MICRO-BUSINESS AND SUSTAINABLE LIVELIHOODS

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Abstract: In situations of entrenched poverty micro-enterprises arguably offer women a way of supporting themselves and their families. However, while a large number of women start micro-enterprises, only a small number of these women are successful at generating a sustainable living from their micro-enterprise. Two questions thus arise: first, what resources and strategies enable some women to gain sustainable livelihoods from their micro-business, while others fail? Second, what social policies might assist other women living in poverty to earn sustainable livelihoods from their micro-business activity?

Data from South Africa, Egypt, and Nigeria suggest that social capital generated via membership in local community associations has no noticeable positive impact on the ability of women micro-entrepreneurs to generate sustainable livelihoods. On the contrary, women micro-entrepreneurs who are at the periphery of their communities and thus have greater space for autonomous action, but who are integrated into extra-local inter-community networks, are more likely to develop sustainable micro-enterprises.

States and NGOs can assist women micro-entrepreneurs in earning sustainable livelihoods from their entrepreneurial activities by (a) integrating small communities into wider networks; and (b) by enhancing individual autonomy of women via the provision of childcare support, and emergency and regular medical care.

Keywords: micro-entrepreneurs, social capital, capabilities approach, South Africa, Egypt, Nigeria, women’s empowerment

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Introduction

In situations of entrenched poverty micro-enterprises arguably offer individuals a way of supporting themselves and their families. However, while the data suggest that a large number of people start micro-enterprises, only a small number actually succeed in developing their enterprise and generating a sustainable living from it. Two questions therefore need to be addressed: first, what resources and strategies enable some individuals to gain sustainable livelihoods from their micro-business, while others fail? Second, drawing on these resources and strategies, can we develop social policies and programs that would assist other people living in poverty to earn sustainable livelihoods from their micro-business activity? This paper responds to these two questions.

Consider the first question: what explains why some micro-enterprises are successful while others may at best be described as stagnant or at worst as survivalist? Is it access to credit, or perhaps to social capital? Is it access to business support and assistance from relevant NGOs and state agencies? What are the factors that influence micro-enterprise success? Much of the debate has concentrated on the provision of micro-credit: whether or not it is available. That is basically the supply side story. It does not tell us what kinds of people use micro-credit effectively, and what kinds of micro-entrepreneurs do not even consider accessing micro-credit facilities available to them. The latter is primarily a demand side story that this paper probes.

In communities where resources are more or less equally available to all only some individuals tend to draw upon them. As a recent World Bank study observed, access to financial services “is not synonymous to the use of financial services. Economic agents might have access to financial services, but might decide not to use them, either for socio-cultural reasons, or because opportunity costs are too high.” (Beck, Demirguc-Kunt & Martinez Peria, 2005)

Social capital appears to be significant for starting a micro-enterprise but the development of the micro-enterprise does not appear to depend on the presence of social capital. On the contrary, being at the periphery of one’s community appears to be helpful for the development of micro-enterprises that provide sustainable livelihoods. Friends and associational networks within the community, by generating pressures to conform, reign in poor women’s entrepreneurial abilities.
Whether, why, and which economically disadvantaged and vulnerable people use financial services available to them for asset accumulation is a very critical question.¹ Much depends on whether, and the extent to which, an individual is allowed autonomy to undertake innovative strategies needed to pursue entrepreneurial success. Of course, the cultural idioms for constraints on individual autonomy vary from society to society.

The larger conclusion we can draw is that paradoxically women at the periphery of a community have considerably greater freedom than those at its center. Whether women are at the periphery or at the core is influenced by local, cultural, and historical factors. Widows, for example, are generally at the periphery of their communities in Egypt; not so in South Africa. In South Africa, marital status matters less than integration into social and familial networks. Therefore in South Africa, those who are not significantly involved in familial, or social support networks, are more likely to have successful micro-enterprises than those who are. In South Africa, Egypt, and Nigeria social capital generated via membership in local organizations appears to have no noticeable impact on the ability to generate sustainable livelihoods from micro-enterprises. On the contrary, micro-entrepreneurs who are at the periphery of their communities, only minimally engaged with associational networks in their local community, are more likely to develop successful micro-enterprises especially when they are drawn into networks outside their community.

This is where state agencies and NGOs supporting micro-entrepreneurs come in. Answering the second question noted earlier, this paper argues that state and non-state actors can help support the ability of micro-entrepreneurs to earn sustainable livelihoods from their entrepreneurial activities by integrating smaller, locally based communities into wider networks. Second, these developmental actors can also assist by adopting policies and programs that enhance individual autonomy vis-à-vis the community. And here, two specific kinds of support appear to be critical: providing childcare support; and providing convenient emergency and regular medical care.

¹ My field research in various parts of Africa and in south and south-east Asia suggests, this is a critical question not only in hierarchical communities (such as India and Nepal), where we can anticipate that only ‘elites’ or a privileged few would have true access to these resources, but also in relatively non-hierarchical communities (Black communities in South Africa; Egypt; northern Nigeria; and even communities in Indonesia) where status divisions do not preclude larger numbers, and especially economically disadvantaged individuals, from drawing upon them.
One can legitimately argue that two notions of community are at play here: the internal and the external. The former is usually culturally based, geographically bounded, and can inhibit individual autonomy. The latter is essentially associated with networks outside the immediate community and can often enhance individual autonomy, especially as it concerns women micro-entrepreneurs. *It is this second notion of community that is critical to the success of women as micro-entrepreneurs.*

The paper is divided into the following section: first, I examine the debate about micro-finance and its impact on micro-entrepreneurship. I then present a conceptual framework for specifying the relationship between micro-entrepreneurship and sustainable livelihoods. The framework draws upon the social capital and capability approach. After a brief section discussing how identities relate to micro-entrepreneurship and the comparative techniques used to explore this relationship, the paper expands on the methodology and data used for the analysis presented here, and also presents, evidence from South Africa, Egypt, and Nigeria. The final section draws out a few policy implications.

**Micro-Finance and Micro-Entrepreneurs**

Micro-finance institutions emerged because mainstream banks were not meeting the credit and banking needs of economically disadvantaged and vulnerable individuals in developing countries. Many of these micro-finance institutions are concerned not just with providing banking facilities to the poor and the very poor, but also with empowering vulnerable individuals facilitating developmental activities and of course reducing poverty.

A distinction can be proposed, following Robinson (2001), between micro-finance institutions that adopt (a) the ‘financial systems approach’, and those that adopt (b) the ‘poverty lending approach.’ The former offer “commercially oriented, minimalist package(s) of financial services for the economically active poor.” The latter involves “donor-subsidized lending for the poor, particularly the poorest of the poor, often linked to training, social, and other support services.” (Kabeer, 2005, p.4709) The latter are especially concerned not just with offering easy and inexpensive alternatives to high-interest informal moneylenders, but also with providing accessible credit to the poor/very poor to be used in entrepreneurial ventures that contribute to sustainable livelihoods and reduce poverty.
How effective are these micro-finance institutions at providing banking facilities and credit to the poor and the very poor, and at promoting entrepreneurship and reducing poverty? The available data does not offer a clear and reliable picture. The micro-finance literature has tended to evaluate the performance of micro-finance institutions from the perspective of their sustainability and growth, not whether their activities contribute towards the accumulation of assets by the population they cater to, or whether their activity generates sustainable, successful micro-enterprises.

