The Obstacles of Women Entrepreneurship on Empowerment in Rural Communities KwaZulu Natal, South Africa

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ARTICLE INFO

Keywords: Empowering Women Entrepreneurs, Rural Communities, Women-owned.

ABSTRACT

This research aims to determine barriers to the expansion of women-owned businesses in rural communities of South Africa. To collect data for the research, a quantitative research approach was adopted. The research focused on 250 female business owners in the northern KZN rural regions of Umzinyakude, Uthukela, and Ugu. According to the survey, the primary barriers to developing women-owned businesses in rural communities are financial restraints, an absence of formal education, and inadequate facilities. These hurdles, however, may be overcome by women businesses being entrepreneurs in rural South African communities. Eliminating these barriers might empower women entrepreneurs and drive growth in the economy in rural communities, lowering poverty and improving rural people's living conditions. In light of these findings, the research suggests a variety of measures, including different financing methods, focused training and schooling programs, and the development of infrastructure to help women-owned businesses flourish in rural communities. Further research should investigate more issues like cultural as well as social barriers, an absence of accessibility to marketplaces and information, and legal and regulatory obstacles that prevent women from starting business entities in rural communities.

INTRODUCTION

Inequality based on gender has an extended history, particularly in business, where women have historically struggled with obtaining the assets and relationships, as well as markets required to create successful businesses (Okeke-Uzodike et al., 2018). In addition, in recent years, there seems to be a growing recognition of women entrepreneurship’s ability to promote economic progress and wealth in the country (Nhleko, 2017). South Africa's government has put in place several measures and policies to encourage and assist female entrepreneurs. In 2011, the government enacted the Women Empowerment along with Gender Equality Bill, which aims to increase women's involvement in all aspects of the economy, especially entrepreneurial activities (Gabriel, 2017).

Despite the government's attempts to encourage gender equality in entrepreneurial activity, women company owners confront several obstacles that prohibit them from thriving (Tshabalala and Ezeduji, 2016). Financial constraints, lack of opportunity for higher education, and inadequate facilities are only a few of the obstacles they confront while attempting to benefit from the same opportunities as their male counterparts (Gabriel, 2017). Women entrepreneurs have made considerable achievements in recent years, according to Kunene et al. (2022), including several women-owned businesses exhibiting ingenuity and tenacity in the face of hardship. Women's business ownership as well as empowerment have lately been policy priorities in South Africa (Jiyane, 2014). A more in-depth examination is necessary to properly comprehend the obstacles that female entrepreneurs encounter in rural communities of the country, in which women's economic participation is usually less than that in larger cities (Bomani and Derera, 2018).

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South Africa's competitiveness rate was 11.2% per cent, based on the GEM Consortium (2020), while the nation's overall initial stage entrepreneurial activity rate was 28.5%, based on the Global Entrepreneurship Monitor (GEM) assessment of 2020 (Oriakhogba, 2020b). Women's entrepreneurship, on the other hand, was just 6.7%, considerably less than men's (16.5%). Furthermore, just 10.1% of South African women own established businesses, as opposed to 21.4% of males (Kandolo, 2023). These statistics highlight the gender discrepancy in entrepreneurship as well as the necessity for tackling the obstacles faced by women who run businesses, particularly those in rural South Africa (Shange, 2014). The research provides practical recommendations to enhance women's entrepreneurship and empowerment while also enhancing awareness of obstacles faced by female entrepreneurs in rural South Africa. The theory of human capital was applied in the research. Human capital theory is based on the belief that human resource advancements happen to increase efficiency and profitability.

Based on Becker (1964), individuals join the job market with various educational degrees, allowing them to find work. However, they have yet to demonstrate that they have the appropriate concepts and skills to be successful in the labor market. It is most probable why people continue making investments in their human capital after being hired (Vezi-Magigaba, 2018). Apprenticeship training is distinct from regularly planned activities such as schooling and other educational opportunities. Compare this to the abilities obtained at organizations of higher education, where learners participate in the lesson, consequently in schoolwork and complete exams, apprenticeship instruction happens carefully, for example throughout a discussion among a seasoned employee and a trainee throughout the initial phase or when another employee speaks on the part of an older employee who is paying attention to other is important at work (Lekhanya, 2016).

It is difficult to observe skill transfer directly under the restrictions of on-the-job training. Becker (1964) divides on-the-job training into two distinct groups: general and specialized. Each business could use generic training and be forced to have it. It consists of writing, computer science, reading, communicating, and following and listening to provided instructions. A task necessitates the acquisition of a certain competence, which serves the purpose of particular training. This type of knowledge is relevant to business.

