


Challenges and Prospects of Women Entrepreneurs Within Micro and Small Enterprises: Case of Salon Business in Bahir Dar City, Ethiopia

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ABSTRACT

This study is to find out the challenges and prospects faced by female entrepreneurs within micro and small enterprises in the case of salon owners in Bahir Dar City administration. Although various empirical studies show most micro and small enterprises (MSEs) are operated by women, and face many challenges, this research is done concerning developed countries, and they have the problem of generalization. To this end, a qualitative research approach is pursued. The qualitative data is gathered through semi-structured interviews from beauty salon owner women. Consequently, the findings reveal that the major challenges that hinder the salon industry according to this research are classified as a problem in startup and the growth phase, which in turn affect the prospects of these enterprises in the future. To mitigate these challenges, banks should have a specific loan portfolio for women entrepreneurs in salon businesses and introduce more financial access for women.

KEYWORDS

Bahir Dar, Challenges, Entrepreneurs, Entrepreneurship, Papyrus, Prospects, Salon, Small Enterprise

INTRODUCTION

Scholars of gender studies have argued that women have always been discriminated socially, culturally, legally, politically, and economically (Dignard & Harver, 1995). And Post Dignard and Harver propound that most patriarchal societies allocate power and privileges mainly to men, leaving women with relatively less economic and political power than men. This general pattern of men-women relations continues even in modern societies (UNIDO, 2001).

The past two decades of the 20th century has encountered an enormous increase in entrepreneurial activities (Dzsis, 2008). The increase is due to the rapid changes occurring globally, hence providing entrepreneurial opportunities for both males and females (Dzsis, 2008). For ease of entry and limited access to other opportunities, the majority of MSEs are operated by women (Rubio, 1991) and women have been starting businesses at a rate more than twice that of men globally (Coughlin, 2002). This statement illustrates that there are more women-owned businesses in the world as compared to men-owned businesses.

The Organization of Economic Cooperation and Development (OECD) established that between 15 to 35 percent of businesses are mostly owned by women in developed countries. Some of these countries include America, Luxemburg and the United Kingdom with respectively 28, 27 and 16 percent of women involved in entrepreneurial activities. Likewise, a rapid increase in women entrepreneurs in developing countries in Africa, Latin America, and Asia were examined by the OECD in 2004. For instance, in Sub Saharan Africa 80 percent of the food is produced or marketed by women giving them a well-developed knowledge of the local markets and customers (Coughlin, 2002). These individuals are entrepreneurs who are active in all levels of the economic sector locally and globally. Yet they are facing various challenges that hinder the development of their firms (Dowing & Daniels, 1992). Among other disproportionate household gender-specific responsibilities that limit their labor mobility is the dominant one. Even trained and degree-holding women may fail to break and the traditional path.

The empirical pieces of evidence verify that women-owned and operated MSEs tend to grow more slowly than male counterparts do. Only a new start rate is higher for women operated MSEs. As an explanation, the various studies such as (ILO, 2004) present the slow growth of women owned MSEs low achievement. It is sourced from the physical location of the firm within the household and is usually small; with less reinvestment as a result of frequent use of the profit for daily household consumption ending at lower opportunity of growth as compared with others (Mead & Liedholm, 1998). Moreover, the gap exists as a result of business and personal reasons (Mead & Liedholm, 1998).

In present-day Ethiopia, many women start work outside the home, and others both manage and own businesses. Increasing flexibility within a male-dominated society coupled with economic necessity has allowed women to run and operate more local businesses, including salons, restaurants, and clothing shops (Dovi, 2006).

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