries (LDCs) as most studies have focused on the developed nations (Cetindamar et al., 2012). And yet this type of research is deemed important and very relevant for the context of LDCs as well as developing nations where problems of gender inequality have been established (Klapper and Parker, 2011).

The aim of the present dissertation is to assess and explain the challenges faced by women in getting access to loans needed for their start-up businesses, by analyzing an unexplored context, Tanzania. Some extant studies have analyzed women entrepreneurs and the difficulties in accessing capital focusing distinct contexts, Nigeria (Mordi et al., 2010), and South Africa (Derera et al., 2014). The first study by Chitsike (2000) analyzed culture as a barrier to rural women entrepreneurship examined the challenges that Nigerian female entrepreneurs faced in the development of their business showing that they experience difficulties relating to family commitments and access to capital. Derera et al. (2014) analyzing South Africa women underline that women do not enjoy equal opportunities as men when seeking for capital in their business start-ups.

The study on Tanzania is pertinent as the country presents an intermediate situation in terms of easiness of doing business compared to South Africa and Nigeria. According to the latest Doing Business report (World Bank, 2014), Tanzania ranks 131th position in terms of easiness of doing business, above Nigeria (which ranks 170th) but well below South Africa's, which is ranked in the 43rd position. Being one of the main constraints to entrepreneurial intents and actions, the access to capital, it is plausible to expect that countries differently ranked in terms of easiness of doing business might present distinct context and determinants of women entrepreneurs' access to start up capital.

Considering the importance of the role played by women referred above, it becomes imperative to explore some of the challenges that female entrepreneurs in Tanzania face, namely in terms of getting access to funding. The present study is very important in the context of the chosen country because according to the World Bank report (2012), it appears Tanzania still has issues in the area of gender inequality particularly in terms of accessibility to startup capital as some women entrepreneurs do not enjoy the same opportunities as men in accessing start-up capital due to a discrimination found in the financial sector. To investigate this we plan to use quantitative methods. These include

conducting interviews with a group of small-scale business women in Tanzania whose firms are located in Dar es salaam area.

This dissertation is structured as follows. Next section (Section 2) presents the literature review. Then, in Section 3 the methodology is detailed. Finally, Section 4 presents the results. In Conclusions, results are discussed and policy implications presented.

2. Entrepreneurship, gender inequality/discrimination and access to capital: a review

2.1. Studies on entrepreneurs and gender inequalities: a brief bibliometric account

Resorting to Scopus as the bibliographic database of reference and using ‘gender inequality/ differences’ and ‘entrepreneurship’ as search words, in the article title, abstract and keywords, we gathered 98 documents. Out of these 14 were disregarded as they did not focus on the issues in analysis. The remaining (84) articles were mainly empirically led (more than 80%). Those empirical papers are mostly analyzing developed countries (78.4%) or, in less extent, developing (17.0%). The analysis of least developed countries is residual (cf. Figure 1).

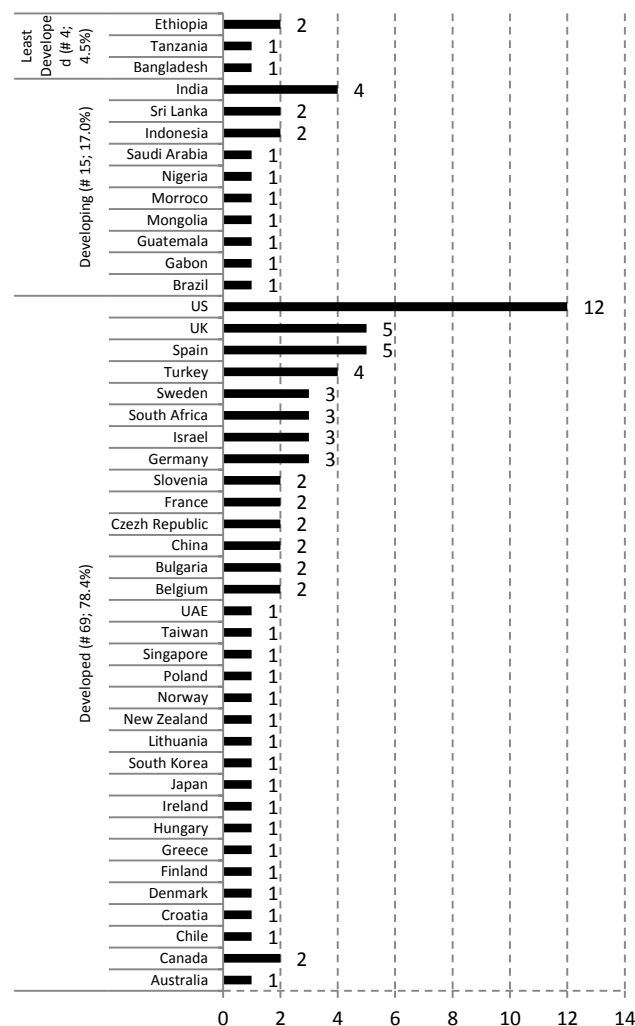


Figure 1: Type and number of countries that have been analyzed in issues regarding gender inequality and entrepreneurship

Source: author's based on data gathered from Scopus Sci Verse on November 5, 2014. The total number of empirical papers included in this analysis is 76.

The focus of the present work is to examine the issue of gender inequality and discrimination for women particularly in accessing capital for their business start-ups. As gender inequality/ discrimination is a multidimensional phenomenon, in order to gain a deep insight into the kinds of challenges/hurdles women generally face in their career lives, it is important to analyze how women are being discriminated against in other areas apart from access to capital. Therefore, the present literature review encompasses entrepreneurship and gender inequality in general and not only regarding access to capital.

It is interesting to note that only two studies addressing entrepreneurship and gender inequality focused on Least Developed Countries (LDCs): Rutashobya and Allan (2009), who analyzed Tanzania, and Rijkers and Costa (2012), who focused on Bangladesh, Ethiopia, Indonesia and Sri Lanka.

Main topics on gender inequality in the developed and developing nations are summarized below. They include egocentric network differences among female and male entrepreneurs, gender differences in the individual portfolio choice and productivity, differences in competitiveness among men and women. Also, there is gender inequality in terms of access to capital which is the main focus of this work and will be dealt with separately.

The study by Rutashobya and Allan (2009) focused on the egocentric network differences between female and male entrepreneurs and their entrepreneurial outcomes in Tanzania. Using a sample of 272 micro- small, and medium-size enterprises, the study shows that female and male entrepreneurs have different networks. When compared to their male counterparts, female entrepreneurs' strong ties included more kin members. The study went further to confirm that significant gender difference in entrepreneurial outcomes at both start up and at the time of research was found, which means there is an antecedent networking behavior influence on performance. The main implication of this study is that there is a need for women entrepreneurs to improve their networking behavior in Tanzania.

Performing a comparative study, Rijkers and Costa (2012) analyzed gender differences in the individual portfolio choice and productivity of nonfarm entrepreneurship in Bangladesh, Ethiopia, Indonesia and Sri Lanka. They found that except for Ethiopia, women are less likely than men to become nonfarm entrepreneurs, that is, women are

less likely to engage in income earning activities in rural areas in these countries. The findings also point to the fact that female led firms are much smaller and less productive, on average. They, however, noted that gender differences in productivity vary dramatically across countries. For example, male firms were found to be roughly ten times as productive as female firms in Bangladesh, three times as those in Ethiopia and twice as those in Sri Lanka. The only exception was Indonesia which there was no significant difference in terms of productivity. Such differences in the output could be explained by sector and size and not by the differences in capital intensity, human capital or the local investment.