While evaluating the performance of micro-finance institutions in terms of their own sustainability and in some cases profitability is reasonably straightforward, evaluating their impact on poverty-reduction, development and entrepreneurship is riddled with complications. As de Aghion and Morduch note, “there is no study yet that has achieved wide consensus as to its reliability; and this reflects the inherent difficulty in evaluating programs in which participation is voluntary and different customers use services with varying degrees of intensity.” (2005, p.222)

de Aghion and Morduch further continue:

“The challenges in evaluation arise because no microfinance program lends to random citizens. Instead, lenders carefully select areas in which to work and clients to whom to lend. When the characteristics that make borrowers different from non-borrowers are observable, the relevant conditioning variable (age, education, social status, and so forth) can be accounted for in impact evaluations. Often, though, what makes clients different is not measured – borrowers may, for example, have a more entrepreneurial spirit, enjoy better business connections, or be more focused than nonparticipants. Because these kinds of unobservable attributes are correlated with having credit, what seems like an impact of getting access to credit may in fact largely reflect these unobservable attributes.” (Ibid, p.223)

Many evaluations of impact consequently focus only on the ‘treated’ population ignoring the response of a ‘control’ population. While such evaluations might usefully inform donors of how a micro-finance institution might improve its programs, they are unhelpful for adequately and rigorously assessing the impact of micro-credit on poverty reduction and entrepreneurship.
In a recent article Kabeer attempts to parse out the impact of micro-finance on poor women’s ability to “address their practical daily needs as well as their strategic interests.” (2005, p.4709) Her conclusion is that there is a “need for caution in talking about the impact of micro-finance, in general, and the need to talk about the impact particular organizations have had in particular contexts. MFOs [or micro-finance organizations] vary considerably in the contexts in which they work, the sections of the population they work with, their analysis of the problem of financial exclusion, the strategies they adopt to address this problem and the commitment they bring to bear in the implementation of their strategies.” (Ibid, p.4718) She further suggests that in the absence of pro-poor policies “microfinance may at most provide a safety net for the poor rather than a ladder out of poverty.” (Ibid) Is microfinance, then, limited to enhancing the organizational capacities of women for collective action as Kabeer suggests?

In the context of the two questions raised at the beginning of the paper, we need to inquire why some women micro-entrepreneurs choose not to avail themselves of credit facilities offered to them. Why do some poor/very poor women choose to not draw upon available credit? Asking these questions leads us to some rather counter-intuitive conclusions. But before we get to them we must inquire into who among the poor and very poor women are able to take advantage of micro-finance programs? And why they are so equipped? What social, cultural, demographic, or locational attributes do they possess? Answers to these questions might lead us to develop policies that are neither caught in anthropological particularities and confusion, nor entrapped in ideological black boxes.

The Conceptual Framework

The conceptual framework presented in this paper builds on the social capital literature and on the capabilities approach. Such a framework offers a new entry point for discussions of how the state and non-state actors (such as NGOs) can contribute towards sustaining livelihoods and assets. The available data on the performance of micro-enterprises suggests that successful performers that provide sustainable livelihoods to their owners constitute only a small percentage of the users of micro-credit. The majority of micro-enterprises appear to be ‘survivalist’ at best. Why is that the case?
The Social Capital Argument

The social capital literature has argued that levels of social capital explain why economic development occurs in certain communities and not others, and why some entrepreneurs succeed where others fail. According to this argument, entrepreneurs who are embedded in strong social capital networks draw on the high levels of trust to sustain and expand their business, to demand better services from the state, to engage in cooperative activities that enhance their ability to improve the quality of their life.

In his classic book, Putnam (1994) points to the argument made by Sable and Piore (1986) about flexible production in the northern Italian context. High levels of social capital in northern Italy generate high levels of trust that is critical for allowing manufacturing firms, flexibility in production schedules and processes, such that they are able to out-perform their competitors. Does social capital work in a similar manner among poor women micro-entrepreneurs?

A review of the available literature offers notoriously unclear evidence. This is partly a function of researchers using varying definitions and indicators for social capital. It is partly also a consequence of different studies sampling from different categories of poor individuals, and not always recognizing that men and women are likely to use, contribute, and relate to social capital differently.

Consider for instance a study about social capital and its role among agricultural traders in Madagascar. Fafchamps & Minten argue: “traders with better relationships with other traders, suppliers, and customers earn higher margins.” (2002, p.151) They continue that social capital has “the same characteristics as other types of inputs, such as physical capital and labor. Like other types of capital, social capital is accumulated over time and significantly improves economic performance.” (Ibid, p.152) This conclusion is based on measuring social capital in terms of the number of relatives in agricultural trade; numbers of traders known; number of people who can help; number of suppliers and customers known personally. What this leaves unclear is whether familiarity contributes towards trustworthy relations or to suspicion, resentment, and jealousy. Moreover, their study focuses largely on male traders – their average respondent is “thirty-seven years old, male, and married with three children.” (Ibid, p.127) Does their argument work as well for women traders and entrepreneurs? Does it operate in a similar
manner across cultural contexts? Is it indeed the case that familiarity and knowledge of people leads to trustworthiness?

A widely cited article on social capital and household income that defines social capital as the quality and quantity of associational life observes that social capital contributes to household income. This is the case because “households in villages with more social capital are more likely to enjoy better public services, use advanced agricultural practices, join in communal activities and use credit for agricultural improvements.” (Narayan & Pritchett, 1997, p.35)

However, what remains unclear is what kinds of households are best able to utilize social capital.

This difficulty has to a lot to do with defining the relationship between the social and the individual/household characteristics. What is socially salient may be individually irrelevant, unless the cooperative social environment is demonstrated to be clearly considered desirable by individuals – it may or may not be.

The social capital perspective assumes, in other words, that the trust and the cooperative sensibilities generated by social capital motivate individuals to seek to improve their lives economically, financially, and socially – and the improvements are in the direction desired by the development community. As Sen has pointed out “it would be … a great mistake to try to replace the hypothesis of universal profit maximization with another hypothesis of similar, unconditional uniformity (such as ubiquitous altruism, or universal human sympathy, or some other form of non-contingent high-mindedness). The connections are dependent on many social, cultural and interactive considerations, and the resulting behavioral principles would tend to be complex as well as variable with respect to time, place and group.” (1997, p.6) Should we not consider that social capital might motivate individuals to act in ways that undermine the development agenda by enhancing restrictions on women’s autonomy, and strengthening cultural values and practices that do not particularly contribute to entrepreneurialism?

For development to be sustainable, it needs to be meaningful to vulnerable beneficiaries, to be desired by them, and to be socially sustainable in a multicultural and highly interconnected world. This requires individuals to balance the demand for cultural recognition and respect with that for the enhancement of economic development. Whether and how associational membership makes a positive contribution to the process individuals engage in to make their lives meaningful, and how that relates to the development agenda remains unclear. Individual responses need not always be in line with the development agenda. Social capital may best be
understood as organizational devices that promote cooperative and collaborative behavior from any ideological, political, or development perspective. It says nothing about the direction of the cooperative behavior. Being able to cooperate is not the same as desiring economic development.

