

# **Institutional Constraints on Women Entrepreneurship in Tanzania**

**By**

**Besrat Tesfaye, Benson Otieno Ndiege & Esther Towo**

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There is increasing evidence in the literature that female entrepreneurship is making significant contributions to economic growth at large and for individual women in developed as well as in low income economies (Brush & Cooper, 2012; Kelly et al., 2015, 2013; Vossenbergh, 2013; Langowitz & Minniti, 2007; Brush et al., 2006). In low income economies, female entrepreneurs are expected to play a more prominent role in self-employment, job generation, developing a viable private sector, and in providing women with successful careers (Minniti & Naudé, 2010; Klapper & Parker, 2011; Bardasi et al., 2011). Some scholars have even argued that female entrepreneurship is an ‘untapped resource’ and can contribute more significantly to low income economies than male entrepreneurship (Minniti & Naudé, 2010; Bardasi et al., 2007; Baughn et al., 2006).

However, there is a growing concern that the potential of women entrepreneurs in general may not be fully exploited. The annual GEM data for 2014 (Global Entrepreneurship Monitor, 2015), for example, shows the proportion of business enterprises owned and managed by women to be about 30 per cent – allowing for a wide variation across countries. Women entrepreneurs earn less from their efforts, their businesses grow more slowly and are less likely to survive. More women than men are pushed into entrepreneurship from necessity. Moreover, Kelly et al. (2013) reported that women entrepreneurs are more likely to operate enterprises without employees than are men. This suggests two types of gaps between the genders: first, a performance gap in terms of low participation of women in new business ventures. The second is in terms of the low performance (in survival and low growth) of enterprises owned and operated by women. While the proportion of women engaged in entrepreneurship has been increasing more rapidly than their male counterpart, the performance of their enterprises remains lower. In this respect, evidence from the literature consistently shows a performance gap between female and male entrepreneurs (Brush, 1992; van Praag & Versloot, 2007; Klapper & Parker, 2011; Bardasi et al., 2011; Vossenbergh, 2013; Kelly et al., 2015).

The gender gap posited in performance is universal and applicable to the context of low-income economies such as Tanzania. A recent baseline survey

of Tanzanian micro, small, and medium-size enterprises (URT, 2012) revealed that 54.3 per cent of the approximately 3.2 billion private enterprises were owned by women entrepreneurs. But women entrepreneurs accounted for only 16 per cent of all enterprises with more than 5 employees. Furthermore, only a small proportion of women entrepreneurs are formalized, that is, are registered for a Tax Identification Number (TIN) and pay value added taxes (VAT). Another survey of Tanzanian women entrepreneurs conducted by Equality for Growth (EFG, 2009) showed that only 19.2 per cent of the women in the survey were formalized while about 80 per cent were without operating licenses. Other sources show that women entrepreneurs in Tanzania are concentrated in low profit, highly competitive, informal micro sectors and very few women entrepreneurs succeed in making the transition from operating micro businesses to formal small and medium-sized enterprises (ILO, 2003, 2006). Temu (1998) and Chijoriga et al. (2002) described the existing business ventures in the country as survivalists, not serious, and established from economic necessity and not driven by an entrepreneurial spirit. The primary concern in the case of Tanzania and many other low-income economies such as Ghana and Nigeria (GEM, 2012) is, therefore, the performance gap between the genders in terms of the business operation rather than the low participation of women in business creation activities.

Moreover, there is increasing evidence that women entrepreneurs in low income economies face distinctive institutional constraints and are more severely impaired by their environments than women in developed economies (Amine & Staub, 2009; Richardson, 2004; Kantor, 2001; Kiggundu, 2002; Nejru & Njokas, 2001). Nejru and Njokas (2001), for instance, argue that those institutional constraints on women entrepreneurs in low-income economies go far beyond a lack of skills, access to resources, and bureaucratic hurdles. They reported that women entrepreneurs suffer from lack of legitimacy and acceptance, especially in situations where they could potentially outperform male contenders (Njeru & Njokas, 2001). Other studies support these findings (Amine & Staub, 2009). From an overview of institutional constraints on women entrepreneurship in Africa, Amine and Staub (2009) indicate that entrepreneurship in many traditional cultures and sub-cultures is not considered to be a suitable occupation for women. Furthermore, they found that women who aspire to enter entrepreneurship were encouraged to pursue entrepreneurial activities related to traditionally feminine tasks, e.g. sewing, small-scale production of consumer goods and petty trade. Institutions, such as the family, function more as normative agents (Scott, 2004) to discourage women from pursuing more ambitious entrepreneurial careers. Yet, women



do create growth oriented successful business and participate in the formal economy.

In sum, the literature suggests that women entrepreneurs in emerging economies are caught in the middle of societal transformations that prescribe roles for women that are at variance with each other and with the institutions in which they are embedded. On the one hand, women are expected to engage more in entrepreneurship and deliver growth and prosperity to societies. The World Economic Forum (WEF, 2012) singled out women entrepreneurs as 'the way forward'. In Forbes (2011), women entrepreneurs are described as the 'key drivers for growth and development'. Other stakeholders contend that women are an 'untapped resource' of economic growth and development (Minniti & Naudé, 2010). On the other hand, women are expected to abide by traditional rules and institutional norms that may constrain them in their role as entrepreneurs. Traditional values and norms underpin/shape the essence of formal institutions. Therefore, there is an inherent tension in the institutional systems (formal and informal) that constrain women who aspire to pursue entrepreneurial opportunities for growth. These institutional constraints can be observed in the interactions of women entrepreneurs with the institutions in which they are embedded and operate.

Notwithstanding the constraints in the institutional environment, an increasing number of women entrepreneurs succeed in establishing growth oriented small and medium size enterprises that are making significant contributions in the job creation and the development of a viable private sector in low income economies (Rogers, 2001; ILO, 2003; Richardson, 2004; Ellis et al., 2008; EFG, 2009). Growth oriented enterprises refer to formalized businesses that exhibit recorded increases over 3 consecutive years in multiple growth indicators such as turnover and sales, markets, profit, access to commercial loans and so on. These observations are important since women entrepreneurs in low income economies are often depicted aggregately as 'micro enterprises' and/or the 'informal sector' making the contributions of women entrepreneurs invisible. Furthermore, these observations indicate that women entrepreneurs may not passively comply with the institutional constraints, but employ coping strategies that enable them to circumvent the institutional barriers to growth opportunities (Oliver, 1991).