Some of the challenges being faced by women entrepreneurs in the literature include higher capital requirements; unfavorable tax and social security regulations associated with legal forms; resource constraints; gender-related differences in personal and professional demands; differences in foreign market experience particularly in foreign markets; limitation in network of men and women; less social capital compared to those of men; women not being able to perceive good business opportunities compared to men; higher fear of failure compare to men; lower level of trust and leniency by the government officials (Cooke, 2005; Yordanova and Davidkov, 2009; Orser et al., 2010; Romani et al., 2012).

Bönte and Piegeler's (2013) study on 32 countries of the EU identified differences in competitiveness which were found to be much lower for women compared to men, hence contributing to the gender gap. Nevertheless, they also found those factors such as business environment, access to finance or work-family conflicts as contributing factors to gender inequality.

According to Yordanova and Davidkov (2009), Bulgarian women are likely to choose sole proprietorship as a legal form and to also run smaller businesses compared to their men counterparts. The reason for this includes the challenges being faced by the women reflected in the higher capital requirements when setting up their businesses along with unfavourable tax and social settings. Also the study by Orser et al. (2010) assert that some of the challenges faced by women entrepreneurs in Canada include the lack of enough resources to start-up businesses, and gender related differences in personal and professional demands, especially in international businesses.

The study by Cooke (2005) focusing on China has a different dimension to the challenges faced by women. It recorded that women often experience discrimination when dealing with government officials who sometimes look down to and have lower level of trust in them. Focusing on Chile, Romani et al. (2012), argue that gender inequality is affecting negatively the size of informal investment in this country and, consequently has a negative impact on the formation of new business. Some of the areas where women present disparate patterns compared to men include: less social capital, incapacity to perceive good business opportunities, higher levels of fear of failure, and lower levels of trust and leniency by the government officials.

In all the studies summarized above, it was noted that most businesses owned by women are usually small in size and with the owners not doing much to grow the business since most of the time the businesses have a low potential to grow (Klapper and Parker, 2011). This could be the a result of limited resources at their disposal, as it was explained in Cooke (2005). As a coping strategy, women usually allow their male spouses to deal with external affairs in order to make it look like they are the ones in charge whereas in reality the woman was the brains behind the enterprise and had made the initial contact with the business network (Cooke, 2005).

2.2. Entrepreneurship, gender inequality and access to capital: a qualitative overview of extant empirical studies

The issue of gender inequality related to difficulties in accessing capital by women, in both developing and developed countries, has been well documented in the literature (Muravyev et al., 2009; Mordi et al., 2010; Brana, 2013; Sena et al., 2012; Derera et al., 2014). All these studies are pointing to the fact that access to capital by women entrepreneur is challenging when setting up a business.

According to Mordi et al (2010), access to credit facilities is often identified as one of the most challenging steps that entrepreneurs face when starting up their business . Such difficulties is usually even more complicated when women are the ones involved (Sena et al., 2012). Sena et al. (2012) associate gender inequality in terms of access to capital to a sign of discrimination that female entrepreneurs face when trying to have access to credit facilities for their business start-ups. Hence women are often forced to use their personal savings rather than bank finance when setting up their business; this is due to

the fact that banks are sometimes reluctant in giving out loans to women, Mordi et al (2010); Derera (2014).

A study by Muravyev et al (2009) corroborates the above study. These authors found that women entrepreneurs are less likely to be able to access bank loan as opposed to their men counterparts. Some of the discriminating practices include a situation whereby higher interest rates are charged when women applications for loan are eventually granted. This could explain why female entrepreneur are less likely than they male counterparts to seek external finance, as documented in Sena et al (2012). Mordi et al. (2010) also confirmed that the lack of access to capital is ranked as one of the top three challenges being faced by the women when setting up a business. One explanation for such difficulty is the complication in finding acceptance in the market due to discriminatory practices that exist in the banking sector and lack of finding right contacts for networking (Mordi et al., 2010).

Brana (2013) looked at the issue surrounding women access to capital from a different perspective by looking at the applicants of micro lending companies. This study confirmed the men–women gap in clienteles of the microfinance companies. Derera et al. (2014) took things further by concluding that the discrimination women entrepreneurs face might not necessarily be targeted towards women only; as it could occur due to the fact that private financial institutions are in business to make a profit; hence, they always prefer to lend money to customers with a low-risk profile. And since women tend to not meet up such requirement, it appears as if they are being discriminated (Derera et al., 2014).

Focusing on developed nations, Verheul and Thurik (2000), Marlow and Patton (2005), and Klapper and Parker (2011) pointed to the fact that women in developed world also face major obstacles in getting their business funded. Not only women have difficulties in accessing the needed fund, but the size of their capital could also be affected as women are often found to have a smaller amount of capital compared to their male counterparts (Verheul and Thurik 2000). Some of the obstacles women face in obtaining capital could also be lack of credibility and resources required to engage fully and fairly with entrepreneurship in the current market economy as explained by Marlow and Patton (2005). In addition to this obstacle, there are issues such as women having difficulties completing loan applications due to lack of financial literacy. Therefore, women often find it harder to navigate their way through financial markets (Klapper and

Parker (2011). Other issues include lack of basic educational background, lower business experience compared to their men counterparts and lack of adequate collateral securities.

2.3. Factors determining success in accessing capital

There are quite a number of factors that influence the rate of success in accessing finance for a business start-up. This includes nature of the business, collateral securities, clear repayment plan, size of the business, age of the business, age of the business owner, gender, location of the business, race, exportation, fewer numbers of employees. Also financial characteristics such as business registration, accurate documentation of transactions and financial activities, good business planning. (Storey 2004; Nkuah, Tanyeh and Gaeten 2013; Abdesamed and Wahab, 2014).

Nkuah et al. (2013) explained that firms in the service sector are most favoured than those in the production and agricultural sectors because of the uncertainties in the agricultural sector which could sometimes result in higher probability of loan default. In terms of size of the business. Storey (2004) affirmed that the denial rates for loan application broadly decrease with size, that is, as firm increases in size, the probability of success in securing loan also increases. It is believed that the age of the business also has an impact on the success rate of loan application, for example, all the studies above conclude that owner-managers with higher education levels and experiences have greater chances of operating a prosperous firm and initiating growth than owner-managers with lower education levels and experiences. Hence, their success rate in securing loan increases. Furthermore, another major factor that determines access to finance is collateral securities. It was explained in Nkuha et al. (2013) that business owners that are in possession of assets such as houses, land, business products and business vehicles are more likely to succeed in getting the needed capital from credit institutions.

Looking at gender, Nkuha et al. (2013) found that this variable is significant in getting capital, as men are more favoured in accessing funds compared to women, the reason being that financial institutions still consider giving loans to women as a risky adventure. However, in Storey (2004) it was observed that such gender inequality in terms of access to capital does not exist and rather what seems to be important in determining access to fund is race, with African descendants having more difficulties in

securing funds compare to other races. In terms of academic qualification, it is plausible that business owners with a higher degree will find it easier to secure a loan because there is higher probability of operating a successful firm and initiating growth compare to owners with basic education (Nkuha et al., 2013).

In addition, regardless of gender, there is the issue of an effective business plan. It is unlikely that people without a concrete business plan will find it easy to access loans (Nkuah et al., 2013; Abdesamed and Wahab, 2014).

3. Methodological considerations

3.1. Main research question and model specification

The main research questions that we intent to respond with the present study are three fold:

- 1) What is the magnitude of the difficulties of Tanzanian women entrepreneurs in accessing to bank loan/funds?
- 2) What are the main reasons for the difficulties for women entrepreneurs to access to funds?
- 3) Whether there is gender discrimination or inequality in accessing to funds and the corresponding main determinants?

For answering those questions we devise a questionnaire to be implemented in a sample of small scale business women whose firms are located in Dar es salaam which is the main commercial city of the country. We focus on small scale businesses since the majority of the women entrepreneurs are in small scale (Derera et al., 2014).

