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GEMS3 Women's Economic Empowerment Learning Series: **Case Study 3**

Leveraging land data. Driving women's business success in northern Nigeria

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GEMS 3

Growth & Employment in States (GEMS3)
Support Improved Business Environment

Background

Introducing GEMS3

The Growth and Employment in States (GEMS3) programme is working to reduce poverty in Nigeria by improving the business environment through land, tax and investment reforms.

Working in numerous states across Nigeria, these reforms enable business to grow, diversify the economy and protect the rights of small and medium business owners, many of whom are women.

Interventions include addressing instances of multiple taxation, the simplification of business registration processes, and the implementation of land reforms, improving personal tenure security and facilitating sustainable investment.

Strengthening GEMS3's evidence base on Women's Economic Empowerment

While poverty and socio-economic Women's Economic Empowerment is one of GEMS3's core design principles. The programme, in addition to its objective of increasing income and labour market participation for women, aims to boost the voice of women in the practice and ownership of business.

GEMS3 recognises that business environment reform is far from gender neutral, as men and women are affected differently by tax reform, land administration or business licensing procedures. GEMS3 also ensures consultations and sensitisations are undertaken with men and women separately, and women's groups have been core programme partners throughout the lifetime of GEMS3. Through meaningful consultation with female entrepreneurs GEMS3 provides a platform for the voices of women in business environment reform.

The programme's logframe measures impact in terms of increased income and employment. While both indicators are disaggregated by gender, this limits the extent to which the programme measures its effect on Women's Economic Empowerment.

As a reaction to this, GEMS3 has launched a Women's Economic Empowerment Learning Series to consolidate some of the learning in the last year of the programme.

Through a range of small-scale qualitative studies (partly enriched through the programme's existing M&E data) it sets out to provide a granular understanding of the programme's impact on more transformative empowerment outcomes, including women's individual and collective expressions of power to influence decisions affecting their professional as well as private lives.

Leveraging land data: driving women's business success in northern Nigeria

The intervention

Across northern Nigeria's Kano State, GEMS3 is implementing Systematic Land Title Registration (SLTR), making land transactions cheaper, quicker and more transparent.

By strengthening weak land administration mechanisms, which hamper the market and limit the ability of land owners to utilise their land commercially, GEMS3 is facilitating the growth of small scale, local enterprises. Over and above the essential information required to assign legal title through a 'fit for purpose' land regularisation project, additional data was gathered that would aid the identification of value chains. That data incorporates information on local skills, education and provision of services such as electricity and water. By having such information geo-referenced at household level, it becomes possible to project local demands in healthcare, education, transport and sanitation and to identify local trade clusters and therefore potential to specifically facilitate support to women-led enterprises and trades (see Figure 1 for a graphical representation of the kind of data supplied by SLTR in the local government area (LGA) of Tarauni LGA, Kano).Recognising this potential, GEMS3 commissioned a study to assess the value of the SLTR social data for improving women's economic empowerment(WEE) outcomes[1]. By collecting additional data, the study aimed at highlighting the needs, skills, barriers and opportunities for female entrepreneurs, and identify critical points where GEMS3 could create linkages and introduce activities to enhance women's employment and trade opportunities.

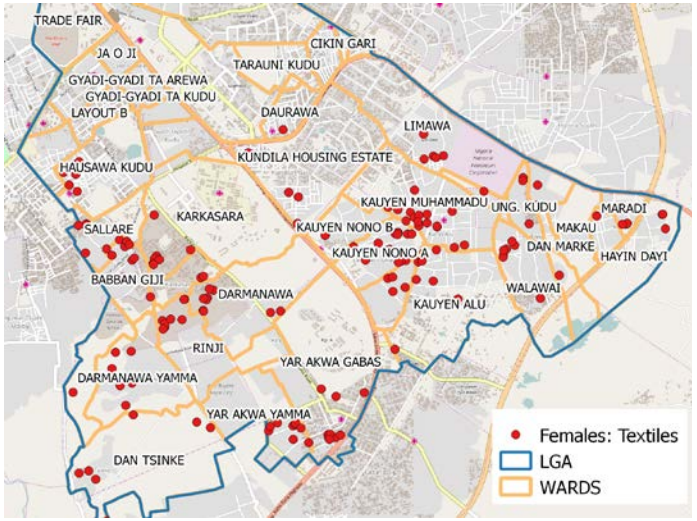


Figure 1– Graphical representation of Women working in textiles using SLTR data. Source: GEMS3