To explore these issues requires that we examine not just associational contexts and their impacts, but also how individuals engage with these associational contexts. Here, Sen’s capability approach offers assistance. I discuss the capability approach and how it might assist us in responding to the questions raised earlier in the next section.

**The Capability Approach**

The development community’s attempt to specify trajectories of development has increasingly drawn upon the capability approach proposed by Amartya Sen (1995). According to this approach, development ought to consist of enhancing people's capabilities. If the activities individuals engage in are termed *functionings*, then the activities that they might engage in, given their skills, abilities, and opportunities, reflect their *capabilities*. The aim of development is to enlarge (or enhance) the set of capabilities a person can possess.

Sen observes that,

“Capability is primarily a reflection of the freedom to achieve valuable functionings. It concentrates directly on freedom as such rather than on the means to achieve freedom, and it identifies the real alternatives we have. In this sense it can be read as a reflection of substantive freedom. In so far as functionings are constitutive of well-being, capability represents a person’s freedom to achieve well-being.” (Sen, 1995, p.49)

Moreover,

“…capability may be relevant even for the *level of well-being achieved*, not only for the *freedom to achieve well-being*. The achievement of well-being is not independent of the process through which we achieve various functionings and the part that our decisions play in those choices. If this line of reasoning is seen to be important over a wide domain, there will be a case for relating capability to achieved well-being – and not only to the freedom to achieve well-being.” (Ibid, pp.49-50)
In other words, the capabilities possessed by an individual reflect the level of well-being she can potentially achieve. It also identifies the alternative functionings the individual can engage in to achieve well-being. The contours of this capability set are influenced by the structure of the individual’s community, social capital, and social networks as well as by the policies and programs of state agencies and NGOs. The challenge for the development community is to enlarge a person’s capability set.

This is unfortunately complicated by the fact that local contexts and cultural beliefs and practices influence an individual’s desired capability set, and this desired capability set is not always identical to the capability set the development community considers a worthwhile goal to strive for. This divergence, important for this paper, begins to conceptually indicate why credit opportunities that might be useful, or social capital that might prove to be critical for entrepreneurial success, are not always drawn upon.

Further, this suggests that the capability set that can be provided to individuals via state programs and policies or NGO intervention needs to be meaningful and desirable to the individuals if it is to contribute towards enhancing their freedoms and enlarging their existing capability set. Teaching a devout woman in Saudi Arabia to drive and altering the law so she is allowed to drive is not likely to enhance her freedoms in a meaningful way if driving is not part of her desired capability set. In other words, if development programs and policies are to enhance the desired capabilities of individuals, we need ways of determining these desired capabilities and factoring them into the design and implementation of the developmental activities.
Diagram 1—Functionings, Capabilities, Desired Capabilities, & Policy-defined Desirable Capabilities

Adapted from diagram in paper presented by Pinglé & Houtzager (2003).

Identities and Micro-Enterprise Development

Why some individuals choose not to avail themselves of micro-finance opportunities, for example, is at least partly a function of their identities. In his latest book, Sen observes that “within the limits of feasibility and reasonable returns, there are substantial choices to be made, and in these choices one’s visions and identities could matter” (Sen 2005, p.335). He thus suggests that the reasons why some individuals choose not to draw upon some resources to succeed economically is at least partly a function of how they see themselves.

The most straightforward way to inquire about how identities influence the performance and development of micro-businesses would be to conduct surveys investigating what capabilities people desire. Appadurai explores a potentially useful line of inquiry. He argues that
it is critical to understand the capacity to aspire -- which he considers to be a “navigational capacity [that] is nurtured by the possibility of real-world conjecture and refutations.” (2004, p.69) He observes that it is not that “the poor cannot wish, want, need, plan, or aspire … [but that poverty leads to the] diminishing of the circumstances in which these practices occur.” (Ibid)

Appadurai suggests four general principles for bringing cultural nuance to public action and for understanding people’s capacity to aspire. These are: (a) looking “closely at those rituals through which consensus is produced both among poor communities and between them and the more powerful.” (b) encouraging “exercises in local teaching and learning which increase the ability of poor people to navigate the cultural map in which aspirations are located and to cultivate and explicit understanding of the links between specific wants or goals and more inclusive scenarios, contexts, and norms among the poor”; (c) cultivating “voice among the poor … [as it] is through the exercise of voice that the sinews of aspiration as a cultural capacity are built and strengthened”; and (d) developing “a set of tools for identifying the cultural map of aspirations that surround the specific intervention that is contemplated.” (Ibid, p.83)

The first three points appear somewhat too exigent to translate into the policy sphere. And the last point, while intelligible for the policy world, is unlikely to yield useful answers. The responses are likely to be influenced by immediate concerns and needs of the respondents, not by a reflection on the overall life people would desire having and the capabilities they would need to acquire to realize it.

Therefore, an alternative way to ask people about their desired capabilities, might be to inquire about the kind of life they would like to have or how they would like to define their identity in the future. Answers to the questions – what do they consider a full life? What gives them dignity? What are the rights and obligations vis-à-vis others?² – are likely to yield a better understanding. Unfortunately conducting such research on an international scale is next to impossible. More importantly, it might be impossible to conduct such research without essentializing particular cultures and drawing contentious and politically troubling boundaries around communities. What does one, for example, mean by Egyptian culture? Are the Coptics part of it? Or does it include only Muslims?

In this paper, I adopt a variant of this methodology. First, I report on field research conducted in South Africa, Egypt and northern Nigeria on identities and micro-enterprise

². Taylor (1989) discusses these three questions relating to identities.
development. I interviewed a total of 250 poor and very poor women who were micro-entrepreneurs. Second, in analyzing the responses I have attempted to identify those women who were better or worse performers and comparatively explore why their performance varied. Discovering failed micro-entrepreneurs is very hard, if not impossible. One can more easily track down cases representing varying levels of performance short of outright failure, and draw relevant conclusions from them.

Women in all three countries were constrained by various kinds of cultural values and practices, and encumbered in countless ways by the daily grind of life. Yet, some women micro-entrepreneurs shone through and succeeded such that they contributed towards asset accumulation and sustainable livelihoods, and many of them did so in unimaginably inspiring ways. Did this group of women share anything other than personal attributes? And how can knowing what they share help us design policies that might encourage other women to perform in a similar manner? How did credit and social capital influence individuals? I answer this question by considering how women without significant local networks respond to the challenges of being a micro-entrepreneur. It also considers how micro-entrepreneurs who have access to such networks develop their enterprise.
Diagram 2 categorizes the dependent variable – performance of micro-entrepreneurs into three – successful, stagnant, and survivalist. It also specifies what these might be linked to.