Beside descriptive analysis in order to fully answer the question 3 we will estimate the following specifications:

Applied for bank loans

$= f(\text{Perceived discrimination and inequality; Business characteristics; Women characteristics;})$

Difficulties experienced in the application for bank loans

$= f(\text{Perceived discrimination and inequality; Business characteristics; Women characteristics;})$

3.2. Data gathering procedures

The indicators of the relevant variables considered in each group of determinants mentioned in the equation above were gathered through personal face-to-face inquiries to 75 women entrepreneurs from Dar es Salaam area. The gathering of data occurred between April and May 2015.

For the purpose of saving respondents' time in filling the questionnaires, the questions were designed in such a way that they can easily be understood by respondents and clearly linked to the objectives of the research. Likewise, in order to simplify the analysis section, questions in the questionnaires are grouped into three parts (see questionnaire in Appendix).

Part 1 (Business start-up and finance) intends to explore the overall understanding of business start-up and finances. It is the most important part of the study. It covers the questions such as: the reasons for starting own business, sources of finance to start own business, barriers for accessing finances to start the business, the perceived main reasons behind the discriminating attitudes of lenders towards women entrepreneurs in Tanzania, the major challenges facing women entrepreneurs in accessing financial resources to start their businesses in Tanzania, and the respondents opinion on what should be done to enable women entrepreneurs to have easier access to financial resources to start their own businesses.

In part 2 (Business description), the questions cover the general background and description of respondents' business, aiming at obtaining broader knowledge of the nature of their businesses, their business experiences, size of their business and registration status. This intends to broaden the researcher's understanding of the overall nature of start-up businesses in Tanzania's environment and their implication to the sources of finance.

Finally, part 3 covers the general description of the research participants, specifically, their age, marital status, education levels, and the number of dependents. The questions intends to understand whether investors' personal characteristics have any implication to the establishment of own business, and the implication of investor's description on access to capital.

4. Empirical results

4.1. Characterizing the respondent sample

From the total respondent women (75), the average age is 32 years old (the youngest is 20 and the eldest 63 years old). The vast majority of women entrepreneurs are married (64.4%), although about one third (27.4%) are single. Widows and divorced women represent 8.2% of the total respondents.

The sample of women entrepreneurs in this study seems to be highly educated compared to Tanzania's situation. In the sample, about 80% of the respondents have the secondary or higher schooling levels, with almost 30% having advanced diploma (i.e., university degree) and only 20.5% the primary school only. This is in contrast with the general situation in Tanzania. According to the 2012 census that was published in 2014, the percentage of women with primary school education is 83.6% whereas those with secondary school education or higher represent only 14.9% (see Table 1).

Table 1: Literacy level in Tanzania (2014)

	No school	Primary School	Secondary School	University and others
Female		83.6%	13.2%	1.7%

Source: NBS Tanzania

Only a small percentage of inquired women (13.7%) said that they did not have any children/dependents at their care; the majority (53.4%) has 1-3 dependents at their care. A considerable percentage (32.7%) has 4 or more dependents at their care.

Regarding the business characteristics that these women run, we can observe from Figure 2 that most of them are involved in activities from the secondary sector, namely Tailoring (45.2%) and Food (30.1%) industries.

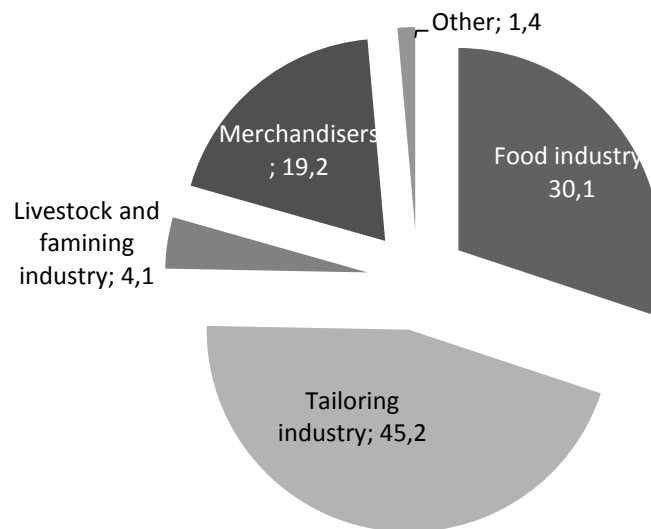


Figure 2: Business sector (% total) of Tanzanian women entrepreneurs
 Source: Data gathered personally from 75 women entrepreneurs between May and June 2015.

Although most of the businesses are fully (46.6%) or partially (16.4%) registered, the degree of informality is still high with 37% of the business not being registered at all.

Businesses are relatively recent with an average age of about 5.2 years, with the median of 4 years. Although there are some outliers (with the oldest business being running over 30 years), the sample is quite concentrated around the mean (cf. Figure 3a).

Businesses are relatively small. On average, each business has 3-4 employees. About 52% of the businesses have 2-4 employees and 22.7% have no employee (cf. Figure 3b). In terms of sales, an average business grants its owner an amount of turnover about 1613 thousand TZSH (i.e., 806€ per month). This mean is, however, quite influenced by the outliers (cf. Figure 3c). The median is more reliable informing that 50% of the business present a turnover of 600 thousand TZSH per month (i.e., 300€/month). In per capita terms we have a figure of 286 thousand TZSH per month, on average (i.e., 143€/month) (cf. Figure 3d).

According to Africapay. Org, the average minimum wage for all the sectors in Tanzania (having as reference the year 2013) was 215714 TZSH per month (83€/month). This figure is much lower than that of per capital income pointed by women entrepreneur (143€/month). Such evidence supports the argument that the majority of these women opted to go into the business because of the quest to earn more money.