1. This study was undertaken by Mary Surridge and Rufsana Begum from the University of Wolverhampton. For more details on content and methodology please contact internal.communications@adamsmithinternational.com.

Research purpose and methodology

The land and gender study chose a combination of qualitative and quantitative data collection methods, as well as the analysis of secondary data. Semi-structured interviews and Focus Group Discussions (FGDs) were undertaken with women, female entrepreneurs, finance institutions and business owners. In addition to a document review and an analysis of existing social ward data, a household survey was conducted in two wards in Tarauni LGA. A total of 838 women were interviewed.

The survey teams collected data from each woman in the household. Along with basic biodata, information was collected on women's individual ownership of assets, employment, skills, needs, aspirations and barriers to employment. This WEE Learning Series does not intend to give a comprehensive summary of the findings of the land and gender study, but intends to highlight what women identified as key drivers for successful entrepreneurship.

Female entrepreneurs in Kano

Nigeria made headlines recently as country with the highest female entrepreneurship worldwide.

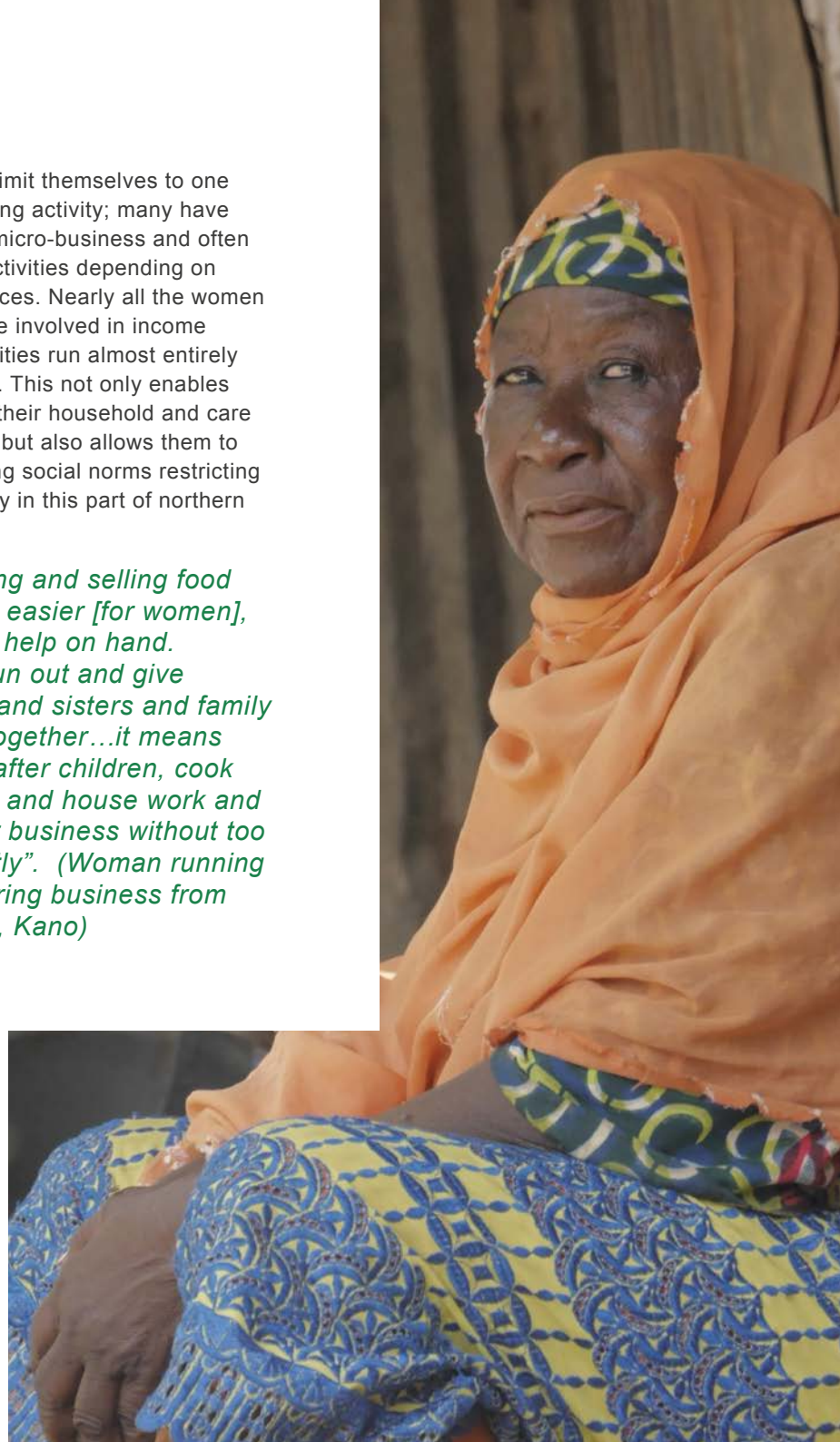
Country-wide, approximately 40% of women are entrepreneurs. At the same time, Nigeria is one of the few countries where the rate of female entrepreneurship exceeds that of men[2]. What this number does not reveal are the likely differences in the type and size of female versus male enterprises, and the type of sectors in which women and men work in. Also, this data does not give us insight into the potential for large regional differences in the number of female entrepreneurs across the country.