Diagram 2

<table>
<thead>
<tr>
<th>Categories Used to Classify the Performance of Micro-Entrepreneurs</th>
<th>Emergent Patterns</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Individual Attributes</td>
</tr>
<tr>
<td>Successful Micro-Entrepreneurs</td>
<td>Marital Status</td>
</tr>
<tr>
<td></td>
<td>Children &lt; 10 years</td>
</tr>
<tr>
<td>Stagnant Micro-Entrepreneurs</td>
<td></td>
</tr>
<tr>
<td>Survivalist Micro-Entrepreneurs</td>
<td></td>
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</tbody>
</table>
Data Collection Methods

The data I use for this paper were gathered in an ethnographic manner between the years 1997-2003. The basic methodological strategy was developed during the South African stage of the fieldwork, and was then used to conduct research in Egypt and then northern Nigeria. The women micro-entrepreneurs interviewed were identified in the following way. First, specific communities for study in all three countries were identified in both rural and urban areas. Second, I identified various kinds of civil society associations – social clubs, religious societies, trade associations, cooperatives, burial societies, rotating credit societies (or stokvels as they are known in South Africa, or gamayyiat in Egypt), political associations, and ethnic-based associations in rural and urban areas. My aim was to include in the list of associations as broad a range of organizations as possible. I then interviewed the staff and/or heads of these associations. I asked them to describe the association, its history and its membership. I then compiled a list of members in each association who are micro-entrepreneurs and interviewed them.

A second list of micro-entrepreneurs in each community under focus was compiled with the help of community members and researchers familiar with the area. From these lists a sample of micro-entrepreneurs and civil society organization members were selected for interviews. In South Africa, I compiled an additional database of all the entrepreneurs who had been awarded the entrepreneur of the month prize by the Sowetan newspaper from 1989-1999. I was successful in tracking down and contacting more than 50% of these entrepreneurs.

150 women from seven of South Africa’s nine provinces (Gauteng, Mpumalanga, Northern Province, North-West, Eastern Cape, Western Cape, and KwaZulu Natal) were interviewed. Interviews were conducted with micro-entrepreneurs located in rural areas (in these provinces), urban areas and former townships (in and around Johannesburg, Capetown, Empangini, Thohoyando, Mbatho, Pietersburg), and mining ‘hostels’ in the Johannesburg metropolitan area. In most cases the interviews were conducted in the homes or the workplace of the micro-entrepreneurs.

The data in Egypt were gathered via interviews with rural and urban micro-businesswomen in Cairo, Minya, and rural areas in Upper Egypt. In all 50 interviews were conducted. And in Nigeria interviews were conducted with 50 micro-entrepreneurs in Kano and in rural areas of Katsina and Jigawa provinces.
The interviews lasted over an hour on average. I did follow-up interviews as required for about a third. The interviews were open-ended, unstructured and conversational. I asked the entrepreneurs how they started their business, what dilemmas and problems they encountered along the way. I asked them whom they turned to for help, advice, and financial assistance. I inquired about their community and their family. I asked them whether they were members of civil society associations and asked them about their experiences in each of the associations. I inquired whether they engaged in economic transactions with other members of these associations; whether they found being a member of these associations ‘helpful’ for their micro-business; and I asked them to elaborate on how it was helpful. I also asked the micro-entrepreneurs who they trusted in their community, and why.

I did not, however, ask them direct questions about their earnings and profits from their micro-enterprise. I estimated their performance from the history and description of the micro-enterprise. (1) A micro-enterprise that performed ‘successfully’ was one that had grown considerably since its establishment. Such a micro-entrepreneur clearly demonstrated remarkable entrepreneurialism and creativity. (2) A micro-enterprise that was categorized as ‘stagnant’ was one that continued to operate, but was not remarkably creative or entrepreneurial. (3) Micro-entrepreneurs who had not grown in any demonstrable way and had remained a ‘survivalist’ enterprise – barely providing a basic income for the entrepreneur – were categorized as poor performers.

I also did not ask micro-entrepreneurs questions about their education as my preliminary fieldwork indicated that such an inquiry would have been perceived as intrusive and rude. I did inquire about the educational opportunities available in the area, and the general educational background of the members of their community. The responses suggested that while most micro-entrepreneurs interviewed had had some education, *no woman micro-entrepreneur I interviewed had attended college*. In sum, then, I gathered data from 250 interviews – 150 from South Africa, 50 from Egypt, and 50 from Nigeria. The arguments in this paper are based on those interviews.

**Basic Patterns Regarding Social Capital**

What enables some micro-businesses to generate sustainable livelihoods is less dependent on the type of micro-business, or on the state’s micro-business policies, or on the availability of capital, as is often believed. Success/failure is more dependent on the individual’s involvement
in associational networks in their community. The greater the number of associational memberships inside one’s community, the lower the odds of one’s entrepreneurial success. Membership in one or two groups appears to have minimal negative impact on the performance of their micro-enterprise; but membership in three or four groups significantly decreases the odds of the micro-enterprise becoming successful. Micro-credit programs and the self-help groups supported by them certainly facilitate creation of micro-businesses, but do not appear to contribute towards the development of these micro-businesses.

Successful micro-enterprises in the sample were likely to be connected to networks outside their community whether through NGOs, state agencies, or economic associations. These connections helped inform them of growth possibilities; in a very large number of cases inspired them and motivated them; and provide technical assistance.

Further, data gathered by me also indicate the reasons why individuals choose to participate in some networks as opposed to others. Such data analysis is critical if social policies that seek to create an enabling environment for individuals to escape poverty are to be identified and fine-tuned so as to respond to the needs and capabilities of the poor. Poor/very poor women join associations in their community for social support – whether in the event of medical or family emergencies or for childcare and child rearing support. They do not appear to join community associations expecting to develop trustworthy economic relations with other members – relations that might help them lower transaction costs in activities concerned with their micro-enterprise.

**The Picture from South Africa**

Trust generated within community organizations does not tend to contribute to economic activities and interactions. On the contrary, the trust thus generated, according to the interviewees, puts pressure on the women to conform, and to not act in an innovative or entrepreneurial manner. Those involved in fewer associations internally were more successful than those involved in a greater number of internal associations.
Women who were able to develop their micro-enterprises into successful, sustainable businesses that allowed them to accumulate assets tended to be single, lived at the margins for their communities (in that they had fewer associational ties within their community), and were linked to support systems such as NGO networks outside their community. Further, they tended to have teenage or older children. This was true not just of urban women, but also of rural women.

Table 1: Distribution of South African micro-entrepreneurs by number of memberships in internal associations (N=150)

<table>
<thead>
<tr>
<th>Membership in Community Associations</th>
<th>Successful Micro-Entrepreneurs</th>
<th>Stagnant Micro-Entrepreneurs</th>
<th>Survivalist Micro-Entrepreneurs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 or 2 Associations</td>
<td>79</td>
<td>18</td>
<td>20</td>
</tr>
<tr>
<td>3 + Associations</td>
<td>5</td>
<td>10</td>
<td>18</td>
</tr>
</tbody>
</table>

Table 2: Distribution of South African micro-entrepreneurs by marital status (N=150)

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Successful Micro-Entrepreneurs</th>
<th>Stagnant Micro-Entrepreneurs</th>
<th>Survivalist Micro-Entrepreneurs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>55</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Married</td>
<td>29</td>
<td>17</td>
<td>32</td>
</tr>
</tbody>
</table>
Table 3: Distribution of South African micro-entrepreneurs by number of children under the age of 10

<table>
<thead>
<tr>
<th></th>
<th>Successful Micro-Entrepreneurs</th>
<th>Stagnant Micro-Entrepreneurs</th>
<th>Survivalist Micro-Entrepreneurs</th>
</tr>
</thead>
<tbody>
<tr>
<td>With Children Age &lt; 10</td>
<td>8</td>
<td>12</td>
<td>31</td>
</tr>
</tbody>
</table>

Thus the success of women micro-entrepreneurs appears to relate (a) negatively to how involved they are internally, and (b) positively to their connections to networks and associations outside their community. Second, having such connections appeared to motivate the entrepreneurs to seek financial assistance for developing or expanding their enterprise.