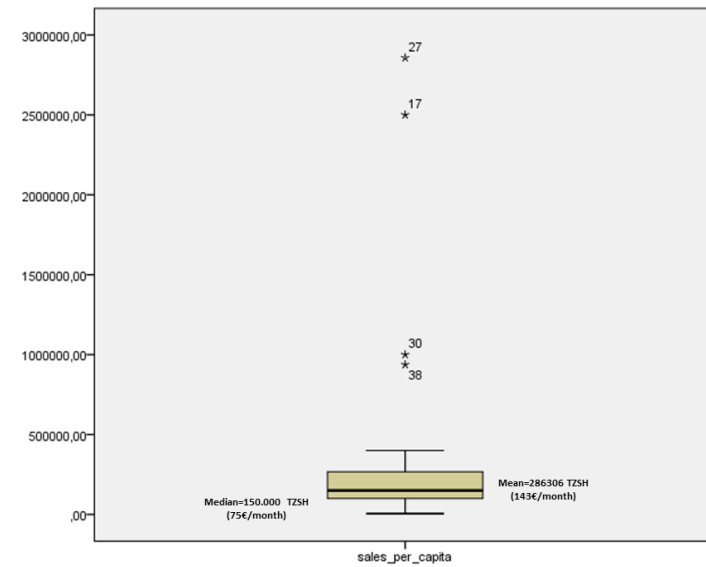
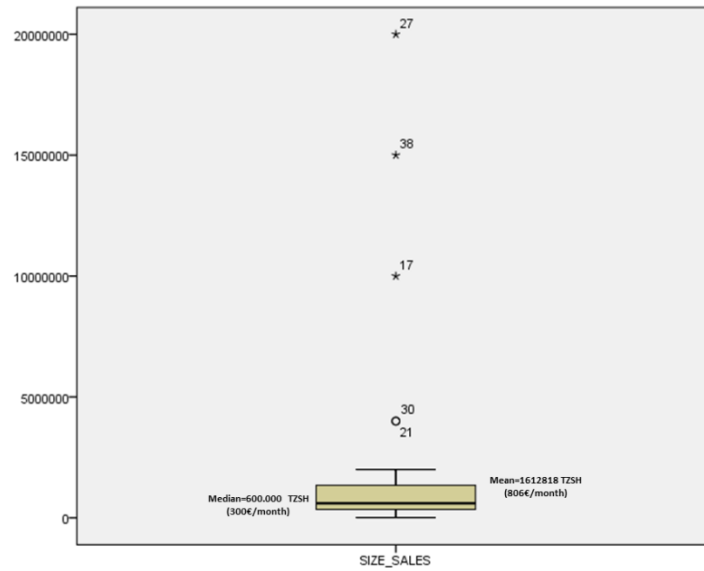
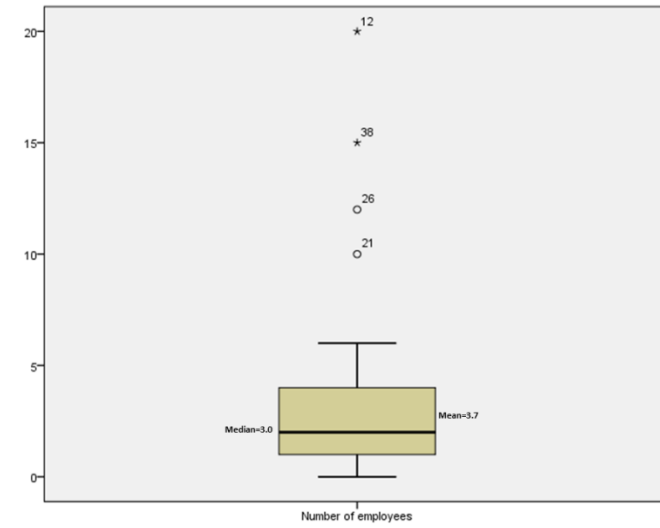
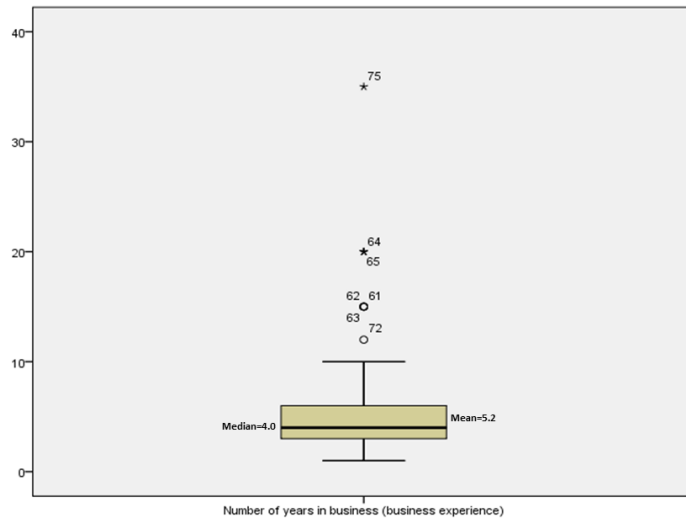


Figure 3: Descriptive statistics on business characteristics

4.2. The entrepreneurial process of Tanzania's women

4.2.1. Reasons for starting the business

The vast majority of the participants (83%) in the survey claimed that the reason why they went into business was because they wanted to earn more money (see Table 2). Other important reasons include the desire for independence (for almost 60% of the respondent) and to obtain a fair reward and to create something for the family (55% of the total respondent). Only few women (less than one quarter) associated the start of business with issues regarding the self-image or self-esteem.

Table 2: Main reasons for starting a business

	Score (1: not important...5: very important)	% important/very importante
I wanted to earn more money.	4.28	82.7%
I wanted to be my own boss, made decisions by myself, and having more control over my own life.	3.74	58.7%
I want to get a fair reward for my efforts and create something for my family.	3.53	54.7%
I see other people self- employed and think I could be too.	3.29	46.7%
I was tired of being unemployed.	3.06	41.3%
I want to test my idea and test myself and see if I can do it.	2.92	32.0%
I want to be taken seriously.	2.48	24.0%
I wanted to show others I am worth something.	2.51	21.3%

Source: Data gathered personally from 75 women entrepreneurs between May and June 2015.

4.2.2. Sources of finance for starting the business

For 86% of the women inquired, their personal savings was one of the main sources to start up their businesses. Loans from the banks were one of the main sources for 53% of the participants used loans from the bank, 42.1% used loans from SACCOs. Only 21% of the people have made use of loans from microfinance institutions. This result is not too different from that of Sena et al. (2012) who, analyzing women entrepreneurs from the UK household survey of entrepreneurship, who confirm that women often make use of their personal savings to set up their businesses. However, the authors underline that it cannot be concluded from their study that the reason why women often turn to their personal saving is because of lack of willingness to give loans on the part of the financial institutions. In this study, majority of the women that participated preferred to use their personal savings most of the time. This could be attributed to not being able to meet up with the requirements from the financial institutions; hence the women feel that

the easiest way to get their business started is by using their own personal financial resources. For instance, from the discussion, it was gathered that things like adequate collateral securities, having enough experience to do business; entrepreneurial skills are some of the requirements that must be met before they give out loans.

In terms of loans from the bank as well as other financial institution, the result of the survey shows that it plays an important role for these women in starting up their businesses, about 52.7% of the women admitted that they have made use of bank loan to establish their businesses while 19.6% of the people made use of loan from micro finance institution (see Table 3). It was also reported that a small number of women had sought financial assistance from their friends.

Table 3: Sources of finance for starting a business

	% women that responded			
	No	Yes	The main source	Source of finance
Money from personal savings	14.3	41.3	44.4	85.7
Loans from the banks	47.3	40.0	12.7	52.7
Savings and credits union such as SACCOs	57.9	29.8	12.3	42.1
Financial support from husband	62.1	33.3	4.5	37.8
Financial support from other relatives	75.9	24.1	0.0	24.1
Loans from microfinance institutions	76.4	20.0	3.6	23.6
Financial support from friends	80.4	19.6	0.0	19.6

Source: Data gathered personally from 75 women entrepreneurs between May and June 2015.

4.2.3. Access to bank loans

The majority of women entrepreneurs (56.8%) have already applied to bank loans (13.6% more than 3 times). From those that applied, the majority (54.8%) claimed that they did not experience any difficulties throughout the process. Only 4.8% experienced a lot of difficulties.

It is interesting to note that respondents do not identify any discrimination between women and men in failure to get loans from the banks. Indeed, according to Tanzanian women entrepreneurs, half of women entrepreneurs present a rate of bank loan rejection above 50%. For the men entrepreneurs that rate is not very different, although smaller (46%) – see Table 4.

Table 4: Rejection rate of bank loan applications for women and men according to women entrepreneurs' perceptions

	Women	Men
Less than 10%	12.2	11.3
11-30%	6.8	11.3
31-50%	14.9	15.5
50-70%	23.0	21.1
71-90%	16.2	15.5
More than 90%	6.8	9.9
No idea at all	20.3	15.5

Source: Data gathered personally from 75 women entrepreneurs between May and June 2015.

It is apparent from Table 5 that the main reason why these women were sometimes denied access to capital is failure to demonstrate the viability of their businesses (65%). For example, according to one of the respondents *“the reason that is sometimes provided by the banks/financial institutions for not giving out loans is lack of clear justification of their businesses and the amount I wanted to loan from the bank is not sufficient to start the business”*. The second important reason why women are denied of loan as seen from the table is lack of entrepreneurial skills (48%). Also there is issue of collateral security and high default rates by women. These seem to be a factor too but are less important (45.3%). The least of the reasons for banks loan refusal is the relationship between the entrepreneurs and the banks (41.3%).