The extensive literature on gender and entrepreneurship has surprisingly enough paid little attention to institutional constraints on women entrepreneurs (Bardasi et al., 2007). For example, what are the institutional constraints faced by women in the context of low-income economies? How do women entrepreneurs respond to institutional constraints? What determines how

women entrepreneurs respond to their institutional environment and how do the responses impact on their opportunities for growth?

Institutions are important in explaining entrepreneurial behaviour. Institutions provide entrepreneurs with opportunities as well as constraints, enable or restrict entrepreneurs, discourage or encourage specific entrepreneurial behaviour (Aldrich & Waldinger, 1990; Baumol, 1990; Baumol et al., 2009; Soto, 2000; Busenitz et al., 2000). For example, the absence of formal structures or too much bureaucratic details can discourage entrepreneurship (Baumol et al., 2009; Soto, 2000). Institutional differences may also explain variations in national levels of entrepreneurship (Busenitz et al., 2000). Furthermore, institutions are gendered and institutional systems that encourage male entrepreneurs can discourage women entrepreneurship (Brush et al., 2009; Amine & Staube, 2009; Njeru and Njokas, 2001). However, the impact of formal and informal institutions on women's entrepreneurship in low income economies has received little attention. This study puts the spotlight on the experiences of the interaction of women entrepreneurs with the institutional systems in which they are embedded. We do so by studying the experiences of women entrepreneurs in the process of business formalization, i.e., registration for payment of Value Added Tax (VAT). We use formalization instead of legalization to distinguish businesses that are legal/licensed but are not registered for VAT. This process requires multiple interactions with the formal institutions in which entrepreneurs operate, is complex, time-consuming and costly.

This study explores the interplay between institutions and female entrepreneurs, with a focus on how women entrepreneurs respond to formal/informal institutional constraints. The objective is to contribute to our understanding of why some women entrepreneurs in low income economies succeed in establishing growth-oriented business enterprises. The research is based on a mixed methodology consisting of a multiple case study and a survey of 100 randomly chosen women entrepreneurs in Moshi, Tanzania.

The remaining parts of the chapter are organized as follows. In the following section, a brief summary of the theoretical tenets underlying the study and prior research is presented. This is followed by a discussion of the methodology of the study. Then, the results of the case study and the survey are presented and analysed and discussed. In the final section, the conclusions of the study are discussed and directions for future research indicated.

## Theory and prior research

Entrepreneurship has been defined in various ways, for example, as a psychological attribute of individuals (McClelland, 1961), as an economic function (Schumpeter, 1934; Kirzner, 1997), as a process of opportunity recognition and exploitation (Shane & Venkataraman, 2000) or as new business creation (Gartner, 1985). The process view which is adopted in this study considers entrepreneurship in broad terms, implying that entrepreneurial activities occur in varying contexts, i.e., in different types of organizations and sectors, at different stages of the life-cycle of an organization, and institutional systems (Davidsson et al., 2010). Entrepreneurship is conceived as a process of creating and operating a privately-owned business enterprise. Entrepreneurs are the individuals who create, own and operate a private business enterprise. Entrepreneurship from this view is perceived as a process that is shaped by the interplay between the entrepreneurs and their institutional contexts. For instance, Welter (2011:165) argues that: ‘context is important for understanding when, how and why entrepreneurship happens and who becomes involved.’

The role of institutions in entrepreneurship has long been acknowledged (Baumol, 1990) and more recently institutional theory has become a popular lens for viewing the phenomenon (Baumol et al., 2009; Jamali, 2009; Amine & Staub, 2009; Bruton et al., 2010; Welter & Smallbone, 2011).

North (1990) defines institutions as the formal and informal rules of the game that guide behaviour. Institutional theory is concerned with the interaction of groups and organizations with the social structure in order to secure legitimacy and stability (Meyer et al., 1991). It thus addresses regulatory, social, and cultural systems that impact the behaviour of groups and organizations. Scott (2004: 2) argues that institutional theory does not only attend to: ‘consensus and conformity but to conflict and change in social structures. As Oliver (1991) states, organizations and their leaders may employ: ‘... a range of “strategic” responses/techniques – reactions that included acquiesce, but included as well compromise, avoidance, defiance, and manipulation’ (Oliver, 1991, in Scott, 2004: 13). This view of institutional theory is useful in explaining entrepreneurial behaviour, for example why some women entrepreneurs continue to operate their enterprises in the informal sector while others upgrade and formalize their firms.

Institutional theory has multidisciplinary roots and has developed into different branches, for instance DiMaggio and Powel (1991) distinguish two streams of institutional theory. One strand stems from sociology and organization

zation theory and is concerned with the reciprocal interaction between institutions such as firms and society and a second strand with roots in economics and political sciences. Most entrepreneurship research adheres to the sociological/organizational view of institutional theory (Amine & Staub, 2009; Bruton et al., 2010; Welter & Smallbone, 2011). Entrepreneurship researchers departing from this view seek explanations for entrepreneurial behaviour (success) in the strategic responses of entrepreneurs to their institutional environment.

According to Scott (2004), institutional theory attends to the resilient aspects of the social structure. Scott has identified three systems (pillars) that support institutional resilience (Scott, 2004: 54–57): the regulative, the normative, and the cognitive. The regulative system is concerned with how formal and informal rules are set, monitored and enforced by laws, regulations, industry standards, and policies. The regulatory system has a direct impact on entrepreneurial behaviour in that it determines the ease at which a business is started and operated (Busenitz et al., 2000). A study of the regulatory system of 85 countries by Djankov et al. (2002) indicated a link between the ease of formalizing a business and the levels of national wealth. The start-up procedures in rural areas were slower and more costly. Furthermore, their research indicated a relationship between corruption and stricter regulations of formalization. Their results further suggest that complex regulatory systems promote corruption. Amine and Staub (2009) identified three additional aspects of the regulatory system that impact female entrepreneurs in Africa, namely, property rights, i.e., inheritance and ownership laws, lack of access to capital, and lack of access to micro-loans. Regulative systems thus play a decisive role in promoting the formalization and integration of women owned and operated enterprises in the economy.

The normative pillar sets the ground rules that people are socially obliged to comply with. It is composed of values and norms that prescribe and evaluate appropriate behaviour (Scott, 2004: 54) in the interaction between institutions such as a firm and society. Baumol (2009) has shown that societal norms can encourage or discourage entrepreneurship. The normative systems determine what is to be considered appropriate roles and career paths for the respective genders which is, for instance, reflected in the beliefs and attitudes towards women entrepreneurship (Amine and Staub, 2009). Normative systems are reflected and have a major impact on the regulatory system. Negative attitudes to women entrepreneurship will thus result in a restrictive regulatory environment.