Table 4: Distribution of South African micro-entrepreneurs by external associational links or internal associational links only (N=150)

<table>
<thead>
<tr>
<th></th>
<th>Successful Micro-Entrepreneurs</th>
<th>Stagnant Micro-Entrepreneurs</th>
<th>Survivalist Micro-Entrepreneurs</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Links</td>
<td>66</td>
<td>16</td>
<td>4</td>
</tr>
<tr>
<td>Internal Links Only</td>
<td>18</td>
<td>12</td>
<td>34</td>
</tr>
</tbody>
</table>

**Analytical Narratives I**

*Friedah and Friends*

I met Friedah and her friends in Friedah’s home in Soweto. Soweto may be divided into 3 segments – shantytowns, hostels, and neighborhoods with 2-room brick houses built by the apartheid government. Overtime a number of residents have built additions to these houses and some houses, such as the one owned by Winnie Madhikezela Mandela resembles the fancy houses in the white suburbs of Johannesburg rather than the other 2-room houses on the block. Friedah’s house is relatively unmodified. An iron gate, tiled floor and a well-appointed bathroom were in fact the only apparent modifications.
Friedah runs a *spaza* shop (a small neighborhood grocery store) from her house. She sells tripe, some vegetables, and a few other groceries. Occasionally she also sells some *pap* and stew. She started the *spaza* after she was fired from her job in the early 1990s. Her husband works for a white-owned company as a security guard. His contribution toward the household expenses just about covers the grocery bill. It is Friedah’s income from the *spaza* that pays for all the other household expenses, including the school expenses of her three children.

Friedah’s neighbor, Francinah, also runs a *spaza* shop. It is identical to Friedah’s. Their friend, Portia, also runs a spaza at her home on the next block. These three women discuss their business problems with each other frequently. They seek each other’s advice and help. They share their customers and argued forcefully that they do not compete with each other. Lolo and Sylvia are also friends of these three women. They have sewing businesses. While Lolo sews and sells curtains and bed linen, Sylvia stitches dresses. They sell their products at a stall near the neighborhood school. All the five women assist each other by baby-sitting each other’s young children and turn to each other for help during family emergencies.

All five attend church regularly – though not all go to the same church. They all insisted that they trust their fellow church members with family and community concerns but would not ask them for business advice. When asked why, Friedah and Francinah observed that they go to church to pray and talk about god – not business. Portia also observed that whenever she, (or Francinah or Friedah) offered to cater any church event, others in the church resented their being given prominence and the extra business. Local councilors and the civic association had provided no help. Finally, all five women also observed that relatives are of no help with regard to their micro-enterprises whatsoever.

All five women had no interest in joining Soweto-based associations such as the Soweto Spaza Association or the Soweto Chamber of Commerce. They viewed these associations with deep suspicion. They did not consider themselves to be businesswomen and therefore saw no need to join these organizations. As they saw it, their micro-enterprise activities were merely extensions of their household chores.

The micro-enterprises run by these women may be described at best as survivalist. Their profit margins were slim and did not appear to offer any possibilities for generating saving and accumulating assets. The businesses appeared to be much as they were when they were first started with one difference: they faced increasing competition from other neighborhood *spazas*.
and tailoring businesses. And this had reduced their profit margins over the years. They all observed that they would quit their businesses if they were offered employment in the formal sector. Until then, they observed, they would run their micro-businesses to help support their families.

Chivirikani (Venda for hard work) Maize Mill

After a grueling two-hour drive on a dirt road from the town of Bushbuckridge in the province of Mpumalanga one arrives at a small hamlet near the village of Mhala. It is like all other hamlets in the area, except in one respect – it has an electric maize mill. 36 women own and run it. The women came together many years ago to form the local branch of the “Housewives League”. A social organization formed by Black middle class women in the 1950s, the housewives league has branches throughout South Africa today.

Primarily as social support network for Black housewives, local branches are actively engaged in charitable projects. A few, like this one in the dusty dunes of Mhala, have transformed themselves into successful entrepreneurial ventures. Members of this branch started a gardening project in the early 1990s. They grow vegetables and sell them at a stall in the village. Gradually, other women in the village joined them and they have opened a day care center. But their most striking and successful venture to date is a maize mill.

A daughter (in her 20s) of one of the members met a representative of AfriCare (an NGO that operates in South Africa) and mentioned her mother’s social activities. AfriCare was looking to facilitate entrepreneurial projects in rural South Africa. In 1997 AfriCare donated a Maize mill and the 36 women in the village came together and were in business. Local African farmers bring their maize to them to grind. Theirs is the first electric mill in the area. In peak season, the mill employs 15 people. Apart from the vegetable gardening business, the day care center, and the mill, the women have also started a sewing school. For a fee they train young women from the area.

They have a growing income from their various business ventures. To better manage their finances, a few of the 36 women took classes in accounting at the Mine Worker’s Development Center. Funded by a division of the National Union of Mineworkers, the Center runs a training program mainly for retrenched miners, but open to all in the area.
The 36 women observed that they have received no help from the government or the local civic authorities, or their churches, or other social organizations in their community. They did, however, receive the support and approval of the village authorities in the area. They received little or no help from their families. Only nine of the women were married, and only 3 had children less than ten years of age.

As with Friedah and her friends, some of these women are also regular church-goers. And like them they observe that the church community is only for praying, and that the church leaders discuss other-worldly matters, not this-worldly matters. Unlike Friedah and her friends, the approval of the village authorities legitimizes their business in their eyes and in the eyes of the residents of the area; it reduces resentment, generates support for their business within the village community and thus facilitates their business ventures. Also, they saw themselves as being at the margins of their community, not particularly involved in political and community debates.

Their entrepreneurial ventures have, in comparison to other micro-enterprises in the country I examined, and in comparison to where they were when they started the ventures been tremendously successful. Not only do the women appear to have fully drawn upon the support offered to them by Africare, they have explored a variety of opportunities available to micro-enterprises.

**Bokamosa Sewing Project**

The last set of entrepreneurs I would like to introduce you to are in the village of Kabe near the Kalahari and the Botswana border. In 1993 two social workers from Operation Hunger (a South African NGO) arrived in Kabe. They offered to help villagers set up small business ventures. Only a few people in Kabe had any formal employment. They worked as domestic workers, and as farm workers in white-owned farms nearby. A handful of men from Kabe had migrated to the mines and large industrial areas. Income for people in the village thus comes from remittances from these miners and factory workers, from domestic work in neighboring towns, or from working on white farms. The sandy landscapes sustains limited farming though you would not know it looking at the rich corn fields of the large white-owned farms less than 50 miles away.

Thus, as the social workers saw it, small business ventures would help this poor community. However, none of the villages were willing to discuss any small business projects
with the two social workers. After considerable frustration, the social workers approached the village authorities in the area. With some persuasion, the village council agreed to call the villagers to a meeting to discuss the proposals. After much debate, the social workers were permitted to present forth their proposals and the village leaders asked the villagers if they would be interested in joining the various projects. Nine Women expressed their interest in the sewing project and the Bokamosa Sewing Project was born.