The contrast of different levels of education is intended to show how they impact salaries and work chances (EM. Rankhumise & ME. Letsoalo, 2023; Wale et al., 2021). The corporation might raise the salary of a worker to reflect the importance that it places on the educated worker's production. If the administration provides the worker with a tiny pay raise, the operative may fall victim to swindlers who will offer the worker a substantial rise to benefit from everything that the covert has learned (Ndimande, 2019). To address this obstacle, supervisors or entrepreneurs must provide their employees with a signed contract that binds them to the management for a set amount of time. Thus, the business owner or management can benefit from the supplied training.

When the organization cannot fund the expense of a broad education, the employee compensates. The worker pays for education by working in a variety of positions which enable them to grow and progress. An uneducated employee's output will probably stay similar during his or her entire professional life if no training is provided. Workers' compensation rises as they progress through training (Witbooi and Ukpere, 2011). Increased higher learning, based on human capital theory, contributes to increased productivity and financial viability. The importance of women's entrepreneurship in encouraging the development and expansion of the economy has lately gained prominence (Derera, 2011). Entrepreneurs have proven to be tough, adaptable, and innovative, but they require being nurtured through their period of survival to be effective. Entrepreneurship, as defined by Jiyane et al. (2012), is a critical boost to innovative thinking, adaptability, and creating employment opportunities. Small enterprises, as stated by Makandwa et al. (2023), are a way to generate labor and income as well as a method of entrepreneurship. According to Ajani et al. (2021), small businesses act as engines for entrepreneurship as well as providers of jobs and money.

Considering this, women business entrepreneurs in South Africa keep encountering a variety of obstacles in starting and growing their businesses. Based on this research, women
entrepreneurs have less success in obtaining traditional sources of funding, which include loans from banks and investment capital, than men who run businesses (Kamberidou, 2020). This could be caused by a variety of factors, including discriminating financing practices, the absence of a guarantee, and a history of poor credit. As a consequence, most female entrepreneurs have to depend on unauthorized financial sources such as relatives and close companions, which may limit their ability to build their businesses.

Oriakhogba (2020a) agrees that, despite financial constraints, women entrepreneurs in South Africa confront educational and professional obstacles. According to research, women entrepreneurs are less inclined than males to get specialized training or education, therefore restricting their financial management as well as advertising expertise. It might render it challenging for women entrepreneurs to operate and expand their enterprises successfully, as well as hinder their capacity to take advantage of fresh opportunities and possibilities (Magigaba and Jili, 2019). A different approach, a big difficulty for female entrepreneurs in South Africa, is the lack of facilities. The lack of the required facilities in a lot of rural communities, especially secure roads, consistent energy, and cell phones, may make it difficult for female business owners to operate their businesses efficiently (Kunene et al., 2022). It can lead to higher transportation expenses, restricted availability of markets as well as suppliers, and lower production. Considering these obstacles, there are several viable options for supporting and promoting women's businesses in South Africa (Oriakhogba, 2020b). They involve specialized financial assistance and training programs for female entrepreneurs, as well as investments in the construction of infrastructure to increase the availability of marketplaces and businesses (Oriakhogba, 2020b).

Wale et al. (2021) highlight a growing knowledge of the need to improve gender equality and counter discriminating behaviors and perspectives that limit women's opportunities in the workplace. Overall, women entrepreneurs in South Africa continued to face significant obstacles. Interestingly, there is a growing recognition of the importance of encouraging and supporting women's entrepreneurship as a vital factor for economic growth and sustainability (Ajani et al., 2021). As stated by Ndimande (2019), small businesses struggle because their proprietors are uninformed of the need to establish their businesses. The government should disseminate this information. Managing a business might be difficult if the funds are not easily accessible or adequately handled (Thirumanar, 2023).

According to Cloete et al. (2023), the lack of suitable financing hampers the expansion of small businesses. Compared to the World Bank (2017), inefficient inventory management limits the potential of women entrepreneurs to expand. It arises when most of them require assistance in contacting their clients regularly to urge them to continue patronizing them, are unable to execute unique promotions, must figure out how to govern the pricing of items they offer and have novel features for their products. The IFC (2019) highlights worries about criminality impeding small businesses from growing. These acts of violence, such as vandalism, burglaries, and criminal activity, injure or traumatize women who work in small companies. As a result, the company's liabilities included the cost of improving security, repairing harm, and compensating employees who were affected. Robbery is a crime that predominantly impacts small enterprises, particularly women entrepreneurs, according to the AfDB (2020).

During vandalism, both clients and workers are sufferers of violence. According to the survey, 60% of their employees are subjected to thefts regularly. As noted by Geza et al. (2023), a lot of small entrepreneurs in townships require assistance in obtaining capital and a consistent source of revenue. As a result, they require stronger histories of credit, which results in inadequate finances. These obstacles substantially jeopardize the expansion of small businesses. Small businesses have several obstacles, particularly a shortage of capital, which contributes to their gradual expansion (Nzama and Ezeuduji, 2020). According to Nzama and Ntini (2022), small business owners, particularly women, often have little management education and expertise. They are incapable of meeting the requirements of society as of the future.