The cognitive pillar is concerned with shared conceptions underpinning social reality and the frames through which meaning is constructed. The cognitive system impacts on individual judgments, beliefs and actions. This system has an impact on entrepreneurship in fundamental ways because it determines how society relates to entrepreneurship, the values that are nurtured and inculcated, and the cultural environment in which entrepreneurship is practiced (Bosma et al., 2009; Li, 2009). This system thus determines whether women entrepreneurship is desirable by society.

Institutional theory has been singled out as particularly helpful in understanding barriers to women entrepreneurship (Brush et al., 2009; Amine and Staub, 2009; Baughn et al., 2006) in that the theory establishes theoretical links between institutional systems and entrepreneurship. Institutional theory is used as a framework for structuring and analysing constraints stemming from the regulatory, normative and cognitive systems as well as the coping strategies of women entrepreneurs.

### Research methodology

The research is based on a mixed methodology with a sequential explorative design (Creswell, 2009; Teddlé & Yu, 2007; Morse, 2003; Morgan, 1998). Both qualitative (Qual) and quantitative (Quan) methods of data collection and analysis are used. In the first phase, qualitative data was collected and analysed. This was done through a multiple case study of growth and non-growth-oriented companies owned and operated by women. The distinction between growth and non-growth-oriented companies was intended to illustrate the differences in the institutional impact on women owned companies at different stages of formalization and growth. The cases were selected through a snowballing technique. The number of cases presented are limited and may not be representative of all the women entrepreneurs. Nevertheless, these cases capture the central concerns of women entrepreneurs with regard to aspects of the socio-economic institutions and additional efforts were not expected to generate new insights. The interviews were conducted in either English or Swahili, often in a mixed fashion. In the second phase, a quantitative method was used to elaborate and expand on the results of the qualitative study that have been analysed in the first phase. A total of 100 women entrepreneurs in Moshi town were selected using a simple random sampling and interviewed. The interviews were conducted through a questionnaire that was administered by qualified interviewers.

There is very little systematic research on women entrepreneurship in Tanzania. This design strategy makes it possible to explore the topic with a small number of participants at the site and then expand our understanding from a larger population. The strategy can be fruitfully employed in developing new analytical instruments to augment existing ones. Furthermore, this design strategy is useful in determining the distribution of a phenomenon within a chosen population (Morse, 2003). Nevertheless, the design strategy applied in this study is time consuming. A second weakness is an uncertainty surrounding which qualitative results to focus upon in the subsequent quantitative study. Selection and data collection procedures are described for the respective phases of the study.

The qualitative research strategy was multiple case studies. The cases represent women entrepreneurs that are growth oriented, that is, women entrepreneurs that emphasize growth and operate formalized businesses that are growing. The selection criteria applied include: i) formalization, ii) ownership/type, iii) industry/sector, and iv) growth defined by indicators of reported changes in growth during three consecutive years preceding the data collection.

Formalization is likely to be a strong indicator of the entrepreneurs' commitment to pursue opportunities for growth because, in registering their businesses for TIN, enterprises are willing to pay fees and taxes in exchange for legitimacy and recognition. Formal businesses can pursue opportunities that are not accessible to informal business, e.g. opportunities for export or import. Likewise, the diversification of business enterprises may be a useful indicator of expansion and growth. Many women entrepreneurs are located in low-profit and highly competitive industries with little opportunity for growth. The representation of various industries was thus considered important in selecting cases. Ownership structure can be decisive in the patterns and strategies of women-owned enterprises, but the vast majority is private proprietorship. Partnerships and other forms of ownership are scarce. Using these criteria, 2 case groups of which 4 were growth-oriented and 2 non-growth oriented enterprises were selected and studied. On average, the interviews lasted 2.5 hours/case. Relevant documents (such as registration forms, VAT, title deed for properties) were accessed for further study.

Following the qualitative study, 100 women entrepreneurs were selected and interviewed using a questionnaire that was based on the results of the cases in the preceding phase. The selected population was relatively homogeneous: i) geographically, the entrepreneurs were located in areas in the city that are densely populated by entrepreneurs, many in proximity of each other; ii) under the same municipal and taxation spheres; iii) more than 60 per cent are in

similar businesses, i.e., trade; and iv) shared legislative, normative and cognitive business environment. The survey was conducted during one week in April 2014, using a structured and unstructured questionnaire administered by a research assistant. The survey data was analysed through descriptive statistics and was then re-connected to the multiple case analyses for interpretation.

### Results of the case study

This section begins with a short introduction of the cases and a summary of the general characteristics of the entrepreneurs and their firms. The perceived constraints and coping strategies of the individual cases are then described along the core variables conceptualized in the framework of analysis, namely the regulatory, normative, and cognitive systems. The indications from the respective case are then compared across and within the two case groups. The results of the case study have then been extended to the subsequent quantitative research presented.

### The entrepreneurs and their stories

The entrepreneurs are identified numerically from 1–6, that is E1 (entrepreneur number 1). Cases E1–E4 are growth oriented, while E5 and E6 are none-growth oriented. The short presentations are intended to provide information about their demographic, socio-economic and entrepreneurial profiles. The stories are then compared for similarities and differences.

#### Entrepreneur 1 (E1)

The founder of E1 is 30 years old, married and has one child. Her father and several other members of the extended family owned/operated businesses. She started her entrepreneurial career in primary school at an age of about ten by investing her pocket money in a ‘candy business’ on her school compound. The candy business developed into a lucrative small venture and continued until the end of primary school. Upon entry into secondary school, she decided to divert her school fees into an underwear and lingerie business. Since then, she has started numerous businesses and at present owns/operates three enterprises and is planning for a new venture in a fast-growing industry. Initially she tried to make a career as a teacher but contends that she started: ‘...*fretting and had to get back on track*’ (E1). Her main motive is to make money and carry on as an entrepreneur. She believes that women have to succeed in order to be accepted as serious entrepreneurs by family, financial institutions, government officers, and community members.

## Entrepreneur 2 (E2):

E2 is 40 years old, married and has 3 children. After primary school, she started as an assistant in her sister's hair salon and was later appointed manager of the business. She started her first business enterprise in fashion wear while still working for her sister. With the proceeds from the fashion wear, she opened a beauty salon and later expanded with a third business in beauty items and accessories. At present, she has advanced plans to open what she hopes will be the largest all-in-one department store in the region. *'...More and more people are doing their shopping in department stores. I think people would be happy to do their shopping in one place. As it is now, you have to drive to different stores in different places. This is not very practical. Therefore, I believe this is a big opportunity for me to build a profitable business'* (E2). Making money and building 'something big' are the primary motives for entrepreneurship and business growth. E2 perceives entrepreneurship as the best career and is highly committed to growth as a means of success. She believes that successful entrepreneurship will open up many doors and help her get recognition from her family and the community at large.