None of the women were related to each other – though they did know each other well, living as they did in the small, isolated village of Kabe. They pooled their savings to buy fabric and supplies, and Operation Hunger supplied seven sewing machines and provided basic training.

The women sew curtains, dresses, and bed linen. They sell most of their products in the nearby town of Mmbatho. Apart from collecting orders, delivering the finished products, and selling some of the products at a stall in Mmbatho, the women are also avid window shoppers. They peruse the products at the local department store looking for new designs and styles. This, they insisted is what has allowed them to remain in business for over six years. They buy their fabric and supplies while in town, and informed me many times in the course of the interview that they always buy their supplies before dividing the remainder amongst themselves.

Apart from the initial blessing of the village leaders, the women behind the Bokamosa Sewing Project have received little help from others in the village – including their husbands (three of the women were married) and their families – though they noted they encounter no resentment from the others despite succeeding economically even though they were not connected to the leadership in the village.

The women observed that they help support each other’s households and help the one woman among them who has young children by babysitting them. For help and advice they turn to each other. They interpret the approval of the village authorities, as a permit to “do well” both as a group and as individuals. They observed they were very grateful to the leadership’s tacit support.

While the Bokamosa Project is not as successful as the Chivirikani ventures, the nine women tailors are clearly more entrepreneurial than the Friedah and her friends in Soweto despite the fact that fewer opportunities to market their products, develop their skills, and possibilities for assistance, are available to them.
The Picture from Egypt

Egyptian micro-businesswomen operate in a very different cultural setting than those in South Africa. Islam dominates their cultural landscape. In Egypt, unlike in South Africa, both rural and urban women micro-entrepreneurs were required to satisfy one condition: they had to meet the requirements of being good Muslim women. Egyptian micro-businesswomen define their full life as one which enables them to follow the principles of Islam in their daily life – pray at the specified times, visit Mecca at least once in their life, and engage in the activities of their local mosque. They understand their obligations to others in their community and in their family in accordance with the tenets of Islam, and what dignifies them is their ability to live their life as good Muslim women.

In Egypt, as in South Africa, membership in local community organizations does not appear to increase a woman micro-entrepreneur’s ability to make her business successful. This was true among women living in Cairo and also those living in a rural area in Upper Egypt around Minya. Almost none of the successful micro-entrepreneurs were members of community level associations. Nearly all of the stagnant and survivalist micro-entrepreneurs were heavily engaged in extended family networks and activities. All the women in the sample were involved with their local mosque and interacted with its religious leadership.

Table 5 Distribution of Egyptian micro-entrepreneurs by number of memberships in internal associations (N=50)

<table>
<thead>
<tr>
<th>Membership in Assoc./Networks</th>
<th>Successful Micro-Entrepreneurs</th>
<th>Stagnant Micro-Entrepreneurs</th>
<th>Survivalist Micro-Entrepreneurs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Associational</td>
<td>13</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1 Association + Family Networks</td>
<td>3</td>
<td>14</td>
<td>5</td>
</tr>
<tr>
<td>2 Associations + Family Networks</td>
<td>0</td>
<td>9</td>
<td>6</td>
</tr>
</tbody>
</table>
Second, as in South Africa, women who were able to develop their micro-enterprises into successful, sustainable businesses that allowed them to accumulate assets were single, lived at the margins of their community, and were linked to supportive organizations and networks outside their community. In interviews, married women suggested that they regarded their role as wives and mothers as more important than their role as micro-businesswomen. Consequently, acquiring the skills to be a successful micro-businesswoman was valued less than skills that would help in being a better Muslim wife.

Table 6 Distribution of Egyptian micro-entrepreneurs by marital status (N=50)

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Successful Micro-Entrepreneur</th>
<th>Stagnant Micro-Entrepreneur</th>
<th>Survivalist Micro-Entrepreneur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>14</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Married</td>
<td>2</td>
<td>15</td>
<td>11</td>
</tr>
</tbody>
</table>

Single women (whether widowed, divorced, or abandoned) appeared to have more room to focus on their micro-business and their ability to succeed appeared to be limited only by the economic opportunities available to them. Moreover, expanding their business allowed them to fulfill more easily obligations required of them as Muslims – to visit Mecca at least once in the lives and to contribute to charity (zakkat). Consequently, these women have the incentive to define an evaluative space that is different from that defined by married micro-businesswomen, and also have few constraints.

Table 7 Distribution of Egyptian micro-entrepreneurs by number of children under 10 years of age

<table>
<thead>
<tr>
<th># with Children</th>
<th>Successful Micro-Entrepreneur</th>
<th>Stagnant Micro-Entrepreneur</th>
<th>Survivalist Micro-Entrepreneur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age &lt; 10</td>
<td>1</td>
<td>18</td>
<td>11</td>
</tr>
</tbody>
</table>
Third, as in South Africa, successful women micro-entrepreneurs in Egypt tended to have teenage or older children. Women noted that whether single or married, having young children meant that they were compelled to join social associations such as self-help groups, or rotating credit societies, or women’s social groups not to access the credit primarily, but to develop ties with women outside their immediate families who could assist them with child-rearing. Having young children also compelled them to maintain strong ties with their extended families for the same reason.

**Analytical Narratives II**

*Rashida’s Tailoring and Embroidery Business*

I met Rashida at her home in Mansheit Nasser, a Cairo shantytown. Precarious buildings, many four-stories high, jostled each other to overlook narrow, dingy, though cool lanes. The spacious feel of South Africa’s townships was clearly not to be found here. The stacked homes appeared to have complicated and, often illegal, floor plans and frequently went under and over sections of neighboring houses.

Rashida’s house seemed as precarious as the rest. She and her micro-enterprise, however, seemed anything but precarious. She stitched and embroidered clothes worn by belly dancers. She sold these clothes (skirts, tops, veils, scarves) to shops in the markets of old Cairo – shops frequented by foreign tourists. She had been doing this since her husband died almost 10 years earlier. Not wanting to depend on her relatives, she had worked hard to save money for her daughter’s wedding and even added additions to her house so her two sons could live upstairs with their families.

She was a devout woman – a Muslim who always wore her veil and paid her *Zakkat*, prayed, and respected her religious leaders. She did well by them. Her only remaining desires, apart from developing her business further, was to visit Mecca, and to persuade her daughter to focus on her micro-enterprise more and her husband a bit less. But, as she noted, the demands on a married woman are never straightforward.

Rashida remarked that she would certainly like to improve her business skills and would be very willing to approach state agencies and NGOs for assistance to develop her business further. She had received assistance from ADEW, an Egyptian NGO, and had been a member of
a gamaiyyat (as informal rotating credit associations are called in Egypt) – both had provided support initially.

Heba’s Tailoring Business

Heba also lives in Mansheit Nasser. Her husband does odd jobs in Cairo and they have 6 children. Heba’s house is not as spacious as Rashida’s, but her extended family living in the community, share their homes with Heba’s large family, and that according to Heba does make things easier. To make ends meet Heba started a tailoring business sometime ago. She sews children and women’s clothes in response to orders her family and friends place with her. In addition to her family and friends, other residents of Mansheit Nasser also place order for both clothes with her. She gets these from suppliers in nearby areas and delivers them.