Some of these gaps were filled by the biodata of the land and gender study, which found that despite facing numerous cultural and practical challenges, female entrepreneurs in Kano have found remarkable ways and of earning income and running small businesses.

The most common form of business for women is trading/hawking (this is done from home and in the community) and home-based income generating activities such as catering (selling cooked food), food processing (making and selling drinks, ground nut oil and dairy products), selling (redistribution) of perishables, textiles, tailoring and agricultural activities (growing and selling food).

Additionally, second hand clothes businesses, groundnut cake processing, perfume making and beauty products were also common amongst women.Of the survey respondents, 85% stated they are working in some form, many in the informal sector. Of that 85%, 35% are involved in trading/hawking, 21% are in catering and 20% in tailoring. However, women do not limit themselves to one income generating activity; many have more than one micro-business and often diversify their activities depending on their circumstances. Nearly all the women interviewed were involved in income generating activities run almost entirely from their home. This not only enables women to fulfill their household and care responsibilities, but also allows them to conform to strong social norms restricting women's mobility in this part of northern Nigeria.

"Doing cooking and selling food from home is easier [for women], as they have help on hand. Children to run out and give packed rice, and sisters and family we all work together…it means we can look after children, cook for husbands and house work and also run their business without too much difficultly". (Woman running a family catering business from the backyard, Kano)



2. Global Entrepreneurship Monitor (GEM) data, cited in: No ceilings. The full participation report. Clinton Foundation. Bill & Melinda Gates Foundation. March 2015.

A comprehensive approach to supporting female entrepreneurship in Kano

Examining some of the success stories of women in Kano, the study identified certain enabling characteristics, factors and skills that encourage entrepreneurship and employment and allow microenterprises to mature into medium-scale businesses.

In this process, it is possible to identify the factors influencing the growth of women-owned micro and small enterprises, and identify a successful working model for women entrepreneurship.

The diagram to the right (see Figure 2) illustrates the key drivers of women's business success as identified by women themselves. The five key elements identified as critical to building an enabling environment for women's business growth are family support, financial capacity, access to markets, skills training, education and finally land, with the strongest support need being at the base of the triangle.

The levels of importance were identified from the quantitative data gathered during the course of the study (women could chose up to three success factors) and triangulated through the FGD and interviews when discussing influencing and driving factors for women's businesses. These are discussed in greater detail througout the rest of this learning series.

