# Challenges Faced by Rural-Women Entrepreneurs in Vhembe District: The Moderating Role of Gender Socialisation

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**Abstract:** The purpose of this study is to determine how gender socialisation influences the challenges faced by women entrepreneurs in South African rural areas. It is an extensive review of the literature on entrepreneurship, gender socialisation, rural women entrepreneurship and challenges faced by women entrepreneurs. This paper highlights the challenges faced by women entrepreneurs specifically those in rural areas. Since higher levels of gender socialisation increase the challenges faced by rural women entrepreneurs, it becomes difficult for them to engage in entrepreneurial activities. As such, this paper proposes new insights for policy implementation.

Keywords: Women Entrepreneur, Rural, Gender Socialisation, South Africa, Entrepreneurship Barriers

### 1. Introduction

South African economic policies (for example, the National Development Plan [NDP] and Broad-Based Black Economic Empowerment Act [BBBEE]) place high emphasis on promoting entrepreneurial activities (Krueger, Hansen, Michl & Welsh 2011). In particular, these policies seek to provide for interventions that minimise challenges faced by entrepreneurs (Van de Merwe, 2008). For example, the Small Enterprise Development Agency (SEDA) allocates funding and training opportunities for budding entrepreneurs while BBBEE promotes access to markets. There still is however, a segment of entrepreneurs that continues to experience numerous challenges. Female entrepreneurs, particularly, in the rural areas tend to be more vulnerable to entrepreneurial challenges as compared to urban-women entrepreneurs. This was noted in the study by Davis (2011), who put to light that rural-women entrepreneurs differ from those in urban areas in terms of service delivery, networking (finding mentors and role models), lack of knowledge or information about how to acquire funding and lack of growth skills. In agreement, Ascher (2012) postulated that many women in developing countries, emerging economies and less-economically developed economies are illiterate and live in poverty, although, this situation does not prevent them from participating at a certain level in local economies and becoming entrepreneurs. In most economies, women

dominate the micro-enterprise sector; both in rural or urban areas, their participation in small to medium enterprises contribute to the economic development. Women entrepreneurs, therefore contribute directly to economic growth and poverty reduction. In India, for example, women are considered as workaholics and participate, economically, outside the house to develop a sense of independence (Malyadri, 2014). In spite of their contributions to the economy, women entrepreneurs suffer various constraints that inhibit them from realising their full entrepreneurial potential (United Nations Industrial Development Organisation, 2003). Past studies indicate that, especially, women entrepreneurs face unique challenges primarily because of gender and the socialisation practices among societies (Carter, 2014; Department of Tourism & Industry, 2005; Mboweni, 2015; Valla, 2001). Some of these challenges include the lack of entrepreneurial skills, gender discrimination, work-life balance and limited access to finance (Aslam, Latif & Mahummad, 2013). The above-mentioned problems are most severe in rural areas, where the socio-cultural environment is less favourable for women to engage in entrepreneurial activities (South Africa. Department of Tourism & Industry, 2005). Against this background, the purpose of this study is to determine how gender socialisation influences the challenges faced by women entrepreneurs in South African rural areas such as the Vhembe District in Limpopo Province.

## 1.1 Identification of the Research Gap and the Development of the Research Problem Statement

As already pointed out, the notion of entrepreneurial challenges faced by women in business is not entirely a new topic. Most studies on this topic report on women entrepreneurship challenges in the Western world (Ahl, 2006; Baker, Aldrich & Liou, 1997; Brush & Welter, 2009). Of the few studies on women entrepreneurship in emerging economies including South Africa, authors such as Chinomona and Muzariri (2015), Wube (2010) and Vinay, Singh & Divya (2015) provide useful insights. For instance, Valla (2001), Witbool & Ukpere (2011) and Mboweni (2015) reveal that the deficiency with existing studies is that they unjustifiably, assume that women entrepreneurs are a homogenous cohort. In particular, Mboweni (2015) demonstrates that the nature and extent of challenges faced by women entrepreneurs differ across various demographic factors such as age, family size, and education level. Following on from Mboweni's (2015) findings, this study postulates that the extent of entrepreneurial challenges faced by rural-women entrepreneurs differs from those faced by urban-women entrepreneurs. For that reason, this study focuses on understanding entrepreneurial challenges faced by the former. Even though the majority of studies (c.f., Valla, 2001; Witbool & Ukpere, 2011; Mboweni, 2015) have focused on urban-women entrepreneurial challenges in developing countries, Table 1 on the following page demonstrates that macro-level challenges (for example, mobility, access to finance and markets) have been the focus of past studies. Moreover, these studies have ignored the micro-level that is, personal challenges that women entrepreneurs encounter.

### 1.2 Research Gap

It can be concluded, therefore, that the existing literature pertaining to women entrepreneurs has largely ignored two pertinent issues, (1) micro-level challenges of (2) women entrepreneurs operating in rural areas. Following this line of thought, this research attempts to address this gap in the body of knowledge. As a corollary, the proposal argues that gender socialisation moderates the extent of micro-level challenges (for example, personal and socio-cultural challenges) that rural-entrepreneurs face. The research problem was thus formulated to read:

Past research has identified numerous challenges faced by women entrepreneurs; however, very few have focused exclusively on challenges faced by rural-women entrepreneurs. Furthermore, very few studies have attempted to identify how gender socialisation affects women entrepreneurs' experience of these challenges.