Heba’s business barely provides her and her family with a sustainable livelihood. The success of the business is dependent on her maintaining good relations with her family and friends. Moreover, she wondered aloud whether some of them resent her attempts at earning an income and subtly undermine it. She hesitates therefore to adopt strategies that might lead to more resentment, she pointed out, as she has to live with her community and cannot afford to jeopardize these relations. Moreover, that would make her husband unhappy.

What she earns she attributes to risq – term from the Koran loosely translated as provisions granted by fate or god’s will. And if her micro-enterprise does better it would not, she believes, be because of anything she can do but because of her risq. This appears to work to legitimize her not seeking to develop her micro-enterprise. In contrast to Rashida, Heba is more solidly integrated into family and community relations that appear to restrict her autonomy to earn a sustainable livelihood. What does appear to sustain her business is getting the odd order from non-family and friends customers. And while her business is not performing poorly, it is clearly not growing at any significant pace or in any strategically productive direction.

Fatima’s Grocery Store

After half day on the road, traveling due South, I arrived at a village en route to Minya. This village in Upper Egypt, like a number of villages in developing countries, boasted few economic establishments, acres of sandy soil, and skinny goats roaming the dusty village lanes. On one of these lanes, Fatima had a grocery store.
The grocery store was spare and the shelves few and far between. Being the only grocery store in the village, it had no shortage of customers (family and friends) seeking to buy household provisions, and especially cold soda. But Fatima did not seem to be interested in developing her business to cater to the demands from the village. Her husband occasionally helped her with the bookkeeping and her young children helped stock the odd provision or two.

Unfortunately, partly because Fatima’s immediate and extended family and their friends were her main customers she was hesitant for her business to succeed. Its success might mean that her community would resent her for becoming someone different from them, more prosperous. The grocery store provided just enough to make ends meet, but nothing to help with household savings. Compared to Heba’s micro-enterprise, Fatima’s store was just about surviving.

The Picture from Nigeria

Like Egypt, the communities in northern Nigeria I studied lived in a landscape defined by Islam. At the same time, however, pre-Islamic African traditions and cultural idioms filtered their ways of being and acting. Negotiating the boundaries between the two was not always straightforward and appears to have implications for how women micro-entrepreneurs see their activities and regarded themselves.

Though the cultural impulses motivating ways of being and acting among Muslim communities in northern Nigeria differ in multiple ways from those among Blacks in South Africa, or Muslims in Egypt, the patterns of entrepreneurial behavior among micro-entrepreneurs seem remarkably similar.

Of the 50 micro-entrepreneurs interviewed, only 6 might be considered successful, 13 stagnant, and the majority, 31, may only be categorized as survivalist. The paucity of successful micro-enterprises compared to what could be identified in South Africa and even Egypt is likely to be a function of the state of economy in northern Nigeria, and the overall opportunities for entrepreneurial development available there. Despite this variation, it is interesting to note that single women, women with older children, and women having links with networks outside their community fared the best.
Table 8 Distribution of Nigerian micro-entrepreneurs by number of memberships in internal associations (N=50)

<table>
<thead>
<tr>
<th>Membership in Associations</th>
<th>Successful Micro-Entrepreneurs</th>
<th>Stagnant Micro-Entrepreneurs</th>
<th>Survivalist Micro-Entrepreneurs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 &amp; 2 Associations</td>
<td>6</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>3 + Associations</td>
<td>0</td>
<td>6</td>
<td>17</td>
</tr>
</tbody>
</table>

Table 9 Distribution of Nigerian micro-entrepreneurs by marital status (N=50)

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Successful Micro-Entrepreneurs</th>
<th>Stagnant Micro-Entrepreneurs</th>
<th>Survivalist Micro-Entrepreneurs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>6</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Married</td>
<td>12</td>
<td>27</td>
<td></td>
</tr>
</tbody>
</table>

Table 10 Distribution of Nigerian micro-entrepreneurs by number of children under 10 years of age (N=50)

<table>
<thead>
<tr>
<th># with Children</th>
<th>Successful Micro-Entrepreneur</th>
<th>Stagnant Micro-Entrepreneur</th>
<th>Survivalist Micro-Entrepreneur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age &lt; 10</td>
<td>1</td>
<td>13</td>
<td>28</td>
</tr>
</tbody>
</table>

Analytical Narratives III

A’isha Muhammadu’s Bean Cakes

A’isha sits beside her wooden crate with fried bean cakes displayed, propane stove, and a small collection of pots and utensils alongside a broad road in Kano. There she prepares kosai (fried bean cakes) deftly and heats the frying pan. She fries and drains them, wrapping them in newspaper. Pedestrians and cars stop by, and while business is not brisk, she does have customers at regular intervals throughout the day.

A’isha’s has 10 children – from the ages of 21 to 3. Her husband was an Imam at a local mosque and was unfortunately laid-off some ten years ago. Since them A’isha has been the primary breadwinner of the family selling fried bean cakes everyday on the streets of Kano.

Her husband’s main contribution to her enterprise, is as she puts, that “he does not restrict her in any way” though he forbids her to work in any manner that challenges the Islamic (and cultural) strictures. Thus, being a wife who earning money, or working outside the home more important than tending to her home, husband, and her children would be seriously inappropriate.
She calms him by pointing out that cooking and selling fried bean cakes is part of running the household.

She says she has had not contact with any NGOs or micro-finance institutions. And no one as offered her any assistance – not her extended family, her neighbors, nor other women at her mosque. Each family is on their own, she points out, irrespective of how many people they know.

Asta Bukar’s Dairy Stand

Just before sandy dunes of the Sahara take over Asta Bukar stands with three other Fulani women tending to her two young children and watching over the cans of milk and pots of yogurt they have brought from their settlement in the bush to a dusty intersection in Dutse in Jigawa province. It is market day in the village, and stalls selling local produce, clothing, and household items line the street.

Asta and her three friends got their initial capital from their savings. They and their families used to have a large herd of cattle but rinderpest, natural calamities, and difficulties getting animal feed caused them to lose most of their cattle. Now they have only a few heads of cattle each. However, they supplement the milk their cattle produce by purchasing surplus milk from other cattle herders.

Other women in their families are not interested in selling milk and yogurt in this market. But these four women decided to try their hand at selling milk and yogurt in the village even though it is hard for them to travel the long distance with young children in tow. But they thought that if the three women among them who do not have young children help Asta with her two children, they might be able to pull it off. They were hopeful that their business would take-off as they are the only Fulani women to travel the long distance to sell milk and yogurt in this area, and it appears to have. They have had no contact with any NGOs or state agencies. They have never received any assistance from the state, or religious leaders, or any other organization, even at times of natural calamities. They observed that they would like to seek a loan to develop their business, but have no information about they should go about it.
Salamatu Daso’s Fura Business

Salamatu supports her five children and herself with the income from her fura business. Fura (cooked millet balls) is main food of Fulanis and Hausas. It is produced from millet and is cooked with ginger and hot pepper. It is eaten mixed with fermented milk, somewhat akin to buttermilk.