## Entrepreneur 3 (E3)

E3 is 51 years old, married and has 4 children. She has an academic education and a long career in the field in, which she has started her business. Both of her parents operated businesses and she used to help her mother already as a child. She has been/and is still working at a government agency. She started her first business in 2003 in the area of 'Agri-business', processing agricultural products based on ideas developed in connection with her job. To raise the start-up capital, she has been participating in various government initiatives and has acquired a loan through small business development organizations. She has expanded the business into farming and property development. She wants to make money and have a: *'...a meaningful occupation after retirement and leave something behind for the children'* (E3). She is convinced that the business has a great potential and plans to commit herself on a full-time basis. She perceives that the attitudes towards women entrepreneurship are not positive, but they have been changing for the better. She feels that her entrepreneurship has improved her social position in the community.

## Entrepreneur 4 (E4)

E4 is a 50-year old academic with a master's degree and a long career as an employee. She is married. Previously, she has attempted to start a business without any success. At present, she owns 2 businesses. The present enterprise

was started in 2004 but was not formally registered until 2009. E4 has a pending application for a manufacturing license and intends to build a factory as soon as possible. Among her primary motives for entrepreneurship are money and a 'secure retirement'. She has been working at developing the product and is strongly committed to bringing 'her product' to the market. She perceives that the attitudes towards women entrepreneurship are negative and that people normally ignore successful women entrepreneurs and she believes that it is important that women entrepreneurs are acknowledged by society.

### Entrepreneur 5 (E5)

E5 is a 33-year-old single mother with 2 children. She has a primary education, training in elementary financial management, and some business experience in shop-keeping. A previous attempt to start-up a business failed. She started the business from necessity – to support her family and for self-employment: *'...I was failing to have three meals per day. I heard news about a possible financial loan and was seeing a lot of women starting businesses'*. Social benefits such as respect for being able to support her family and gaining access to more contacts were also important motives. E5 would like the enterprise to grow but growth is not her priority and she has not yet actualized a plan or a strategic direction. She does not perceive that the attitudes to women entrepreneurship are supportive. She did initially have little support for her venture from her family, but she feels that she has now been gaining more support from family members and friends.

### Entrepreneur 6 (E6)

E6 is 35 years old and has a lower secondary education. She has 4 children and has been a housewife most of her adult life. At present, she is separated from her husband. She has no training, prior experience, or entrepreneurial parents but has been operating a business since 2000. The present enterprise was not registered until 2004. The primary motive was to provide for the children, but the decision was triggered by some encouraging news about a possible soft loan for the start-up. She had also noted that many women in her surroundings had succeeded as entrepreneurs. In retrospect, she is happy to have started the business and hopes that it will grow. But she does not perceive growth as necessary for her survival and happiness. She has been subjected to much criticism for becoming an entrepreneur by family members but feels that she has gained access to networks and new friends that she had no opportunity to meet as a housewife.

### A summary of the attributes of the entrepreneurs and their firms

The response of entrepreneurs to institutional challenges is based on their perceptions and not necessarily on the objective conditions of their environment. Therefore, it is important to understand factors that contribute to their values, perceptions and cognitive capacities, for example, their backgrounds, motives, formal education, and entrepreneurial experiences. Table 1 summarizes the attributes of the case entrepreneurs. As depicted, the entrepreneurs differ in many respects, including age and family situation, motives and aims as well as education and experiences in entrepreneurship.

Table 1: The entrepreneurs and their firms

Attribute/ Entrepreneur	Age	Marital status	Education	Experiences and skills	Motives and aims	Line of Business	Status of Business	Growth strategy
E1	30	Married, one child	Secondary education	Habitual entrepreneur**	Money; Growth	Multiple businesses	Formalized (TIN)	Diversification: vertical market integration
E2	40	Married, three children	Primary education	Habitual entrepreneur	Money; Growth	Multiple businesses	Formalized (TIN registered)	Diversification, vertical market integration
E3	51	Married, four children	Bachelor Degree	Entrepreneurial background	Money; Post- retirement employment	Agri-business (horizontally integrated)	Formalized (TIN registered)	Vertical market expansion, diversification
E4	50	Married, no children	Master's degree	Prior entrepreneurial experiences	Money; Post- retirement employment	Multiple businesses	Formalized (TIN registered)	Vertical Market expansion, diversification

## 2. INSTITUTIONAL CONSTRAINTS ON WOMEN

E5	33	Single, two children	Primary education	Prior experiences (limited)	Self-employment Sustenance	Trade in textile	Registered, (No TIN)	Survivalist
E6	35	Single, four children	Lower secondary education	No entrepreneurial Experience	Self-employment Sustenance	Trade in textile	Registered, (No TIN)	Survivalist

Note: Habitual entrepreneurs start new businesses subsequently. Source: Uchsaran et al. (2008).

In considering the cases along motives and entrepreneurial aims, we can observe that the growth-oriented cases are driven by opportunity, while the non-growth cases entered entrepreneurship from necessity. The slight differences in entrepreneurial aims among the growth-oriented cases may be related to age differences and prior employment. However, the retirement benefits of public employees in Tanzania are low, particularly for women who likely earn less than men. Both E5 and E6 are driven by the need for self-employment but also consider entrepreneurship as an opportunity for self-sufficiency and autonomy. As single mothers, it is important for these women entrepreneurs to maintain status quo.

The entrepreneurial ambitions and the commitment to growth appear to guide their strategies for growth. Those cases emphasising growth are formalized and pursue multiple strategies such as diversification (by creating a portfolio of firms) and vertical market expansion (see E1 and E2). The diversification strategy is not only employed in these cases to capture growth opportunities or spread investments risks, but also to escape the radars of taxation, and inquisitive family members. Growth oriented cases with more focus on income generation upon retirement focus on vertical market expansion. This may also be due to the fact that these two cases are in manufacturing and the opportunities for portfolios of firms are limited. The sustenance cases are survivalist with no specific strategies. Some important distinctions can also be noted in terms of the profile of the firms. The cases with growth aims have upgraded their firms by formalizing (TIN registration), while the survivalists do only have a business license (the lowest level of formalization). As mentioned earlier, the cases are sole proprietorships. TIN registration indicates that the business is a serious formal/legal entity that has a significant turnover

and potential for growth. Furthermore, TIN registration enables businesses to access funds from formal sources.