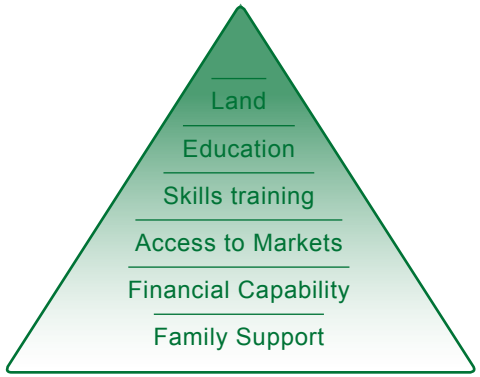


Figure 2 – Key components for women business growth. Source: Surridge/Begum 17'.

Family support

Perhaps the most important influencing factor amongst successful female-owned micro and small enterprises was family support (including both, moral and financial support) which facilitated access to markets. In that sense, family support crosses over in other components of the triangle (Figure 2).

Many female entrepreneurs mentioned how having their family support was imperative to the establishment of their business. Frequently, male family members have provided the inputs, equipment or consumers for the women's businesses: "My brother gave me capital – 15000 Naira to start my tailoring business. I buy the materials and also have ready-made clothes from markets. I make around 2000 Naira a month in profit." (Female tailor, Hausawa Kudu, FGD). In many cases, financial support from brothers or extended male family members allowed women to grow their business. They reportedly invested in the businesses and purchased machinery/ packaging. Husbands and brothers are also said to encourage community members to visit women's businesses, which are often located withinhomes. Given social norms limiting women's mobility, this role of enabling access to markets is crucial.

Husbands (if women had them) were often reported as providing moral support; this is highlighted in the case study of an oil factory owner who claimed having her husband's support was fundamental to the success of the enterprise (see Box 1). Again, given Kano's socio-cultural environment which sees women very much operating at home, often invisible to the outside observer, a husband's support for a more active and visible role is essential to avoid what could otherwise be considered as breaking normative expectations of women.

Women made it very clear that having family and spousal support is not synonymous with husbands or family having control over financial decision-making and/or over the income generated from a woman's business. Though nearly all of the women interviewed referred to seeking financial and business management advice from their husbands or male members of their family, over two thirds of women (68 percent) reported having sole decision-making power over their income and profits.

The story of a female oil factory owner in her own words.

I started my business 15 years ago when my husband gave me the idea to start it. He worked at an oil factory and […] advised me to buy my own machine and start doing the same. So I brought one machine and rented out a small space with just both buying ground nuts and producing oil. We attracted a lot of customers with orders and those that wanted to use our machine which we rented out. We decided to reinvest our profits back in business and brought two new Chinese machines from a local agent in Kano.

[…After renting] I invested in the current factory site in 2008. It cost me 600,000 for the land; my husband encouraged me to buy it as an investment and left me to run the business. The land is registered in my name, my husband is not involved in any part of running the business but he advised me on managing my savings and reinvesting it to buy the land the factory is on. I spent 120,000 on obtaining a Certificate of Occupancy which means that my factory is secure."

Financial capacity

Almost 60 per cent of women considered financial capacity the key factor for business success in Kano. This made access to funding, whether from loan, grant or savings the most important factor for women according to the quantitative data (as outlined above the qualitative data stressed the extent and importance of family support).

Women in Kano have used loans to buy land, invest in (additional) machinery, or start a business in the first place. Financial capacity in this context refers to financial literacy and access to bank loans as well as having access to capital and savings: this also refers to local money lenders as well as formal loans and micro-finance schemes.

Despite the importance women placed on accessing finance less than one third (32 percent) have ever secured a loan.

Moreover, of those who have, the large majority (92 percent) have accessed the loan via informal mechanisms, such as family, relatives or local money-lenders. Moreover, many women routinely buy large quantities of inputs on credit from market sellers and pay them back with profit made from selling the processed product.