Table 5: Main reasons for rejection of bank loan applications

	Average Score		% important/very important	
	Women	Men	Women	Men
Failure of the entrepreneurs to provide information on the viability of their businesses	4.20	3.90	65.3%	44.0%
Entrepreneurs lack of entrepreneurial and business skills	3.86	3.93	48.0%	38.7%
Lack of collateral by the entrepreneur	3.89	3.17	45.3%	22.7%
High default rates by entrepreneurs	3.53	3.40	45.3%	33.3%
Poor relationship between the banks and the entrepreneurs	3.64	3.20	41.3%	21.3%

Other reasons for the banks refusal to give loans to women as gathered from the **discussions** include lack of adequate qualifications on the part of the women, that is, the bank officials felt these women do not possess enough qualifications to run a successful business and hence they were denied the loan. Furthermore, in some cases, the banks discovered that some of these women actually hold loans from other financial

institutions and have not finished paying; as a result they were not willing to take the risk of giving them more loans. These financial institutions also gave reasons such as the women not having a clear justification of their business. Finally, some of the banks where these women have applied for loans believed that the amount they requested for is clearly not sufficient to start the business.

From the discussion with the respondents, they believed that bank officials also gave reasons such as no clear address being provided by the loan applicants; hence banks and SACCOS were unable to locate them. Also, among the participants of this survey, some of them admitted that never applied for loan.

The results from Tables 4 and 5 indicate that there is no apparent discrimination against women in accessing financial resources. More than 90% of the participants believed that the rejection rate of bank applications for women is 6.8% while for that of men it is 9.9%. Less than 10% of the participants believed that the rejection rate for women is slightly higher than that of men. One cannot therefore conclude that there is discrimination against women in accessing capital in the context of Tanzania. Indeed, 60% of the women inquired agree that “there is equal opportunity for men and women entrepreneurs when it comes to financing their business” (see Table 6).

Table 6: Gender discrimination and inequality issues

	Average score	% Agree/Strongly agree
There is equal opportunity for men and women entrepreneurs when it comes to financing their business	4.25	60.0%
Women entrepreneurs have proper business skills, being good business persons	3.73	60.0%
Women entrepreneurs are perceived to spend most of their time raising children, nothing enough time for business	3.51	53.3%
The majority of women are perceived to have no entrepreneurial skills	3.34	42.7%
The majority of women have no collateral and that is the reason why they are unable to get financed	3.68	37.3%
Lending criteria favor men	2.90	29.3%
Men are perceived as better business persons than women	3.48	29.3%
It is easier for women entrepreneurs than men entrepreneurs to obtain a loan from the bank	2.74	26.7%
Women entrepreneurs are marginalized in the access to finance by banks and other credit organizations	2.64	25.3%
Women entrepreneurs are discriminated in accessing finance to start their business	2.74	22.7%

Thus, evidence contained in Table 6 corroborates the results in Table 4, with the majority of the participants believing that there is no visible discrimination between male and female in accessing capital.

Most of the respondents (60%) argue that women possess the adequate business skills to carry out businesses successfully.

The issue such as whether men are more favored than women in getting capital was not widely supported; only 29.3% of the participants are of the opinion that men are more favored and are perceived as better business managers.

Nevertheless, only 22.7% of the participants believed that indeed women entrepreneurs are marginalized when they are seeking for loans in banks and other financial institutions. Below are some of the excerpts from the survey participants who felt that women are discriminated against when seeking for loans. They believed that these are some of the reasons why women are being discriminated against.

Most women are not good in business. Women are not good business persons as they spend most of their time raising families. Women don't have final decisions as they always have to wait for their husbands. Women lack experience in doing business. Women are not strong enough to do businesses and also lack support to conduct their businesses. Most women lack confidence. Women use financial resources to raise family.

Women do not have the adequate skills to do business successfully. Women generally lack entrepreneurial skills. Women abilities to conduct businesses are undermined. Financial service providers are selfish. There is fear that they will not repay the loan. Sometime married women are preferred so that their husbands can stand for them.

4.3. Differences between women in accessing to bank loans

4.3.1. Statistical differences between women entrepreneurs that applied to bank loans and those who did not

In terms of discrimination related dimension, results in Table 7 show that loan applicants and the women who did not apply for loans are significantly different regarding their perceptions in two out of 6 dimensions considered. Those women who have already applied to bank loans tend, on average, to agree/totally agree more than women who never applied to bank loans that 'women entrepreneurs are discriminated in accessing finance to start their business' and that 'lending criteria favor men'. However, and quite strangely, the former group also tends to agree more than the latter with the

statement that ‘there is equal opportunity for men and women entrepreneurs when it comes to financing their business’.

Looking at the reasons why the women choose to venture into the business, the 2 groups are not too different in terms of the reasons they gave for starting their businesses. They are however statistically different in the following reasons as indicated by the p-value, firstly they are different regarding whether they have established their businesses because they want to their own boss. About 57.1% of the women that applied for loan said they started their businesses because they wanted to be their own bosses while only 21% of the women who never applied for loan gave the same reason. Similarly they are different regarding whether they have established their businesses because they wanted to earn more money. About 92.9% of the women that applied for loan said they ventured into the business because they wanted to earn more money while 71.9% of the women that never applied for loan said the same thing.

Concerning the collateral issue, there is evidence that the 2 groups are not the same, that is, the p –value indicates that H₀ is rejected. About 26.2 % of the women that applied for loan believed that collateral security was an important factor to determine if the loan will be granted or not. While about 68.8% of the people that did not apply for loan believed that collateral security is an important factor. Regarding the issues such as high default rates, entrepreneurial lack of skills, failure of the entrepreneurs to provide information on the viability of their businesses, poor relationship between the banks and the entrepreneurs, both groups are not statistically different seeing these factors as reasons why the women are sometimes turned down by the banks judging by their respective p-values.

Furthermore, the hypothesis that lending criteria favor men is rejected, that is the 2 groups are statistically different in believing that the lending criteria favor men. 40.5% of the loans applicants believe that lending criteria favor men, while only 15.6 % of those who did not apply for loans believe that lending criteria favor men. Both groups also believe that the majority of the women did not have collateral and that is the reason why they are unable to access loan. Similarly, both groups are of the opinion that majority of the women are perceived not to have entrepreneurial skills. This also goes for issues such as women spending most of the time raising children, men being perceived as better business persons, and women entrepreneurs being marginalized in the access to finance.

Table 7: Differences in means between women entrepreneurs that applied to bank loans versus those who did not