The attributes of the entrepreneurs and their businesses influence how the institutional environment is perceived and the nature of the strategies employed in response. The following section focuses on the institutional dimensions that the case entrepreneurs perceive as constraints and how they deal with these challenges.

### Strategic responses to institutional constraints and their impact on growth opportunities for women entrepreneurs

Strategic responses are different ways of complying with the institutional environment. In this case, entrepreneurs have a range of strategic responses in complying with the constraints stemming from the three components of institutions, the regulatory, the normative, and the cognitive systems. These three systems are, however, closely intertwined and a strategic response to comply with one system is likely to have an impact on the other systems. Formalizing a business enterprise in compliance with the regulatory system is likely to mitigate the stereotypes of women entrepreneurs as survivalists and facilitate the access to the services of formal institutions such as bank credit. Manipulating, i.e., skilfully managing normative systems including role conflicts, can release entrepreneurial resources that can be employed to comply with the regulatory system of formalizing an informal enterprise. In the following, the dimensions of the three institutional systems and means of compliance by the case entrepreneurs that are perceived as salient are summarized.

#### Complying with the regulatory system

The explicit regulations perceived to be salient by the cases pertain to several aspects of starting and operating a formal small business. The number and complexity of the procedures, the costs of processing applications, the bureaucratic hustle, and corruption are perceived as major constraints to entry into the formal sector and an opportunity to pursue growth. As one entrepreneur explained: *'...until the entire shuttling and bureaucratic hurdle is over, I have to hope and wait. It takes time, energy and money. It is risky because I am required to pay taxes arbitrarily assessed by a tax officer long before I start the production and make some money'* (E2). It is perceived in the cases that women are more severely impacted by the regulatory system because of their gender. Women have less time, access to less information, enjoy limited mobility and are more exposed to corruption. Women are perceived to be more hustled by corrupt officers: *'...It is not unusual that corrupt officers demand bribes as well as sexual*

*favours*' (E1). These are factors that discourage women entrepreneurs from formalization and integration into the formal economy, implying exclusions from accessing services from formal institutions such as financial institutions, commercial premises, business networks, and so on.

The entrepreneurs in the study employed differing coping strategies in dealing with the regulations and procedures pertaining to the formalization and operation of their businesses. A summary of the main compliance techniques as coping strategies is presented in Table 2. One group (E1–E4) responded to the regulatory constraints to formalize their businesses by compromising, that is, trade-off and manipulation techniques. Compromising implies that they chose to commit resources and pay the costs required for formalization, including voluntary registration for value added tax (VAT). In exchange, they hoped to access the services of the institutions of the formal economy such as banks, to engage in import-export trade, to acquire property and construct commercial premises, and so on. Firms with less than 40 million tzs in turnover are not required to pay VAT but may be allowed to register and get a certificate (TIN). VAT is about 20 per cent in Tanzania and involves an administrative burden and can have a negative impact on competitiveness (as compared to those not registered for VAT). Therefore, voluntary registration for TIN (ensuing VAT) is a strong indicator of the drive to pursue growth opportunities. In response to the regulatory constraints in operating the businesses such as procedures and regulations for taxation and other fees, these entrepreneurs employ manipulation. The portfolio strategies facilitating horizontal diversification is a useful example of a manipulation technique, which implies a skilful management of a complex set of constraints. This technique is feasible because the regulations do not stipulate that entrepreneurs register every new business that is started. These are considered part of the registered business and treated as extensions rather than businesses.

The growth-oriented group of entrepreneurs perceived two major outcomes of their responses to institutional constraints, namely, access to the services of financial institutions, i.e., bank loan and credit accounts, and growth opportunities through trade with imports: '*... I started with a personal savings account and gradually applied for a credit account. I wanted to prove to them that I was a serious business-woman with money and a good business. It worked. I was able to borrow significant amounts of money with little or no collateral*' (E1). Informal constraints are also facing women: '*...The first time I applied for a bank account, the officer practically told me that he did not think that I could earn and save money. He contacted my husband as he also had an account and asked if the bank should allow me to open a private account. I saved every penny*

*that I could spare to prove myself. One day, the officer left his office to welcome me and offer me a seat. After that I left them and went to another bank' (E2).*

The second group (E5–E6) also used compromise as a compliance strategy. These two are registered and have operating licenses but chose not to register for VAT. In exchange, they access basic municipal services including access to commercial premises and need not be hustled by municipal officers. The opportunity for accessing formal institutions thus remains limited. Their complying strategy to tax regulations includes avoidance by not formalizing and acquiescing.

What techniques entrepreneurs employ to comply with their institutional environment is likely to be shaped by several factors including individual attributes, entrepreneurial motives, aims and growth opportunities. The entrepreneurs related their responses to their entrepreneurial aims (wealth creation) and their growth patterns. The positive outcomes perceived by the entrepreneurs included, less the municipal hustle, access to commercial premises. Informal business exists at the discretion of the municipal authorities. A lot of hustle with municipal officers who are in a position to evict and close informal/businesses is reported.

#### Complying with the normative system

The normative system is manifested in the norms, values, gender roles, family values, religious beliefs, attitudes, stereotyping, credibility and legitimacy of entrepreneurship as a career path. These are dimensions that do not only influence the social sphere but also the regulatory system in a society. The normative system is perceived by the entrepreneurs as multifaceted, complex and thus difficult to circumvent. In particular, three aspects are perceived as discouraging formalization and commitment to entrepreneurship and growth. First, gender is perceived as a double liability by the entrepreneurs since it prevails at all levels and spheres of life. They perceive the societal attitudes towards women entrepreneurship to be negative, and they are often met with derogating stereotypes by officers in formal institutions such as banks, government offices and suppliers, for instance, in their role as entrepreneurs. According to the cases, prejudicial treatment by officials and market actors, mistrust, derogatory views, and slander are not uncommon (E1–E6). One consequence can be the lack of access to credit and other resources. As was pointed out by one case: *'successful women entrepreneurs are simply ignored'* (E3). Moreover, entrepreneurship is not considered a suitable occupation for women (unless it is petty trade) and their families and social networks discourage them. Taken together, women experience a lack of legitimacy. The legitimacy construct appears to pervade at

different levels of society and in different institutional contexts. This lack of legitimacy spawns visible/invisible barriers, double standards, and informal agents of conformity that constrain women in pursuing entrepreneurial opportunities.