"I buy the raw ingredients from a market seller for 1000 Naira and make yogurt and fura and sell this for 2100 and then repay the seller." (Female caterer, Kano)

Financial literacy skills appear critical to determining women's capacity to gain access and repay back loans; those with access to finance training or having someone advise them on their finances were more likely to succeed and mature their businesses. When asked why they had not accessed a loan (see Chart 1),

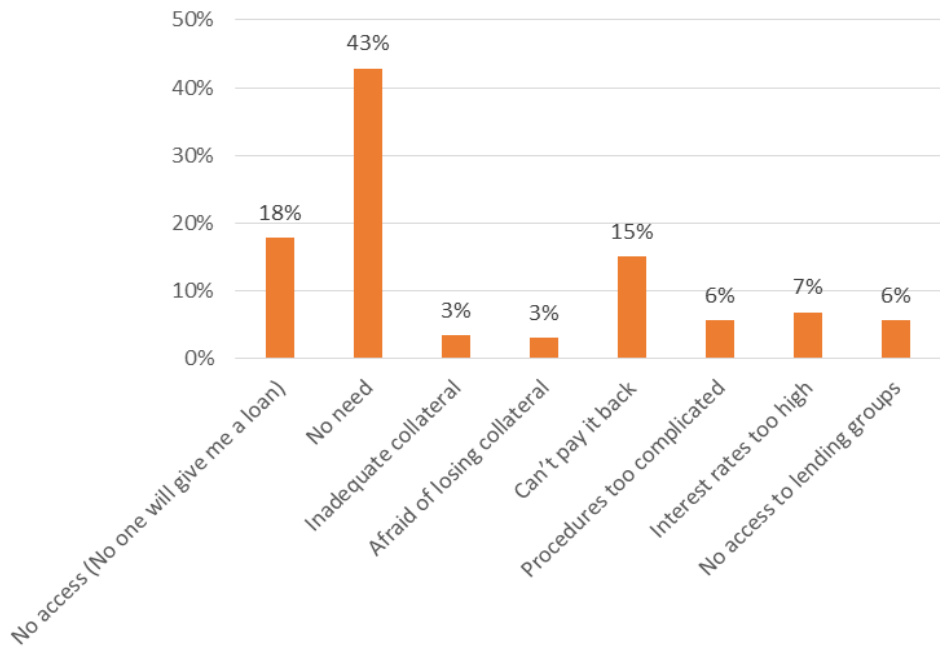


Chart 1- Reasons for not taking out a loan

almost half of the respondents (43%) said that there was no need, followed by 18 percent of women saying that no one would give them a loan. A considerable number of women (15%) said that they would not be able to pay it back. However, in fact, only five of the 158 women who had taken out a loan were unable to pay it back (this is just over 3%).This points to a larger issue around awareness and information related to access to finance. A large number of women in the FGDs mentioned they had no access to micro finance loans to help them buy chemicals, fertilisers, machinery or inputs for their business.

A 23-year-old tailor said: “I have no awareness of microfinance loans or grants of any kind and don’t know how to go about even finding them.” These words were echoed across interviews with women and business owners arguing there was no community awareness on how to handle complicated procedures such as applying for micro-loans. However, microfinance banks and government officials insisted there were a number of ongoing initiatives to help women access micro-finance, though most official schemes were dependent on women being part of a cooperative or women’s groups (where membership in some cases acts as substitute for collateral).