		Applied for bank loans		Kruskal Wallis test
		Never applied (#32)	Had applied at least once (#42)	<i>p-value</i>
Discrimination and inequality (% women who agree/totally agree with the statement)	Women entrepreneurs are discriminated in accessing finance to start their business	9.4%	33.3%	0.016
	Lending criteria favor men	15.6%	40.5%	0.021
	The rejection rate of bank loans by women higher than that of men	36.7%	40.0%	0.778
	It is easier for women entrepreneurs than men entrepreneurs to obtain a loan from the bank	25.0%	28.6%	0.734
	Women entrepreneurs are marginalized in the access to finance by banks and other credit organizations	25.0%	26.2%	0.908
	There is equal opportunity for men and women entrepreneurs when it comes to financing their business	50.0%	69.1%	0.099
Reason for starting the business (Dummy variables that assume value 1 when the women says that the given reason was important/very important)	I was tired of being unemployed.	21.9%	57.1%	0.002
	I wanted to be my own boss, made decisions by myself, and having more control over my own life.	46.9%	69.0%	0.056
	I wanted to earn more money.	71.9%	92.9%	0.016
	I wanted to show others I am worth something.	25.0%	19.0%	0.541
	I see other people self- employed and think I could be too.	46.9%	45.2%	0.889
	I want to be taken seriously.	25.0%	23.8%	0.907
	I want to get a fair reward for my efforts and create something for my family.	65.6%	47.6%	0.125
	I want to test my idea and test myself and see if I can do it.	31.3%	33.3%	0.851
Reason for rejection of loan application (Dummy variable that assume value 1 when the women says it was important/very important) [Women]	Lack of collateral by the entrepreneur	68.8%	26.2%	0.000
	High default rates by entrepreneurs	56.3%	38.1%	0.123
	Entrepreneurs lack of entrepreneurial and business skills	43.8%	52.4%	0.465
	Failure of the entrepreneurs to provide information on the viability of their businesses	75.0%	59.5%	0.166
	Poor relationship between the banks and the entrepreneurs	40.6%	42.9%	0.848
Reason for rejection of loan application (Dummy variable that assume value 1 when the women says it was important/very important) [Men]	Lack of collateral by the entrepreneur	25.0%	21.4%	0.719
	High default rates by entrepreneurs	12.5%	50.0%	0.001
	Entrepreneurs lack of entrepreneurial and business skills	21.9%	52.4%	0.008
	Failure of the entrepreneurs to provide information on the viability of their businesses	31.3%	54.8%	0.045
	Poor relationship between the banks and the entrepreneurs	12.5%	28.6%	0.098
Women's perceptions (Dummy variables that assume value 1 when the women agree/strongly agree with the statement)	The majority of women have no collateral and that is the reason why they are unable to get financed	37.5%	38.1%	0.959
	The majority of women are perceived to have no entrepreneurial skills	40.6%	45.2%	0.693
	Women entrepreneurs are perceived to spend most of their time raising children, not having enough time for business	43.8%	61.9%	0.123
	Men are perceived as better business persons than women	28.1%	31.0%	0.793
	Women entrepreneurs have proper business skills, being good business persons	71.9%	50.0%	0.059
Business characteristics	Number of employees	3.81	3.55	0.825
	Sales (in €/month)	745	793	0.928
	Sales per capita (in €/month)	191	164	0.847
	Tailoring industry (%)	18.8%	61.9%	0.000
	Fully registered (%)	40.6%	50.0%	0.426
Women characteristics	Age of the women entrepreneur	31.3	32.1	0.077
	Marital status (1 if married)	68.8%	59.5%	0.417
	Education (1 if advanced diploma and beyond)	31.3%	23.8%	0.478
	Number of dependents (1 if above 3)	28.1%	35.7%	0.493

4.3.2. Statistical differences between women entrepreneurs that claim having experience difficulties in the process of bank loans and those who did not

Out of the 42 women who applied to bank loans, 23 admitted to have experienced some or a lot of difficulties throughout the process.

The women who admitted to have experienced some or a lot of difficulties perceive to a larger extent than women who did not experience difficulties (62% vs. 16%) that the rejection rate for bank loans of women are higher than that of men. In contrast, women that claimed not having experience difficulties are distinct from the other group in their perceptions regarding two issues. In one side, they admit to a larger extent that it is easier for women entrepreneurs than men entrepreneurs to obtain a loan from the bank, but recognize nevertheless to a greater extent than women that have experienced some or a lot of difficulties that women entrepreneurs are marginalized in the access to finance by banks and other credit organizations.

In terms of the reasons for starting their business women do not differ greatly. The only dimensions where we find some statistical significance in differences are 'I want to be taken seriously' and 'I want to test my idea and test myself and see if I can do it', with women who have experienced some or a lot of difficulties showing higher means in these reasons.

Women who did not experience difficulties admit to a larger extent than those who did not (68.4% vs. 26.1%) that the majority of women are perceived to have no entrepreneurial skills.

Business and women characteristics fail to discriminate between women who claimed to have experience difficulties in the process of bank loans from those who did not. Only the number of dependent presents statistical significant differences. Indeed, 53% of women who did not experience difficulties have more than 3 dependents at their charge against only 22% in the case of women who admit having experienced some or a lot of difficulties throughout the process of bank loan application.

Table 8: Differences in means between women entrepreneurs that experienced some/a lot of difficulties in applying to bank loans versus those who did not

		Experienced difficulties in the process of bank loans applications		Kruskal Wallis test
		No difficulties (#19)	Some/a lot difficulties (#23)	p-value
Discrimination and inequality (% women who agree/totally agree with the statement)	Women entrepreneurs are discriminated in accessing finance to start their business	31.6%	34.8%	0.829
	Lending criteria favor men	36.8%	43.5%	0.667
	The rejection rate of bank loans by women higher than that of men	15.8%	61.9%	0.003
	It is easier for women entrepreneurs than men entrepreneurs to obtain a loan from the bank	42.1%	17.4%	0.081
	Women entrepreneurs are marginalized in the access to finance by banks and other credit organizations	42.1%	13.0%	0.035
	There is equal opportunity for men and women entrepreneurs when it comes to financing their business	63.2%	73.9%	0.458
Dummy variables that assume value 1 when the women says that the reason for starting the business was important/very important	I was tired of being unemployed.	63.2%	52.2%	0.479
	I wanted to be my own boss, made decisions by myself, and having more control over my own life.	63.2%	73.9%	0.458
	I wanted to earn more money.	94.7%	91.3%	0.671
	I wanted to show others I am worth something.	10.5%	26.1%	0.207
	I see other people self- employed and think I could be too.	31.6%	56.5%	0.110
	I want to be taken seriously.	10.5%	34.8%	0.007
	I want to get a fair reward for my efforts and create something for my family.	52.6%	43.5%	0.559
Dummy variables that assume value 1 when the women says that the reason for rejection of loan application was important/very important [Women]	I want to test my idea and test myself and see if I can do it.	15.8%	47.8%	0.030
	Lack of collateral by the entrepreneur	21.1%	30.4%	0.496
	High default rates by entrepreneurs	52.6%	26.1%	0.081
	Entrepreneurs lack of entrepreneurial and business skills	78.9%	30.4%	0.002
	Failure of the entrepreneurs to provide information on the viability of their businesses	68.4%	52.2%	0.291
Dummy variables that assume value 1 when the women says that the reason for rejection of loan application was important/very important [Men]	Poor relationship between the banks and the entrepreneurs	52.6%	34.8%	0.250
	Lack of collateral by the entrepreneur	31.6%	13.0%	0.150
	High default rates by entrepreneurs	73.7%	30.4%	0.006
	Entrepreneurs lack of entrepreneurial and business skills	78.9%	30.4%	0.020
	Failure of the entrepreneurs to provide information on the viability of their businesses	63.2%	47.8%	0.326
Dummy variables that assume value 1 when the women agree/strongly agree with the statement	Poor relationship between the banks and the entrepreneurs	26.3%	30.4%	0.771
	The majority of women have no collateral and that is the reason why they are unable to get financed	31.6%	43.5%	0.435
	The majority of women are perceived to have no entrepreneurial skills	68.4%	26.1%	0.007
	Women entrepreneurs are perceived to spend most of their time raising children ,nothing enough time for business	63.2%	60.9%	0.881
	Men are perceived as better business persons than women	31.6%	30.4%	0.937
Business characteristics	Women entrepreneurs have proper business skills, being good business persons	52.6%	47.8%	0.759
	Number of employees	3.32	3.74	0.979
	Sales (in €/month)	490	1067	1.000
	Sales per capita (in €/month)	146	180	0.385
	Tailoring industry (%)	68.4%	56.5%	0.435
Women entrepreneurs characteristics	Fully registered (%)	47.4%	52.2%	0.759
	Age of the women entrepreneur	31.7	32.4	0.601
	Marital status (1 if married)	57.9%	60.9%	0.847
	Education (1 if advanced diploma and beyond)	31.6%	17.4%	0.288
	Number of dependents (1 if above 3)	52.6%	21.7%	0.040

4.4. Determinants of bank loan applications: is there any gender inequality and/or discrimination issue?

Although descriptive analysis, based on women perceptions, seems to indicate that although inequality exists, discrimination in the access to bank loan might not be particularly worrying, it is important to rigorously assess the impact of some key discrimination and inequality related dimensions on bank loan application and difficulties experience by women entrepreneurs in Tanzania.