According to Mbele and Nyide (2019), one of the major factors inhibiting their company's expansion is a lack of abilities and knowledge. According to Aneke et al. (2021), a key barrier to
their business achievement was their absence of managerial understanding, which frequently ended in poor management judgments. In the opinion of Tshishonga (2021), inadequate facilities (location) stifle the growth of small business enterprises. There are unsafe roads, insufficient water sources, and intermittent electricity delivery. Client happiness has declined, and the expansion of small enterprises has been significantly hampered due to a shortage of technological innovation (Mpunzana and Mofokeng, 2023). According to Buthelezi (2020), infrastructure poses a substantial obstacle to small businesses by offering access to roads, adequate electrical power, water, sewage, and communications services. They say that weak or subpar infrastructure stifles the growth of small businesses. This research aims to determine barriers to the expansion of women-owned businesses in rural communities of South Africa.

**METHODS**

Table 1. Shows the financial components influencing rural women's entrepreneurship

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>144</td>
<td>57.6</td>
<td>57.6</td>
<td>57.6</td>
</tr>
<tr>
<td>Agree</td>
<td>52</td>
<td>20.8</td>
<td>20.8</td>
<td>78.4</td>
</tr>
<tr>
<td>Neutral</td>
<td>30</td>
<td>12.0</td>
<td>12.0</td>
<td>90.4</td>
</tr>
<tr>
<td>Disagree</td>
<td>19</td>
<td>7.6</td>
<td>7.6</td>
<td>98.0</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>5</td>
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<td>2.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100.0</td>
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<td>100.0</td>
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</table>

As shown in Table 1, more than half of the (57.6%) participants agreed that one of the primary obstacles hindering women's entrepreneurship in rural South Africa is a lack of funding to run their businesses. The findings are consistent with studies of a comparable kind conducted in Tanzania by Sharaunga and Mudhara (2021) and in Kenya by Phetha (2022), in which financial restrictions as well as a shortage of capital availability were identified as significant barriers to entrepreneurial success. Makandwa et al. (2021) revealed that money, irrespective of the size of the organization, is critical to its achievement, but being unable to acquire credit to sustain the organization, as noted by Diale and Carrim (2022), is a significant obstacle to their efficient function of an enterprise. Significant financial levels, according to Chan et al. (2023), had been made accessible when business proprietors fulfilled the credit conditions. Meanwhile, businesses may have difficulties in allocating funding for the correct purpose.

Surveys used a 5-point Likert scale to collect data. To facilitate the use of quantitative methods, all of the surveys were closed-ended. The demographic concern included 250 women-owned small and medium-sized businesses in the rural communities of northern KZN, notably Umzinyakude, Uthukela, and Ugu. We chose a convenience sample of 250 female entrepreneurs representing these places. SPSS 27 was used to analyze the data, as well as the outcomes that were shown in the tables.

**RESULTS AND DISCUSSION**

The findings show the impact of increasing number of women-owned enterprises in rural South Africa. The findings shed light on the impact of women's enterprises on rural communities. The findings provide rural women's perspectives on variables influencing the entrepreneurial activities of women.
Table 2. Shows the educational variables that influence women entrepreneurs in rural South Africa

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
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</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>121</td>
<td>48.4</td>
<td>48.4</td>
<td>48.4</td>
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<tr>
<td>Agree</td>
<td>72</td>
<td>28.8</td>
<td>28.8</td>
<td>77.2</td>
</tr>
<tr>
<td>Neutral</td>
<td>23</td>
<td>9.2</td>
<td>9.2</td>
<td>86.4</td>
</tr>
<tr>
<td>Disagree</td>
<td>25</td>
<td>10.0</td>
<td>10.0</td>
<td>96.4</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>9</td>
<td>3.6</td>
<td>3.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Based on the data in Table 2, half of the people who participated in (48.4%) felt that a key barrier for small businesses is a lack of expertise. It is due to the importance of education in gaining the necessary abilities and information to manage a business effectively, which includes inventory management, pricing, advertising, and appropriate technological abilities. It is critical to provide effective and efficient amenities that satisfies clients in order to maximise profits and loyalty. These findings are consistent with Adom (2023) research in the Western Cape, which revealed that education had a significant influence on company management. The investigators discovered that rural entrepreneurs require assistance with relocating to urban communities, rural firms’ unfavourable remuneration, maintaining talent, and shortages of expertise. Similarly, Masenya (2023) discovered that female entrepreneurs in the official and unofficial markets face considerable hurdles due to their absence of education as well as entrepreneurial abilities. Mashapure et al. (2023) found similar results.