Access to markets

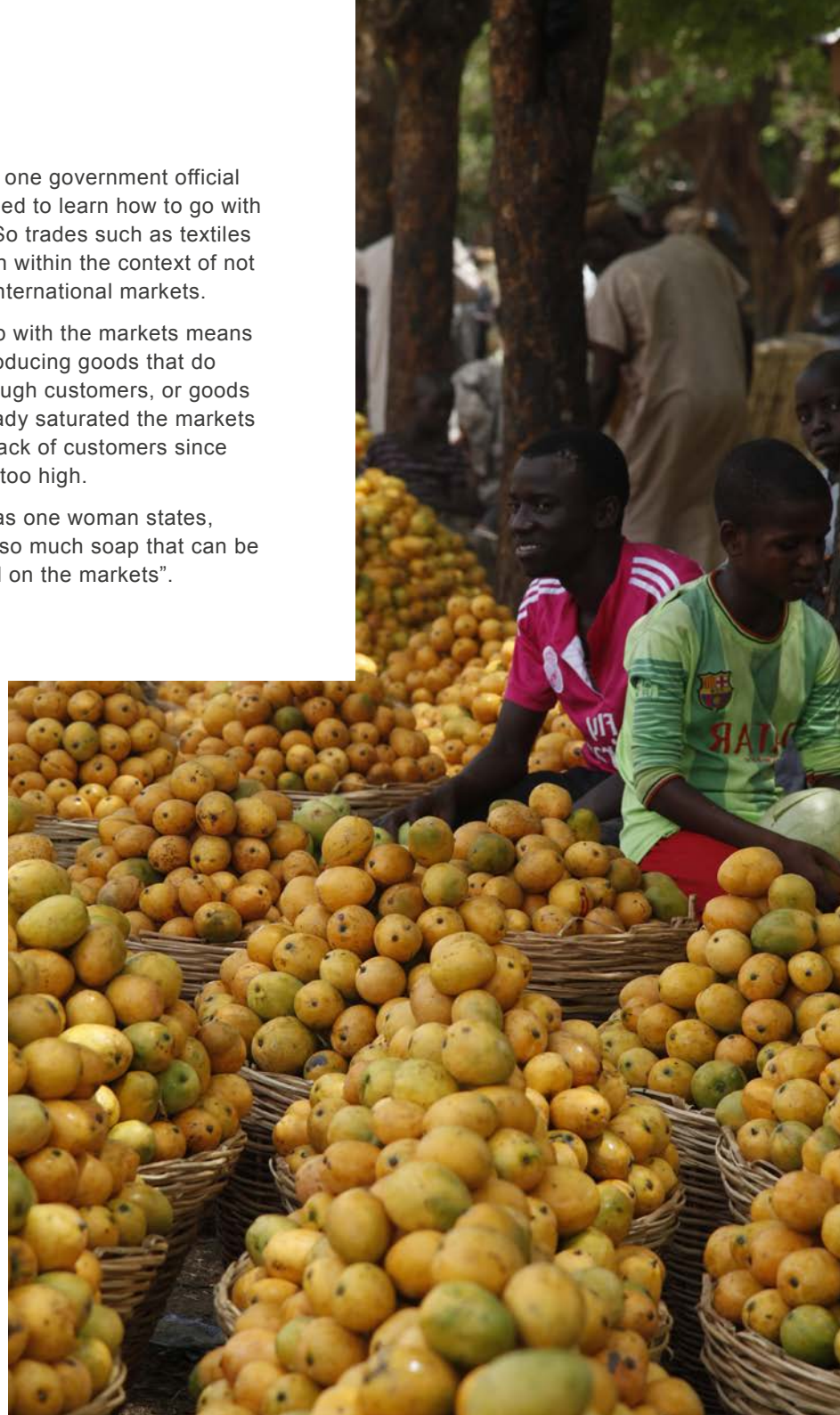
Despite women being able to produce a number of diverse products from soap to handbags, access to markets and reliable market information remains severely limited. The frustration at the lack of market access was evident in discussions with the businesswomen and also young women in secondary school; they lacked both the knowledge and capacity to negotiate high prices, to connect to suppliers and reach profitable markets instead of local and small markets.

“I am limited to make only products on order and only sell in village markets and can’t access larger markets.” (Young female tailor)

Most indicated they wanted to reach out to international markets and markets beyond Kano but lacked the ‘how to’. One 15 year old student said ‘I want to sell on eBay’. This interest in online marketing was relatively common for the younger respondents and could be a key priority for women as most have dual responsibilities of childcare and household chores. Better access to marketing mechanisms to sell their produce was essential for many widows since they do not have husbands or other relatives to spread the word in the community for them. It is important to emphasise that a lack of proper marketing facilities for women impedes positive outcomes for female businesses in terms of income generation; as one government official states ‘they need to learn how to go with the markets’. So trades such as textiles should be seen within the context of not just local but international markets.