Correlation estimates based on the Pearson coefficient (see Table A1 in Appendix) indicate that the issue of multicollinearity among independent variables is not highly problematic. However, the relative paucity of observations advise a selective approach to the potential determinants to be included in the models. Thus, based on the descriptive analysis produced in previous sections and the analysis of the correlations among the independent variables (avoiding those with high correlation coefficients), we estimate through logistics regression two models: one relative to the applications to loans and the other regarding the difficulties experienced in the process of accessing bank loans. Specifically, the first model (Model I) compared two group of women, those who applied to bank loans (39 women) from those who did not (30 women), whereas the second model (Model II) compares women who having applied admitted to have experienced difficulties throughout the process (20 women) from those who did not (19 women).

Estimates indicate that, on average, and controlling for all relevant factors likely to influence the decision to apply for bank loan, women who applied to such loans tend to perceive discrimination in accessing to finance to start their business and admit, to a larger extent than women who never applied, that lending criteria favor men. Within those that have applied, those who admit having had difficulties in the process are more likely to recognize that the rejection rate of bank loans by women is higher than that of men. Combining these results with previous descriptive and content analysis of the interviews, we might conclude that the issue here, in women's perception, is not so much discrimination per se, but inequality derived from the absence of collateral and/or entrepreneurial skills by women.

Table 9: Estimates of the determinants of bank loans access and difficulties experience by women entrepreneurs in Tanzania (logistic regressions)

Variables group	Variables	Model I - Applied to bank loans		Model II - Experienced some/a lot of difficulties in the process of bank loan application	
		Betas	P-value	Betas	P-value
Discrimination and inequality related dimensions (Dummy= 1 when the women agree/strongly agree; 0 otherwise)	Women entrepreneurs are discriminated in accessing finance to start their business	8,119	,022		
	Lending criteria favor men	14,351	,044		
	The rejection rate of bank loans by women higher than that of men	,032	,985	3,665	,007
Reasons for starting the business (dummy=1 when women state that it was important/very important; ; 0 otherwise)	I was tired of being unemployed.	9,498	,021		
	I wanted to be my own boss, made decisions by myself, and having more control over my own life.	3,549	,175		
	I wanted to earn more money.	9,265	,055		
	I want to be taken seriously.	-8,728	,039	2,488	,054
Entrepreneurial skills	Women entrepreneurs have proper business skills, being good business persons (dummy=1 when woman agree/fully agree, 0 otherwise)	-2,883	,174		
Business characteristics	Business size (number of employees in ln)	4,043	,058	,072	,932
	Sector (dummy=1 if the business operates in the tailoring industry; 0 otherwise)	11,783	,017		
	Business status (dummy=1 if the business is fully registered; 0 otherwise)	-14,519	,040	2,492	,077
Women characteristics	Education (dummy=1 if the woman has an advanced diploma and beyond; 0 otherwise)	5,412	,060	-1,027	,352
		N	69	39	
Number of observations	Applied for bank loans (Model I)/Experienced some/a lot difficulties (Model II)	39		20	
	Did not applied for bank loans (Model I)/Did not experience difficulties (Model II)	30		19	
	Percentage Correct	91,3		76,9	
Goodness of fit	Hosmer and Lemeshow Test (p-value)	4,556	0,803	10,49	0,150

Note: Grey cells indicate that the estimates that are statistically significant.

Regarding the remaining determinants, evidence shows that need (an alternative to unemployment, income earning), as a critical factor for starting the business, is more prevalent in women that applied for bank loans. Additionally, business characteristics are significant determinants of bank loan applications with these being enhanced for women operating not fully registered, larger businesses from tailoring industry. Finally women who possess higher levels of formal education tend, on average, and regardless all the other determinants, to apply often to bank loans.

5. Conclusion

The main focus of this work was to assess the perceptions of women entrepreneurs in Tanzania regarding bank loan access and difficulties they experience in the process of financing their business startups.

In order to effectively achieve goals of the work, this study was guided by three research questions aiming at

- 1) assessing the magnitude of the difficulties of Tanzanian women entrepreneurs in accessing to bank loan/funds;
- 2) to find the main reasons for the difficulties faced by women entrepreneurs to access to funds; and
- 3) to establish whether there is gender inequality/discrimination in accessing to funds and the corresponding main determinants.

We obtained data by conducting a personal face-to-face inquiry with 75 women entrepreneurs from Dar- es-salaam area with the focus on the small scale business.

As documented in the literature on gender inequality, we gathered that indeed gender inequality exists especially in terms of getting access to capital by some women. Surprisingly, contrary to what is suggested in the literature, the present study did not find any significant evidence that support the evidence that women were discriminated in access to bank loans.

The present work has brought more interesting insights into why it often appears that women are discriminated against when seeking for loans. Some of these reasons include failure to demonstrate the viability of their businesses, lack of entrepreneurial skills, issue of collateral security and high default rates, relationship between the entrepreneurs and the banks, lack of adequate qualifications on the part of the women. In some cases, the banks discovered that some of these women actually hold loans from other financial institutions and have not finished paying; as a result they were not willing to take the risk of giving them more loans.

Albeit, for most of the women that were interviewed their personal saving was the main source of capital to start up their businesses, loans from the banks were also regarded as one of the main sources of finances, especially for those who are able to meet the bank's lending criteria, while some women made use of loans from SACCOs.

Regardless of the availability of microfinance institutions, findings show that only 21% of the women have made use of loans from microfinance institutions.

The reason why the majority of the women that participated preferred to use their personal savings most of the time could be attributed to not being able to meet up with the requirements from the financial institutions - collateral securities, having enough experience to do business, and entrepreneurial skills. Hence women feel that the easiest way to get their business started is by using their own personal financial resources.

However in terms of application process, most of the women that did applied to bank loans claimed that they did not experience any difficulties throughout the process. Moreover, those that were able to apply for the loan successfully did not identify any discrimination between women and men. In fact we found that half of women entrepreneurs present a rate of bank loan rejection above 50%, which was not significantly different from those for the men.

Comparing women that applied to bank loans with those who never did, econometrics estimations evidence that the former tend to perceive discrimination in accessing to finance to start their business and admit, to a larger extent than women who never applied, that lending criteria favor men. Within those that have applied, those who admit having had difficulties in the process are more likely to recognize that the rejection rate of bank loans by women is higher than that of men.

Combining the econometric results with the descriptive and content analysis gathered from the interviews, we concluded that regarding bank loan access the issue is not so much discrimination per se, but rather inequality derived from the absence of collateral and/or entrepreneurial skills by women.

Limitation of this work includes inability to obtain higher number of respondents from women entrepreneurs mainly due to lack of cooperation from organizations which are dealing with business women in Dar-es-salaam on daily basis, resorting to individual efforts in pinpointing these women entrepreneurs. Also, the physical absence of the researchers in Dar-es-salaam due to time conveniences and cost was a major limitation in this study. We believe our physical presence would lead to a higher number of respondents and quality of information gathered. Since, some of the women chosen their illiteracy level contributed to ambiguity in the answers provided, in particular for the open questions part of the questionnaire.

In future work, we aim to conduct personal face-to-face inquiry to many and more experienced women entrepreneurs in Dar-es-salaam and in other business regions of Tanzania. Also, we plan to seek opinion of male business entrepreneurs regarding this issue of gender inequality. In addition, we aim to gather information from loan landing institutions such as banks, SACCOS and microfinances in order to gain further insights and also their perception regarding the issue of gender discrimination in accessing finances for business between men and women.

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Appendix: Questionnaire

TANZANIA WOMEN ENTREPRENEURS

The questionnaire intends to explore challenges facing women entrepreneurs in accessing finance to start their business (start-up capital) in Tanzania.

The research is part of the requirement of a Master Program in Entrepreneurship and Technological Innovation at the Faculty of Engineering University of Porto (FEUP).

All the information provided by respondent will be treated in aggregate guaranteeing the confidentiality of the data.

It is expected that the outcomes of the research will be beneficial to a number of stakeholders including the women entrepreneurs, Government, donors, and lenders, particularly microfinance institutions.