Furthermore, the normative environment limits women entrepreneurs in terms of time and space. On the one hand, women are expected to manage multiple roles including those of mothers, wives, providers, good community members, etc. Balancing the roles is a serious challenge because women have a limited autonomy in choosing role priorities. The normative system prescribes the appropriate order and priorities. In most cases, it is not appropriate for women (particularly married women) to travel unaccompanied. This is a serious limitation to women entrepreneurs.

These cases comply with these two constraints by manipulation, i.e., adeptly managing the specific issue in order to get stronger control over the situation. This can include involving husbands and other members of the family in the operation of the businesses: ‘... *When the children are working with me, nobody complains about my role as a mother*’ (E4). Another women entrepreneur stated: ‘... *I always ask my husband if he can take the time to help whenever I need to travel abroad. Sometimes, I take a member of his family with me*’ (E2). Another dimension of manipulation as a response to constraints in the normative system is signalling ‘success’. It is perceived in the cases that success in terms of observable wealth improves their status in society, the community, as well as the family. It promotes these women’s autonomy and power balance in the family: ‘... *The size of my savings account, the family car, clothes, houses, etc. all signal “success” and people stop commenting on one’s career*’ (E3).

#### Complying with the constraints in the cognitive system

Cognitive factors determine how entrepreneurs perceive reality, assess risks and opportunities, and in general interact with their environment. Women are disadvantaged because of limitations in their access to education, lack of training and, in general, exposure to formal institutions and business networks. Courses in entrepreneurship often target survivalists and not women operating growth-oriented enterprises. The case entrepreneurs with low levels of education and entrepreneurial skills had difficulties in accessing information, assessing risks and opportunities, dealing with banks, government officers, suppliers, and property owners. They complained about the lack of training and education relevant to entrepreneurship and business management. They perceived this to be a major handicap since access to the business networks, the role models and so on is also limited: ‘... *I have come a long way and have met people*

*with more experience, but their practical knowledge is from the informal sector. It is not very useful when attempting to upgrade my business' (E6).*

### The outcome of compliance as a coping strategy of the case entrepreneurs

How entrepreneurs respond to institutional constraints and what strategic tools they employ in implementing their strategies have a strong impact on the outcomes. The strategic tools used in order to have an impact on the costs and outcomes of compliance are summarized in Table 2. The most important outcome in complying with the dimensions of the regulatory system pertaining to business start-up was formalization (E1–E4) and being registered (E5–E6). Formalization appears to have a significant positive impact on opportunities for growth and thereby personal wealth creation. Formalization appears to be important in promoting the legitimacy of women entrepreneurs.

Table 2: Strategic responses to institutional constraints and their outcomes

Component/ Entrepreneur	Strategic responses to institutional constraints pertaining to business start-up and operation			<b>Significant outcomes</b>
	<b>Regulatory</b>	<b>Normative</b>	<b>Cognitive</b>	
E1	Comply through compromise strategy; manipulation	Comply through manipulation	Comply through manipulation	Formalization – access to formal institutions, growth opportunity
E2	Comply through compromise strategy; manipulation	Comply through manipulation	Comply through manipulation	Formalization – access to formal institutions, growth opportunity
E3	Comply through compromise; manipulation	Comply through manipulation	Comply through manipulation	Formalization – access to formal institutions, growth opportunity
E4	Comply through compromise; manipulation	Comply through manipulation	Comply through manipulation	Formalization, access to formal institutions, growth opportunity

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E5	Comply through compromise, avoidance	Comply through manipulation	Comply through acquiesce	Licensed – access to basic services, acceptance
E6	Comply through compromise; avoidance	Comply through manipulation	Comply through; acquiesce	Licensed – access to basic services, acceptance

Source: Own computation

As owners of formal enterprises, the case entrepreneurs were able to access the services of formal institutions, for example banks, i.e., open credit accounts and obtain bank loans for investments in some cases with the business as the collateral (E1; E4). These are also likely to own savings accounts. These aspects seem to be associated with growth opportunities. The differences in outcomes observed between formalized and registered business support the view that formalization is likely to be associated with growth opportunities.

### Summary of results from the cases

The case analysis identified many institutional constraints that together may discourage women entrepreneurs from integrating into the formal economy and pursuing growth. The study further delineated the range of coping strategies employed by women entrepreneurs to circumvent institutional constraints and formalize their businesses. Moreover, the impact of the various techniques employed by women entrepreneurs was analysed.

The first observation made is that the regulatory system is perceived by the entrepreneurs as severely constraining because it lacks transparency, is complex, time consuming, costly, and bureaucratic. These are dimensions that have been identified in the cases as severe constraints on their entrepreneurial activities. Second, women entrepreneurs experience tensions between (traditional) gender roles and their entrepreneurship career. These tensions often result in role conflicts, in limitations on autonomy, and a lack of legitimacy and acceptance. This condition creates severe limits in terms of time and other resources that can be accessed by women entrepreneurs, thus discouraging formalization and the pursuit of growth.

Different strategies are employed in the cases to comply with various institutional constraints. Most salient among the cases was formalization (active compliance), manipulation, and avoidance. As a rule, a mix of techniques is employed. Complying with regulatory constraints by formalization is likely preferred by cases pursuing growth opportunities. Formalization is an effective

strategy because it does not only mitigate the constraints stemming from the regulatory system but also the normative and cognitive systems, particularly those pertaining to the legitimacy of entrepreneurship as a career for women. Legitimacy is an important door-opener to the services of formal institutions and resources such as entrepreneurship, education and bank credit. Furthermore, formalized enterprises appear to perform better than registered and informal businesses.

The question that needs to be addressed is whether the connection between compliance and growth opportunities observed among the cases prevail in a larger population of women entrepreneurs operating in the same institutional environment as the cases. Therefore, we extend the indications from the cases, more specifically the indicated connections between formalization, access to the services of formal financial institutions (in terms of bank accounts and savings), and the performance of formal businesses in relation to registered and informal enterprises. The results of a survey of 100 randomly selected women entrepreneurs are presented in section 5. The analysis integrates observations and insights from the case study with the results from the survey.

### The survey: results and discussion

This section begins with a brief description of the attributes of the entrepreneurs and their business, and their possible impact on their growth opportunities. This is followed by an analysis of the connections between formalization and access to the services of formal institutions using bank account and savings as a proxy, and growth opportunities. In concluding the section, the results are discussed with a view to future research and policy challenges in promoting the integration of women entrepreneurs in the formal economy.