Not keeping up with the markets means women are producing goods that do not attract enough customers, or goods that have already saturated the markets resulting in a lack of customers since competition is too high.

For example, as one woman states, “There is only so much soap that can be made and sold on the markets”.



Skills training

One of the key identifiable needs that arose during interviews across all stakeholder groups was the need to acquire and develop specific entrepreneurial skills or rather 'skills acquisition'. Women, particularly from a fashion, textile or tailoring background, expressed their preference for further complex training on bag making, cosmetology, labelling, knitting, hair dressing and fashion.

"Girls and women might have all the skills but lack support from government and society'; there is too much emphasis on reading and writing but not enough on training or apprenticeship, we need more jobs and knowledge on skills acquisition. Skills acquisition must be compulsory." (Female head teacher, Kabo Girls School)

Unsurprisingly, skills training was identified as an important factor in promoting women's business growth and ensuring small business are able to mature into medium enterprises. Vocational training refers to development of technical capacity, entrepreneurship and business skills. Such training has proven valuable particularly amongst the younger generation; those who are received vocational training were able to start conducting their own home and school base business activities and were able to make a 'nice profit'.

Many successful tailors said they had received skills training by attending a tailoring school. Having vocational training or skills acquisition courses has been particularly helpful in improving women's self-confidence. Women are also more conscious of their rights to access finance and opportunities available to them. During discussions with women at the vocational centre, several spoke of how acquiring sewing, knitting or baking skills had encouraged them to develop home-based enterprises and to be self-reliant. Models on more generic business skills like book keeping and how to access finance, are greatly appreciated by women. Lastly, skills training initiatives can initiate women to acquire contacts and networks with other women which on one side provides a valuable information exchange forum (and possible means to access collective credit) but which also has important, less tangible, benefits in terms of collective power.

"GEMS3 and MAFITA helped create groups of women in trade and ran a skills acquisition course, it demonstrated how to access finance and loans. I was able to apply and successfully receive a grant. We were given business skills management training. As a result of meeting with other women in trade, we now meet on a regular basis, share experiences and networks". (Owner of a groundnut oil factory, Kano).

Education

Education was widely regarded by women as a critical driver to improving their economic situation and business activities. Having basic literacy was deemed important but further education was definitely a factor in giving women the knowledge and confidence to access certain opportunities such as bank loans. Those with formal and higher education were more likely to be able to access opportunities. Those with university level education can go even further and find paid employment in the formal sector. In spite of these statements, the results of the household survey showed that education was ranked behind finance and family support in terms of what women identified as a requirement to be successful in business. However, when analysing the data solely for 12 to 21-year-old women, the priorities are different and education becomes the top priority.

"We would like more women employed. We currently have 6 women out of 30 in the factory. But lack of computer literacy and basic education is 'biggest problem to employing more women." (Male owner of the Kano Plastic Packaging Company)

Private and public sector employers pointed out that the educational levels of women are fundamental to their recruitment practices. When discussing obstacles to employing women, employers name a lack of computer skills, lack of literacy and basic qualifications. Some complain women would leave the job the moment they get married. The lack of education did not prevent private sector companies from recruiting women entirely. Some argue women make better employees than men. However, in all cases, low level of literacy prevented employers from giving women senior positions and higher paid jobs. This in some cases could be overcome by work experience or skills training.