### 1.3 Aim and Objectives of the Study

The aim of this study is to determine how gender socialisation influences the nature and severity of entrepreneurial challenges experienced by rural women in Vhembe District. The specific objectives of the study are:

- 1. To identify the challenges faced by women entrepreneurs in the Vhembe District.
- 2. To ascertain the perceptions of women entrepreneurs in the Vhembe District on entrepreneurial challenges.
- 3. To determine whether there are specific challenges that female entrepreneurs, in rural areas, encounter due to gender socialisation.

### 1.4 Significance of the Study

Latest statistics from the USA reveal that women-owned businesses are the fastest growing segment of new business start-ups. The state of women-owned businesses report (USA, 2016) highlighted that, between 2007 and 2016, the number of women-owned businesses increased by 45 per cent compared to a nine per cent increase over the earlier periods, as against other businesses. In particular, Mattis (2004) shows that women entrepreneurial activities are of strategic importance to economies. It was insightful to learn that black women's businesses form a larger share of black-owned businesses than white women's businesses do of white-owned businesses (Mattis, 2004). Commenting on women entrepreneurship, Bharthvajan (2014) asserts that women in business have also been recognised as catalysts for poverty reduction, social upgrading and economic regeneration through job creation (Akhalwaya & Havenga, 2012; Ahmad, 2011). A classic example is the agriculture industry; therein women-farming businesses cultivate more than half of all the food that is grown. In Sub-Saharan Africa, for instance, women produce up to 80 per cent of all basic foodstuffs (South Africa.

**Table 1: Thematic Analysis of Women Entrepreneurship Challenges** 

Author	Year	Challenges	Context/ Sample
Mboweni	2015	<ul><li>Finance</li><li>Market</li><li>Gender</li><li>Family support</li></ul>	<ul><li>South Africa</li><li>Urban</li><li>n = 126</li></ul>
Vinay, Divya & Singh	2015	<ul> <li>Finance and markets</li> <li>Management problems</li> <li>unawareness of support and incentives</li> <li>mobility constraint</li> <li>access to policy makers</li> <li>statistical invisibility</li> </ul>	<ul><li>Developing country</li><li>India</li><li>n=265</li></ul>
Chinomona & Muzariri	2015	<ul><li>work-life balance</li><li>training and education</li><li>finance and market limitations</li></ul>	<ul><li>South Africa</li><li>Urban</li><li>n=30</li></ul>
Aslam, Latif & Mahummad	2013	<ul> <li>securing finance</li> <li>personal problems</li> <li>family/work role conflict</li> <li>lack of entrepreneurial skills</li> </ul>	<ul><li>Pakistan</li><li>n=120</li></ul>
Wube	2010	<ul> <li>Premises/land</li> <li>Finance and training</li> <li>Conflicting gender roles</li> <li>Social acceptance</li> </ul>	<ul><li>Pakistan</li><li>Urban area</li><li>n=203</li></ul>
Botha	2006	<ul><li>finance</li><li>gender discrimination and bias</li><li>lack of support structures</li></ul>	<ul><li>South Africa</li><li>Urban</li><li>n=180</li></ul>
Valla	2001	<ul><li>Socialisation</li><li>Market and finance</li><li>Family-work conflicting roles</li></ul>	<ul><li>South Africa</li><li>Urban</li><li>n=225</li></ul>

Source: Authors

Department of Trade & Industry, 2015). Despite this, women-owned businesses continue to suffer the most challenges. Given the importance of women entrepreneurs, it is vital for this study to identify challenges faced by women entrepreneurs in rural areas particularly in Vhembe District. Collectively, the study envisages that it will contribute not only to the body of knowledge, but to a deeper understanding of women entrepreneurial practices.

### 2. Literature Review

### 2.1 Entrepreneurial Challenges Faced by Women in Business

The literature identifies several challenges faced by women entrepreneurs. Table 1, above, provides a thematic analysis of the challenges faced by women entrepreneurs, as identified in the existing literature. Table 1 provides a summary of the authors, the

challenges they found and also the countries where their studies were conducted – whether urban or rural.

From studying Table 1, it becomes clear that challenges faced by women entrepreneurs can be classified into nine categories, namely, entrepreneurial factors, personal factors, technical factors, socio-cultural, infrastructural, educational and occupational, role barriers as well as behavioural barriers (Aslam, Latif & Muhammad, 2013; Valla, 2001). Consistent with studies undertaken in South Africa, the above-mentioned nine categories were consolidated into four categories. These are briefly discussed as follows:

### 2.1.1 Entrepreneurial Challenges (Also Referred to as Business-Related Challenges)

These are business-related challenges that women entrepreneurs face and include aspects such as,

the lack of finance, lack of collateral for acquiring funds, lack of funding, lack of access to policy makers, inability to network and lack of access to markets (Chinomona & Muzariri, 2015). Women, in most cases, fail to meet the minimum requirements to acquire credit (Aslam, Latif & Mahummad, 2013). Authors such as Valla (2001); Ayadurai and Sohail (2006) pointed out the inability to network as one of the challenges that women entrepreneurs face in male-dominated societies. The latter author observes that it is difficult for women to be well-networked in male-dominated societies.

