

Against all odds?
Institutional constraints and growth opportunities for women entrepreneurs in Tanzania
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Abstract

The study explores how women entrepreneurs in low income countries respond to institutional constraints and how their responses impact on their opportunities for growth. The objective is to contribute to our understanding of why some women entrepreneurs succeed in establishing growth oriented business enterprises in a constraining institutional environment. The study employs a mix of qualitative and quantitative methods. The underlying data has been collected through multiple case studies and through a survey of 100 women entrepreneurs in Moshi, Tanzania. The results suggest that women entrepreneurs that employ compliance strategies that promote the formalization of their businesses are more likely to pursue growth opportunities compared to those avoiding formalization. Formalization mitigates institutional constraints including access to business services provided by formal institutions such as credit, and (negative) stereotypes of women entrepreneurship stemming from the normative systems. These are aspects that are vital to growth opportunities for women entrepreneurs. Formalization is a decisive step in the upgrading and integration of women's entrepreneurship into the formal economy and opportunities for business growth.

It is also an important avenue to legitimacy, acceptance and autonomy for women entrepreneurs. One lesson that we have learned is that the institutional environment has a decisive impact on the prevalence, participation and performance of women entrepreneurs in low income countries. The institutional environment discourages women entrepreneurs from upgrading and formalizing their enterprises. The policy challenge for Tanzania and perhaps other low income economies, is to promote the formalization of enterprises (in the informal sector) owned and operated by women

Keywords; women entrepreneurship, institutional constraints, growth oriented enterprises, formalization, growth opportunities, Moshi, Tanzania.