"We have more women than men in the factory. Women are more dedicated as they have a serious work ethic due to their responsibilities. (Owner of Dala Food Company, Kano)

Land

Just over 7% of women identified land as one of the three factors for their business success. While there are some interesting success stories of women who have acquired land and grown their business (see Box 1) the relatively small number can partly be explained in that only 13% of women surveyed actually owned land (with interesting differences according to women's marital status, see Chart 2). It is those women who value land ownership more than those who do not own land. This is likely because those without are not aware of the benefits coming with land ownership. There was varied evidence on the impact of land and the SLTR registration process on women. Of those who owned land, 35% said it improved their confidence, 20% said it had improved their status and 17% said their negotiating skills. Surprisingly, the quantitative data shows no one had used land as collateral; despite the presumption women who own land would be better able to secure loans by doing so. The qualitative data, however, uncovered cases where women had used their land as collateral but as a practice it is unlikely to be wide-spread at the moment. Overall, women's accounts highlighted that owning land led to a heightened sense of security and increased confidence in the future of their business and beyond, suggesting that land ownership's contribution to business success is far more nuanced than often suggested by the focus on collateral.

Marital Status	Percentage who own land
Single	1%
Married	11%
Divorced	16%
Widowed	27%

Chart 2 - Marital status and land ownership

Gender dynamics were recognised during the land registration process (with SLTR staff receiving specific training). Where women have not applied as owners or been recognised as co-owners of the land many women stressed the importance of the sensitisation itself. For the first time, many women had learnt about their legal rights. This highlights the potential and importance of the outreach through land registration.

Conclusions

Through their own entrepreneurial skills and determination, women in Kano have established an active and vibrant micro-enterprise environment. Their ability to make use of this environment is often dependent on their will, determination and resilience rather than any formal business education, training or activities. They provide a richness of resource which the private and public sector could tap into, but better market information and supply-chain linkages are required.

The challenge for the private sector is to fully understand how they can maximise and strengthen this vibrant micro-enterprise environment to support their own growth. This WEE Learning Series focused on those criteria which were identified as essential by women themselves in order to take their business to the next level: family support, financial capacity, improving their access to markets, skills, education and land ownership. By prioritising women's views on their own needs the focus has largely remained with practical needs around accessing markets, skills and the immediate support environment. For example one of the most prevalent needs arising from discussions with women was adequate access to affordable and quality packaging. Subsequently, less space was given to discussions around social norms and power - both collective and individual – all central to addressing underlying inequalities[3].

Women and girls in Kano have ambitious, while realistic aspirations: they want their children to complete school, many want to own their business and invest in it, be financially secure and independent. Many women want to expand their business beyond their door-step, opening branches in Kano, elsewhere in Nigeria and selling abroad. In the words of a young woman selling ladies clothes: "I hope to be a household name to all fashion conscious Nigerians. And I want to export my products." For women to realise these aspirations, there is a need for a perception shift in the way that the work of these women is viewed and valued - from a form of informal economy which keeps the women busy earning a small amount of money to cover household costs - to an essential and integral part of the employment sector and country economy which can be built on and developed. Many actors have a role to play in this.

Government agencies and regulators need to internalise that successful female entrepreneurs are essential to economic growth. Financial institutions have to realise the business opportunities of meeting the specific financing needs of women entrepreneurs as a distinct customer group. Some private sector organisations in Kano have started to value women as workers, part of their supply chain and costumers[4]. Others need to follow suit in order to realise the wide shift in perceptions that is required.

There is not one magic bullet to realise the potential of women entrepreneurs in Kano. While land matters, and SLTR is an innovative way to identify entrepreneurial potential, women require a combination of facilitating factors including family support, financial capacity, and better access to markets, skills, education and land ownership in order to grow their business.

Programmes like GEMS3 or Mafita are well placed to bring the private and public sector together, provide them with the evidence that supporting female entrepreneurs makes business sense, share innovation costs and facilitate collaboration between them. For this to work, women need to be at the centre of the process: women's organisations and cooperatives continue to be a valid means to channel women's voice.

3. Individual and collective power as well as social norms are explored in more depth in previous GEMS3 WEE Learning Series on land in Jigawa (Case Study 1) and tax reform (Case Study 2), both available at https://www.gems3nigeria.com/women-s-economic-empowerment-1

4. Evidence in the business case for gender is mounting globally and case studies are increasingly highlighting successful initiatives from low and middle income countries, see e.g. IFC (2017). Investing in Women. New Evidence for the Business Case.