### 2.1.2 Socio-Cultural Challenges

Historically, women have been excluded from active roles in major institutions such as churches, state, and universities. French (2009) asserts that because of patriarchy, women, and the work that they do tend to be devalued and discouraged. Thus, socio-cultural challenges can be viewed as the negative attitude that society has towards women to engaging in business. This includes the thinking that women are supposed to fulfil homely duties and not be in business and lack of family support restricts them from starting their own businesses.

### 2.1.3 Technical Challenges

The lack of technical skills or knowledge and inability to perform specialised tasks is also considered to be a hurdle for women entrepreneurs. Although fulfilling such tasks can be outsourced, but due to the lack of funding for women entrepreneurs, it becomes a double impediment. This is consistent with Aslam, Latif and Mahummad (2013), who found that women in highly patriarchal societies such as those in Muslim countries mostly suffer from the inability to perform computer-related duties, inability to operate heavy machines or vehicles. The tasks illustrate the negative relationship between gender socialisation and technical abilities. In other words, how women are raised, what they have learnt and how they view womanhood. More specifically, lack of technical skills lead to a general lack of confidence, which in turn discourages female individuals' pursuit of entrepreneurship goals (Leavy, 2009).

### 2.1.4 Personal Challenges

Personal challenges include all barriers that affect women entrepreneurs as individuals in their personal capacities. Valla (2001) categorises personal challenges into role and behavioural barriers. These are discussed next.

#### 2.1.4.1 Role Barriers

Work-life imbalance comes about when there is conflict between work and life. According to Valla (2001), work-life balancing affects married women more than unmarried female entrepreneurs. The double female burden of being a family person responsible for unpaid housework, upbringing of children and that of being an entrepreneur is a drawback to many females starting or running their own businesses. The doubling of the two roles leads to what is called role overload (Treasury Board Secretariat, 2001).

#### 2.1.4.2 Behavioural Barriers

Behavioural barrier is the second dimension of personal challenges. These include aspects such as lack of education, fewer opportunities for skills development, negative self-image and little confidence in women (low entrepreneurial intentions).

### 2.2 Gender Socialisation and Entrepreneurship

Gender socialisation, according to Carter (2014), is the tendency for boys and girls to be treated and raised differently within families and society. Gender socialisation explains why males and females behave differently and it is also thought to be the root for gender stereotyping, including chauvinism. Carter (2014) believes that the socialisation process begins at birth; families usually treat new-borns differently according to their sex. These different approaches and treatment of babies by the family serve to shape behaviour patterns and define boundaries as they grow (Wharton, 2005). The processes of gender socialisation have been described at length by developmental scholars (Huston, 1983; Ruble & Martin, 1998), and an extensive body of literature suggests that parents play a key role in gender socialisation. Raffaelli and Ontai (2004) found differential treatment between boys and girls by their parents among Latino communities. Further, the study highlighted that children tended to have different household responsibilities depending on their gender. Girls were expected to help around the house; whereas boys were not. Gender role attitudes emerged as the most consistent predictor of parental socialisation.

Gender is socially constructed and stressed the complexity and diversity of the concept (Bockting, 1999; Bohan, 2002; Kimmel, 2000; Maurer, Margaret & Hughes, 1999). It is difficult to capture

this complexity because most measures of gender are based on a dichotomous approach that merely set women and men in opposition and assume that people believe that differences between them are normal and natural. The belief that men and women are fundamentally different is often linked to the idea that there are particular social roles for which men and women are best suited (Ruble & Martin, 1998). In this study, the author wishes to give an insight on how gender socialisation influences the way that rural women entrepreneurs encounter challenges they face in entrepreneurship.

### 2.3 Women Entrepreneurship in Rural Areas

Despite the entrepreneurial potential of ruralwomen, their socio-economic contributions remain largely unrecognised (ILO, 2008). South African women entrepreneurs mostly engage in micro-enterprise projects (Mandipaka, 2014). Some of these businesses include sewing co-operatives, chicken farming, candle-making, gardening, arts and crafts as well as spaza shops (Mboweni, 2015; USAID, 2010). Evidence from developing countries such as South Africa highlights the importance of non-farm activities in the income-generating portfolio of rural households; the literature indicates that these activities account for 42 per cent of the income of rural households in Africa, 40 per cent in Latin America and 32 per cent in Asia (USAID, 2010). Most women entrepreneurs in South Africa play a major role in the social and economic well-being of their communities, however, authors such as Kwaw (2006) and Mboweni (2015) indicate that on the local market, small-scale businesses continue to face tough competition, financial constraints, and limited access to markets among other challenges (Ortmann & King, 2007).

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