Salamatu’s business is very popular with local residents, both in her village of Tukui, and in the Dambatta. She prides herself on selling the tastiest fura in all of Dambatta, not just in Tukui. She remarks that some of her customers come from far away just for ‘Salamatu’s fura.’

She had not received any assistance from any state agency or NGO with regard to her business. The only assistance she has ever got was from the Sharia court that granted her a divorce from her ‘wicked’ husband. She saved up money to get her fura business going soon after her divorce, and is careful about how she conducts her business and develops it. It provides for her family she points out, she needs to tend to it with care. She further observed that she would like to apply for a loan to expand her business and to be able to respond to the growing production of fura by large companies.

Implications

Being Single

Across my sample, single women were much more likely to be successful than married women as micro-entrepreneurs. Single women were less involved in familial networks and claimed in interviews they had more autonomy than married women when it came to taking business decisions. Second, they were much more willing to define themselves as businesswomen and therefore felt comfortable seeking out assistance from micro-finance institutions and state agencies concerned with supporting micro-enterprises.

Even in Egypt and northern Nigeria, where Islamic restrictions on women’s movements and participation in activities outside the home might suggest that single women would be worse off that married women, when it came to running a micro-enterprise single women appeared to be doing better under certain circumstances. As Rashida explained during our interview that as a widow she only had to satisfy the demands placed on her by her religion and religious leaders, and those of her micro-enterprise. As a married woman, she would have to satisfy the demands
of her husband and his family, her religious leaders, and also respond to the challenges of her micro-enterprise.

Community and Conformity

Micro-businesswomen in South Africa, Egypt and northern Nigeria who were among the poor and very poor in their community observed that it was difficult to see themselves as businesswomen because of pressure from their community to conform to the local cultural ideal of a good woman. This pressure to conform was experienced somewhat differently by micro-businesswomen who were not quite as poor. The less poor women knew of, or at least had heard of, other women in their wider community who were successful businesswomen and who were broadly considered role-models. These women argued that it was acceptable for a woman to consider herself, and be considered by others to be a businesswoman.

The very poor women, on the other hand, saw their micro-enterprise as part of their daily household activity and operations. They were not at all comfortable with regarding themselves as businesswomen, and certainly not comfortable having others see them as businesswomen.

Single women who were very poor, however, did see themselves as businesswomen. They regarded themselves as the heads of their households, as the primary breadwinners, and argued that so long as they had the tacit approval or acceptance of their community they were fine.

Having Young Children

A third factor that appears to influence whether women run micro-enterprises that provide sustainable livelihoods appears to be having young children to raise and tend to. Women with your children depend on familial and community networks for support with childcare and childrearing. These networks appear to act to constrain women from becoming successful micro-entrepreneurs.

Women with young children are drawn to associational ties and are concerned with enhancing their social capital. While this benefits them insofar as it assists them in raising their children, these associational ties unfortunately tend to undermine the woman’s ability to run their micro-enterprises in ways that promote entrepreneurial engagement and innovation.
Outside Connections

A very significant number of the women who were successful micro-entrepreneurs were linked to networks and associations outside their community. NGOs that promote micro-businesses by providing them with assistance with daily operations in the initial phase appear to be spread throughout South Africa. Such NGOs were hardly to be found in northern Nigeria, even though donors had such programs of assistance for Nigeria. In Egypt, national NGOs appeared to have a greater presence in this field than international NGOs.

Connections with networks and associations outside their community allowed the women micro-entrepreneurs to gain valuable operational assistance, technical skills, and in some cases financial assistance. The links, moreover, ensured that the women gained insights into how they might develop their businesses. Most importantly perhaps, the links and assistance allowed the women to establish businesses that were more likely to provide sustainable livelihoods, rather than businesses that did not offer good profit margins.

Policy Recommendations

This paper has attempted to avoid the seemingly inevitable anthropological-sociological trap of concluding that local contexts are so different and their impact is so strong that broad conclusions and patterns cannot be identified. Rather, it has attempted to explore local variations, and has then drawn out comparative inferences that could inform social policies aimed at encouraging micro-entrepreneurs earn sustainable livelihoods from their activities.

Based on the field research conducted, it would be reasonable to conclude that in situations of dire poverty, micro-enterprises do help provide entrepreneurs with incomes. Whether these businesses can also provide sustainable livelihoods depends on whether the women are in a position to develop and nurture their businesses; whether their desired capabilities are appropriate for succeeding as an entrepreneur.

Three issues emerge from this exercise. Taking care of young children precludes women from developing their micro-enterprise. Not only does the former take up their time, but also more importantly, it leads them to join associations and networks that might provide them with emergency family assistance and support. Unfortunately, these networks also work to pressure the women to conform to the others in the group, and to not attempt to cultivate entrepreneurial strategies. This would suggest that providing childcare facilities in urban areas and possibly
creating such facilities in public schools in both urban and rural areas might be beneficial. Poor/very poor women also turn to civil society associations and networks for assistance at times of family medical emergencies. Ensuring that emergency medical assistance and regular medical care is conveniently available would certainly help.

NGOs and networks located outside the community play a very significant role in motivating and supporting women micro-entrepreneurs to develop successful businesses. Encouraging such activity appears to be critical for enabling greater numbers of poor women to enhance their capabilities and more importantly to explore what capabilities would be desirable to possess. The NGOs, in other words, appear to play a critical role in broadening the horizons of women at the margins of society.

One dimension I was unable to explore via my interviews was the relationship between education and micro-entrepreneurial performance. None of the women interviewed for this study in any of the three countries had had a college education. But it is worth inquiring into whether the women who were had completed high school were performing better than those with less education as entrepreneurs. One fundamental way of empowering poor women is to ensure that illiteracy is eradicated and at least basic education is provided. (Deshmukh-Ranadive, 2005, p.114)

Education and access to information might well be, along with the provision of childcare and emergency medical assistance, factors that are critical not just for empowering women, for broadening their horizons and generating different aspirations, but also for enabling them to be better entrepreneurs. Education may well encourage the development of private autonomous spaces, spaces that would be essential to enable poor women who depend on their micro-enterprises to earn sustainable livelihoods from them.

Perhaps it is time to shift a little away from focusing on NGOs that ‘target’ specific groups of women with the aim of ‘moving’ them in one direction or the other, and to seriously revisit ideas about targeted anti-poverty programs and policies. The latter might be sensible, or even bureaucratically necessary from a donor’s point of view, but from an anthropological/sociological perspective, these programs might run into problems because it is impossible to motivate poor women (much as it would with any other individuals) to act in

3. It would have seemed rude and insensitive to ask the women about their educational levels, and would have made the interview setting not an even plane, and they consequently might not have been very forthcoming about other critical aspects about their lives and micro-enterprises I was more interested in.
specific ways. You might have a better chance if their individual autonomy is enhanced first. But maybe the best bet is to give them basic skills, information, opportunities, medical and childcare support, and let them have the choice to express their aspirations and their identities.

These policy suggestions imply that rather than offering women facilities for earning sustainable livelihoods that they do not particularly find meaningful, it would be better to work towards enhancing their capabilities and offering them greater possibilities for providing for themselves and their families and for empowering themselves.

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4. Quite from this concern is the problem of hidden costs of targeting discussed by Sen (1992).
References