#### Relating the attributes of women entrepreneurs and their firms to growth opportunities

Most of the women entrepreneurs are between the ages of 30–40, which fits in the general demographic bias of entrepreneurs (GEM, 2002). In Tanzania, this an age interval where people work hard for their family development and to create security for their old age. The majority of these entrepreneurs have 1–4 children. For a long time, the majority of women entrepreneurs had no prior experiences of entrepreneurial or other forms of business activities, and also limited experience in their current business. Most of them have primary education and have not received any training either before or after starting their business.

The impact of the attributes of the entrepreneurs on the growth of the enterprises was tested using a Tobit regression analysis (Annex 1). The age of the entrepreneur and the number of children did not show any significant influence on the growth of the business. Similarly, there were no significant differences between those who got some type of entrepreneurship related training and those who did not. The number of years that a person has been doing the same business has a significant influence on business growth. Interestingly, the analysis showed that higher levels of education of the entrepreneur were related to low levels of growth of the business. Relating this result to the study of these cases, one explanation can be that women with higher education are likely to engage in entrepreneurship towards the end of their work life and careers with little prior experience (cases E3 and E4). The results further indicate that most of the women earned no more than Tzs 1,000,000 per week irrespective of the season. A large proportion of the entrepreneurs in the survey, 47 per cent, had operating licenses but not VAT certificates. 31 per cent were informal, i.e., they were neither registered nor had operating licenses. Only 22 per cent of the women entrepreneurs had operating licenses and VAT certification. As noted in the case study, VAT certification is associated with growth-oriented businesses with a turnover exceeding that of micro-enterprises. The results from the case studies indicated connections between levels of formalization and the businesses access to a bank account. The low proportion of businesses accessing bank accounts can therefore be related to the low levels of formalization. As previously shown, only 22 per cent of the sample are fully formalized as compared to 31 per cent being informal.

In general, the proportion of formal enterprises owned and operated by women is very low but has recently begun to rise. Moreover, the number of formalized businesses has recently been increasing following the government strictness on licencing and payment of tax. However, as noted in the case studies, women entrepreneurs are discouraged from formalization by institutional constraints and met resistance from the normative environment. Nevertheless, in perspective, formalization opens opportunities for accessing the formal institutions of society including banks and government agencies and promotes the legitimacy and acceptance of women entrepreneurship. These are important tools in circumventing institutional constraints in the normative system

Although a majority of the respondents perceived that women entrepreneurship is gaining increasing support from society, about 30 per cent had negative attitudes towards women entrepreneurship. Relating to the case study that indicates that attitudes towards growth-oriented women are more nega-

tive, the results may be biased due to the presence of a large proportion of informal firms in the sample. The negative attitudes are supported by norms and values that guide what is to be regarded as the appropriate position and role of women. These norms and values are built into the family structures, the distribution of wealth, power and other rights.

Furthermore, these norms and values are reflected in the formal institutions and bureaucracies of society such as banks, microloan institutes and government agencies. For instance, when a woman applies for a loan, which requires collateral, then banks are likely to consult with the spouse even in cases where the business owns significant property. Perhaps as a consequence, women have limited access to the services of formal institutions including banks. More than 57 per cent of the women enterprises have no bank account (Table 3). More women with bank accounts make formal savings, from the data and about 74 per cent of all women with bank accounts had their savings in the banks. 37 per cent of the respondents make savings in any formal institution, banks, SACCOS or phone. The percentage of respondents with no bank accounts lies very close to the proportion of informal enterprises in the sample. The data also indicates that women with bank accounts and formal savings (in bank, SACCOS and phone) account for 86.5 per cent of all formal savings. It is reasonable to assume that these entrepreneurs mainly operate in the informal sector with little contact with the institutions of the formal economy. Although 71 per cent of respondents who have no bank accounts said that they have savings, the majority (85 per cent) of them did not specify where they make their savings and thus, we assume is it a form of saving that cannot bring any significant growth to the enterprises.

Table 3: Savings patterns of women entrepreneurs

Savings			Saving form				Total
			Not specified	Bank	SACCOS	Phone	
no	bank account	No	16				16
		Yes	6				6
	Total		22				22
yes	bank account	No	35	0	2	4	41
		Yes	0	32	2	3	37
	Total		35	32	4	7	78
Total	bank account	no	51	0	2	4	57
		yes	6	32	2	3	43
	Total		57	32	4	7	100

Source: Own computation

A closer analysis of the interaction with banks by respondents at differing levels of formalization (VAT-certified, registered with an operating license, and not registered/informal) shows that access to banks and savings, i.e., the accumulation of wealth, may not always coincide. The cases indicate different strategies behind saving in bank accounts. In some cases, a significant savings account is maintained as a form of collateral, and at other times as a means of accumulating personal wealth that is separate from the family economy. As the cases narrated, personal wealth is important in gaining economic independence and autonomy as a business woman (E1; E2; E3). Furthermore, savings are a sign of the potential and maturity of the business and the business owner.

As depicted in Table 4, there is a connection between the levels of formalization and having a bank account. In terms of savings, the VAT certified businesses save less than those with operating licenses. One explanation that emerges from the case study is that the VAT certified enterprises bear higher costs of formalization, particularly in the initial years. In addition, they tend to invest more in growth with little immediate returns, which calls for more sensitivity to time.

Table 4: Certified, licensed and registered and having a bank account

Have you made savings			bank account		Total
			no	yes	
no	Formalization	not formalized	9	1	10
		License	5	3	8
		Certificate	2	2	4
	Total	16	6	22	
yes	Formalization	not formalized	13	8	21
		License	19	20	39
		Certificate	9	9	18
	Total	41	37	78	
Total	Formalization	not formalized	22	9	31
		License	24	23	47
		Certificate	11	11	22
	Total	57	43	100	

Source: Own computation.

Upon testing the relationship between the formalization of the business, making savings and having a bank account, there is a positive relationship between the three variables, though not strong. The relationship is more significant between formalization of the business and owning a bank account (Table 5). Formalization of the business is one of the important collaterals for a business owner in borrowing from the banks. The banks use certificates and operating licenses in their evaluation of the credit-worthiness of the business under consideration for a loan. Thus, it becomes easier for the formalized business to establish good working relations with banks and access loans and credit accounts. This is a necessary condition for entrepreneurs pursuing growth opportunities.

Table 5: Correlation tests between formalization, having a bank account and savings

		Formalized	savings	bank account
Formalized	Pearson Correlation	1	.166	.189
	Sig. (2-tailed)		.099	.060
	N	100	100	100
Savings	Pearson Correlation	.166	1	.169
	Sig. (2-tailed)	.099		.093
	N	100	100	100
Bank account	Pearson Correlation	.189	.169	1
	Sig. (2-tailed)	.060	.093	
	N	100	100	100

Source: Own computation.