Your participation in filling this questionnaire is highly appreciated.

Thank you for your cooperation, particularly for taking your time to participate in this research project.

PART 1: BUSINESS START-UP AND FINANCE

1. The following are the some of the reasons for starting own business. Please state the importance of the following reasons for the start of your own business **(1: not important at all ... 5: very important)**

	1	2	3	4	5
I was tired of being unemployed.					
I wanted to be my own boss, made decisions by myself, and having more control over my own life.					
I wanted to earn more money.					
I wanted to show others I am worth something.					
I see other people self- employed and think I could be too.					
I want to be taken seriously.					
I want to get a fair reward for my efforts and create something for my family.					
I want to test my idea and test myself and see if I can do it.					
Any others, please specify.....					

2. Specify whether you resorted to any of the following sources of finance to start your business?

	No	Yes	The main source
Money from personal savings			
Financial support from husband			
Financial support from other relatives			
Financial support from friends			
Loans from the banks			
Loans from microfinance institutions			
Savings and credits union such as SACCOs			
Any other, please specify _____			

3. For the purpose of starting/running your business, how many times did you try to apply to bank loans (Please, circle or tick one of the following to indicate the number of times you have applied for the loan):

- a. Never
- b. Between 1 and 3 times
- c. Between 3 and 5 times
- d. More than 5 times

4. In the case you applied to bank loans and failed to get it, what were the main reasons that banks provided to deny the loan?

5. In the case you applied to bank loans and failed to get it, what were in your own perception the true reason behind the denial?

6. In the case you applied to bank loans and got it, did you encounter many difficulties throughout the process?

- No
- Some
- A lot of difficulties

7. In the case you responded some/a lot, can you specify what were the main difficulties encountered?

8. According to your perception, what is the average rate of rejection of loan applications in Tanzania by

	Less than 10%	11-30%	31-50%	51-70%	71-90%	More than 90%	No idea at all
women entrepreneurs							
men entrepreneurs							

9. What do you consider being the main reasons for the rejection of loan applications by banks and other credit organizations in Tanzania? (1: not important at all ... 5: very important)

	Women					Men				
	1	2	3	4	5	1	2	3	4	5
Lack of collateral by the entrepreneur										
High default rates by entrepreneurs										
Entrepreneurs lack of entrepreneurial and business skills										
Failure of the entrepreneurs to provide information on the viability of their businesses										
Poor relationship between the banks and the entrepreneurs										
Any other, please specify _____										

10. Please state your degree of agreement with the following statements.

	Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree
Women entrepreneurs are discriminated in accessing finance to start their business						
Lending criteria favor men						
The majority of women have no collateral and that is the reason why they are unable to get financed						
The majority of women are perceived to have no entrepreneurial skills						
Women entrepreneurs are perceived to spend most of their time raising children ,nothing enough time for business						
Men are perceived as better business persons than women						
There is equal opportunity for men and women entrepreneurs when it comes to financing their business						
It is easier for women entrepreneurs than men entrepreneurs to obtain a loan from the bank						
Women entrepreneurs have proper business skills, being good business persons						
Women entrepreneurs are marginalized in the access to finance by banks and other credit organizations						

11. According to your perception, what are the main reasons behind the discriminating attitudes of lenders towards women entrepreneurs in Tanzania?

12. In your view, what are the major challenges facing women entrepreneurs in accessing financial resources to start their businesses in Tanzania?

13. In your opinion what should be done to enable women entrepreneurs to have easier access to financial resources to start their own businesses?

PART TWO: BUSINESS DESCRIPTION

14. Circle or tick one of the following to indicate sector where your business belong:

- a. Food industry
- b. Tailoring industry
- c. Livestock and farming industry
- d. Merchandisers (purchase and sale of clothes)
- e. Any other, please specify _____

15. How long have you been in business? _____ Years

16. Circle or tick one of the following to indicate the category of your business status:

- a. Fully registered
- b. Partial registered
- c. Not registered

17. What is the size of your business, in number of employees: _____

18. What is the size of your business, in terms of sales (per month): _____

PART THREE: DESCRIPTION OF THE PARTICIPANTS

19. Personal contacts (optional): Telephone number _____ e-mail _____

20. How old are you? _____ years old.

21. Circle or tick one of the following to indicate your marital status:

- a) Single
- b) Married
- c) Divorced
- d) Widowed
- e) Other (please specify): _____

22. Circle or tick one of the following to indicate the category of education level that you belong:

- a) No formal school
- b) Primary school
- c) Ordinary secondary school level

- d) High school to diploma level
- e) Advanced diploma and beyond
- f) Any other, Please specify.....

23. Circle or tick one of the following to indicate the number of your children/dependents at you care category:

- a. No dependents
- b. Between 1 and 3 dependents
- c. Between 3 and 5 dependents
- d. Above 5

Table A 1: Correlation matrix

	Mean	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19											
Dependent variable	1. Applied to bank loans	,5588	1	,283*	,273*	,002	,358**	,252*	,334**	-,060	,040	-,248*	,075	-,030	,135	,152	,482**	,078	-,134	-,103	,072										
Discrimination and inequality related dimensions	2. Women entrepreneurs are discriminated in accessing finance to start their business	,2353		1	,380**	,008	,046	,268*	,150	,403**	-,020	,135	-,020	,213	-,084	,086	,033	,104	,250*	,000	,190										
	3. Lending criteria favor men	,3088			1	-,180	-,217	,255*	-,052	,211	-,101	,312**	-,024	,034	-,019	,306*	,263*	-,160	-,128	,055	,060										
	4. The rejection rate of bank loans by women higher than that of men	,3676				1	,192	-,144	,169	,064	-,147	-,051	-,002	-,122	-,057	-,252*	-,108	-,050	-,035	-,018	-,287*										
Reasons for starting the business (dummy=1 if important/very important)	5. I was tired of being unemployed.	,3971					1	,031	,275*	-,190	,102	-,254*	,146	,072	,075	,294*	,138	,129	-,119	-,052	-,008										
	6. I wanted to be my own boss, made decisions by myself, and having more control over my own life.	,5735							1	,348**	,145	-,226	,021	,002	,000	,140	,004	-,140	,154	-,177	-,395**	,114									
	7. I wanted to earn more money.	,8382								1	,224	-,239*	-,086	-,115	,027	,120	-,133	-,066	,310*	-,061	-,392**	,061									
	8. I want to be taken seriously.	,2059										1	-,101	,087	-,039	,094	,056	-,131	-,116	,063	-,020	,126	-,057								
Dummy variables that assume value 1 when the women agree/strongly agree with the statement	9. The majority of women are perceived to have no entrepreneurial skills	,4559											1	-,098	,105	-,150	-,293*	,234	,261*	-,162	,155	,153	-,155								
	10. Women entrepreneurs have proper business skills, being good business persons	,6324													1	,001	,017	-,237	,191	-,075	-,094	,228	-,053	-,035							
Business characteristics	11. Number of employees (in ln)	1,1241														1	,331**	,390**	,426**	,048	,144	,101	,059	,105							
	12. Sales per capita (in ln)	12,4295																1	,265*	-,019	-,146	-,099	,154	-,015	,108						
	13. Business age (in ln)	1,4961																		1	,119	,054	,485**	-,007	-,083	,263*					
	14. Fully registered	,4853																				1	,499**	-,098	-,052	,119	-,010				
	15. Tailoring industry	,4706																						1	,056	,051	,000	-,051			
Women entrepreneurs characteristics	16. Age of the women entrepreneur (in ln)	3,4326																								1	,228	-,188	,318**		
	17. Marital status (1 if married)	,6618																										1	-,090	,183	
	18. Education (1 if advanced diploma and beyond)	,2500																												1	,090
	19. Number of dependents (1 if above 3)	,3382																													

Legend: statistically significant at ** 1% and * 5%.