Table 3. Facilities obstacles impacting women's Entrepreneurship in rural communities

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>62</td>
<td>24.8</td>
<td>24.8</td>
<td>24.8</td>
</tr>
<tr>
<td>Agree</td>
<td>103</td>
<td>41.2</td>
<td>41.2</td>
<td>66.0</td>
</tr>
<tr>
<td>Neutral</td>
<td>45</td>
<td>18.0</td>
<td>18.0</td>
<td>84.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>30</td>
<td>12.0</td>
<td>12.0</td>
<td>96.0</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>9</td>
<td>3.6</td>
<td>3.6</td>
<td>99.6</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Based on the findings in Table 3, 24.8% of the participants believed that infrastructural facilities influence the growth of women-owned businesses in South Africa. Everyone who participated stated that restroom facilities are in bad condition and should be improved. These findings are consistent with the findings of Hlahla et al. (2022), who discovered that infrastructure supply is critical for human growth. It boosts efficiency as well as the economy's long-term development. According to Botha (2023), transport as well as communication networks in a lot of rural communities are inadequate for supporting feasible rural expansion, that can also be seen in the deteriorating condition of facilities in South Africa, especially electrical power and transportation, as demonstrated by Zulu et al. (2023). In contrast, Zondi and Magwaza (2023) emphasized the significance of infrastructure for a successful business, which is consistent with the findings of Tryphone and Mkenda (2023) in South Africa, who discovered that substandard roadways not only made traveling harder but also increased the cost of maintaining a vehicle. These findings are consistent with Knight et al. (2023), who discovered that a shortage of commercial buildings such as workplaces, storage spaces, and manufacturers is an important obstacle for many rural businesses in the Western Cape.
CONCLUSION

Based on the research, female business entrepreneurs in rural South Africa encountered various obstacles. According to the information gathered, the primary barriers to developing women-owned enterprises in South Africa's rural communities are a lack of infrastructure, a lack of knowledge, and financial restraints. The findings also demonstrate how critical obstacles to finances, a lack of education, and inadequate facilities are to developing women-owned companies in South African rural communities. To encourage rural women's entrepreneurship, the government as well as important stakeholders have to prioritise these obstacles. It is possible to do this by enacting effective policies and programs.

Accessibility to capital is critical for assisting female entrepreneurs with their company activities, and authorities must enable this using financing programs and other funding alternatives. Training and education in entrepreneurship are equally vital, especially when it comes to technical areas of business leadership such as advertising, pricing, and inventory management, which may improve the provision of services and satisfaction with consumers. Improving and updating infrastructural amenities, such as transport and communication, is critical to encouraging rural business. These policies will empower women entrepreneurs as well as boost revenue growth in rural regions, eliminating unemployment and raising rural populations' quality of life.

Finally, tackling the constraints of financial concerns, a lack of knowledge, and inadequate facilities is critical in fostering women's entrepreneurship and empowerment in South Africa's rural communities. Prioritizing these concerns allows legislators and other interested parties to foster an environment that promotes and empowers women entrepreneurs in rural communities, resulting in long-term economic expansion and development. The greatest barriers to growing women-owned enterprises in rural communities, based on the poll, are additional financial assistance, learning, and suitable infrastructure. In view of the findings of the research, the following recommendations are made to encourage the growth of female-owned businesses in South African rural communities:

1. Expand the availability of capital for rural women-owned businesses via microfinance organizations, government loan and grant programs, and collaborations with financial companies.
2. Create financial awareness programs and provide fundamental financial administration and accounting education to rural women entrepreneurs.
3. Develop public awareness programs emphasizing the significance of financial preparation and keeping documents for the long-term viability as well as expansion of women-owned businesses.
4. Increase educational possibilities for rural women entrepreneurs, such as professional development, programs for entrepreneurship, and mentoring programs.
5. Expand rural availability of the internet and technological solutions to boost education and entrepreneurial prospects.
6. Promote collaboration between the private and public sectors to build rural infrastructure, such as transportation systems, communications, and water and sanitation facilities.
7. Providing tax breaks and other benefits to businesses who participate in rural construction of infrastructure.
8. Boost federal funding for rural enhancement programs and services such as education and health care, as well as accommodation.
9. Create efforts to support the growth of women-owned businesses in certain areas like agriculture and tourism by giving skills and accessibility to markets.
10. Strengthen relationships among the public and private sectors to improve the economic and social conditions for rural women business owners.

It is hoped that by implementing these proposals into action, the obstacles faced by women business owners in rural South Africa would be solved, stimulating the development of their businesses and assisting in the expansion of the economy of the country. The results suggest that future studies should look at other concerns, including cultural as well as social barriers, a shortage of availability of marketplaces and knowledge, and legislative and regulatory obstacles that prevent women from starting enterprises in...
remote regions. It is critical to grasp the extra difficulties that women business entrepreneurs confront in rural communities to properly realize the issues they experience.

REFERENCES