Table 6 shows the relationship between the perception of women of the growth of their businesses and the level of formalization of the enterprises having a bank account and savings. The cases showed that 4 of the women entrepreneurs studied are growth oriented. Though it has been difficult to prove the hypothesis about the connections between the level of formalization, the interaction with banks and their impact on the levels of growth of the firms, we believe that entrepreneurs cannot upgrade their business and pursue growth opportunities without formalization. An informal business has little legitimacy in the regulations, procedures and views of institutional actors and government authorities.

In analysing the perception of 100 women entrepreneurs, most of them perceive that their businesses are growing in several respects. Not only institu-

tional factors but also individual attributes such as skills, motivations and commitment are important influences on the growth opportunity of businesses (Annex 1). In Table 6, we thus combine individual attributes of the entrepreneurs presented in section 6.0 in addition to the regulative/institutional dimensions including formalization, bank accounts and savings.

Table 6: The relationship between formalization, normalization and perceived growth

		growth index			Total
		decline	unchanged	increase	
Formalized	no	3	2	26	31
	yes	9	12	48	69
Total		12	14	74	100
Savings	No	1	1	20	22
	Yes	11	13	54	78
Total		12	14	74	100
bank account	no	8	7	42	57
	yes	4	7	32	43
Total		12	14	74	100

Source: Own computation.

## Conclusion and discussion

The objective of this chapter is to contribute to our understanding of why some entrepreneurs successfully upgrade and formalize their business enterprises in spite of institutional constraints. Underpinning the study is the low participation of women entrepreneurs in the formal economy.

One conclusion that can be drawn from the study is that the institutional framework in, which women entrepreneurs operate has a decisive impact on the prevalence, participation and performance of women entrepreneurs in developing countries. Women are discouraged from upgrading and formalizing their enterprises by institution, traditional values and norms that lag behind. These can be observed in the regulatory and cognitive systems that are at variance with the normatively prescribed life styles and careers for women. For example, the regulations for formalizing a ‘new’ business stipulate a minimum of 9 procedures, several visits to national, regional and local offices, a multiplicity of fees and arbitrary taxes to be paid, and an endless bureaucracy. This process implies travel to big cities, long absences from family and homes

and significant costs. Very few women enjoy the autonomy to engage in this process and lack resources to fulfil these requirements. Moreover, the formal institutions that are intended to support women entrepreneurs are founded in a cognitive environment that does not fully acknowledge women entrepreneurship. Therefore, we need to look beyond the symptomatic aspects.

These observations are in line with some prior research indications (Amine & Staub, 2009; Njeru & Njoke, 2001; Grimm et al., 2011; Mashenene et al., 2014; Maziku et al., 2014). From these general observations, we thus argue that the constraints on women entrepreneurs such as lack of training, lack of credit, limited access to premises, etc. are symptoms of a constraining institutional environment rather than their cause.

Policies targeting support for women entrepreneurship need to consider constraints emulating in the formal/informal institutional frameworks in, which women operate their businesses. Nevertheless, institutions do not change through decisions and directives; they need to evolve. Therefore, a holistic approach to policy addressing short-term needs and long-term institutional changes such as education is crucial in order to enable women entrepreneurs to participate in economic development and deliver growth and prosperity to society.

### Concluding comments

Whereas research on women entrepreneurship in the developed economies has exploded in the past decade or so, women in the context of low-income economies have practically been ignored. At the same time, recent research emphasizes the importance of context in understanding entrepreneurial behaviour (Welter & Smallbone, 2011). The main contribution of our study is, therefore, to draw attention to the need for research in women entrepreneurship. It is important to do research about women entrepreneurship in the context of low-income economies for several reasons. First, contrary to women in the developed economies, more women than men participate in entrepreneurship in many low-income economies. The proposition that entrepreneurship out of necessity may explain the higher participation of women in entrepreneurship in low-income economies (GEM, 2012) may not be adequate. Much policy effort is devoted to the promotion of women entrepreneurship in low-income economies. There is need for research that provides information about these policies.

Most businesses in Moshi are informal and it is not easy to locate even licensed businesses. Therefore, we instead approached women who own/ope-

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rate a business in their shops, offices, sales counters, and so on. The sample is not representative. Our contribution is in the systematic documentation and description of a reasonably large and diverse population of women entrepreneurs operating in the context of low-income economies. We call for a continued systematic documentation of women entrepreneurship in Tanzania. Our research interest is, nonetheless, to study the interaction between women entrepreneurs and the institutions. In particular, we would like to focus on how the tensions between formal and informal institutions express themselves and impair women entrepreneurs.

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### Annex 1: Impact of entrepreneurial attributes on business growth

We determined the effects of owners' attributes and firms' attributes on the growth of the enterprises. The independent variables in case of women entrepreneurs' attributes tested are age categories, year of doing business, number of children and education level. Firm attributes are the type of business, earnings per week and years of the business.

The synopsis of Tobit regression results of women attributes and their enterprise's growth

Independent variables	Coefficients of independent variables	t-values
Years in the business		
6–10	-35.41218	(-4.22)***
11–15	-25.40819	(-1.94)*
16–20	-29.38799	(-1.75)*
21+	-55.43101	(-2.54)**
Women age 30–		
39	-15.20542	(-1.78)*
40–49	-2.431892	(-0.22)
50–59	-3.474209	(-0.28)
60+	23.61907	(0.67)
Number of children		
1–2	-.1800828	(-0.02)
3–4	-8.301269	(-0.76)
5+	-20.34814	(-1.14)
Education level		
secondary	-.2961314	(-0.04)
High school	-35.47612	(-2.27)**
College	-12.38876	(-1.36)
University	-25.51288	(-1.73)
Type of business		
Agriculture	-2.212491	(-0.14)
Pastoralist	14.69009	(0.74)
Clothes	4.798701	(0.57)
Medics	3.087711	(0.23)
Others	-20.42055	(-1.23)
Earning	4.185334	(2.14)**
Experience	1.742335	(1.94)*
2. training	-8.416017	(-1.20)

BEYOND BORDERS

Constant	91.95311	(9.91)***
Model summary: LR chi2(23) = 37.29 Prob > chi2 = 0.0303 Log likelihood = -433.47002 Pseudo R2 = 0.0412 Obs. summary: 0 left-censored observations 94 uncensored observations 0 right-censored observations		

Note: the t-values are in parenthesis. Also \*, \*\*, and \*\*\* indicate significance level at 10%, 5% and 1%, respectively. The STATA 11 software determined the coefficients.