

The Contribution of Women Entrepreneurship in Family Socio-Economic Development in Rural Areas, Rwanda

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Abstract—The study on women entrepreneurs and family social economic development aimed at assessing whether there was a positive correlation between women in entrepreneurship and their family socioeconomic development. This research targeted women members of a handcraft making cooperative in Muhanga District and Women's Opportunity Center in Eastern province (Rwanda) with a connection to Gahaya Links Company. The study used stratified and simple random sampling techniques. The data entry and management was undertaken using the Statistical Package for Social Sciences (SPSS, 16 version), where both descriptive and correlational statistics were used in the study. The study revealed that women entrepreneurs affect social economic development at the rate of 78.3%. This research concluded that there was a positive and strong relationship between women entrepreneurship and family socio-economic development. The research recommends that women entrepreneurs must minimize all loss caused by lack of training and low level of education that leads to lack of managerial skills in order to achieve high level of performance in their routine activities of business.

Index Terms—Economic development, entrepreneurship, family, family socio-economic development, rural areas and women.

I. INTRODUCTION

Entrepreneur is the key factor of entrepreneurship and now women are successful in this as they have qualities desirable for entrepreneurship development. Entrepreneurship is considered as one of the most important factors contributing to the economic development of the society. Entrepreneurs have been considered instrumental in initiating and sustaining socio-economic development [1].

Rwandan government envisions to create a middle income, knowledge-based society with a middle class of entrepreneurs as the backbone of development processes in which women and men equally participate [2]. Economically, women are said to be less empowered in terms of independent employment and access to financial services [3]. Reba Unyurwe cooperative was created in 2006 with the aim to uplift the living standards of its 95 members who were formally street vendors and vulnerable farmers through basket weaving, knitting beds work, woven trays and other handcraft skills. Today the cooperative has increased its number up to 200. Women's Opportunity Center (WOC) is designed as a meeting place that bridges

the gap between urban buyers and rural farmers. It is a place where rural entrepreneurs can incubate businesses so they can transition from subsistence farming to larger-scale farming and other entrepreneurial activities.

II. STATEMENT OF THE PROBLEM

According to [4], women are the pillars of the family, who together constitute the society. In society spheres, the number of women is greater than the number of men all over the world even in Rwanda. The majority of Rwandan citizens need to change their routine activities from agriculture to other the sectors is crucial for reducing poverty, achieving economic transformation, and attaining Vision 2020 goals. Poverty rates for those working in agriculture are 60%, compared to just 23% for those working off-farm [5].

Due to the different challenges faced and the high levels of poverty rate in Rwanda, the Government of Rwanda undertook a variety of development activities to alleviate poverty while using various approaches and implementing a number of strategies for this purpose. Some of the strategies include: granting loans for reconstruction and development, giving business, encouraging industrialization and last but not least gender balance. Despite these attempts, the level of poverty has not been significantly reduced. Because women are the majority in the Rwandan society, there is need to empower them with skills and finances. Moreover, efforts to uplift her have not been that successful. Thus, this study seeks to identify women's ability to improve socio and economic status of their families through their own merits in the male dominated society.

III. OBJECTIVES OF THE STUDY

The objectives of this study are categorized into the general objective and specific objectives of the study.

A. General Objective

The general objective of this study is to assess the contribution of women entrepreneurship on the socio-economic development of their families / households

B. Specific Objectives

- 1) To identify challenges faced by women entrepreneurs in Reba-Unyurwe cooperative;
- 2) To assess the drivers that influence women socio-economic development in Reba-Unyurwe cooperative ;
- 3) To analyze the main challenges faced by women in Kayonza District ;
- 4) To ascertain the mechanisms used by Women's

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Opportunity Center to empower women in Kayonza District;

- 5) To establish the relationship between women empowerment and socio-economic development;
- 6) To establish the relationship between entrepreneurship and family socio-economic development.

IV. RESEARCH QUESTIONS

- 1) What are the challenges faced by women entrepreneurs in Rwandan cooperatives?
- 2) What are the drivers that influence women socio-economic development in Reba-Unyurwe cooperative?
- 3) What are the challenges faced by women in Kayonza District?
- 4) What are the mechanisms used by Women's Opportunity Center to empower women in Kayonza District?
- 5) Does women empowerment correlate to socio-economic development in Kayonza District?
- 6) Is there any relationship between entrepreneurship and socio-economic development in Rwandan cooperatives?

V. RESEARCH METHODOLOGY

This research used descriptive study. The research was also quantitative because some statistics were collected and analyzed to measure the achievements of women members of craft making women in different fields.

The target population of this study is those women beneficiaries that are supported and empowered by Women's Opportunity Center of Kayonza Sub-office and women members of craft making cooperative from Reba Unyurwe. These are 120 livestock farming cooperative members, 65 handcraft cooperative members, 86 women brick making cooperative member, 42 hair dressing cooperative members and 38 tailoring cooperative's members. The target population of this study was also included 30 staff of Women's Opportunity Center. Hence, the target population on this side was 381 people. This study also involved 200 women members of craft making cooperative from Reba Unyurwe. Other Respondents were women beneficiaries of the project grouped in two (2) cooperatives of Agaseke women Project in Kagali city (100 beneficiaries). Other respondents included the coordinator of the "Agaseke women project", head of UN women in Rwanda, Vice Mayor in charge of social affairs, Vice Mayor in charge of social affairs in Gasabo district and the head of Ibanga Union (which brings together all cooperatives). Therefore, this study used three categories of target population. One category focused on women entrepreneurship, the other two ones focused on women empowerment and income generating projects.

Data was collected through two primary data collection methods: Semi-structured questionnaire and interview guide. Primary qualitative data was collected by the use of the interview guide while primary quantitative data was gathered by the use of semi-structured questionnaires.

After gathering data, the researcher went through the electronic and paper copies of the instruments responses and

coded all names to maintain confidentiality as stated in the consent form. The responses to the questions were tabulated based on the frequency of responses and to analyze data, the researcher used the questionnaire where different reactions of women entrepreneurs were occupied in handcraft cooperatives sector. They were recorded and analyzed using different statistical indicators like percentages and frequencies.

VI. SUMMARY OF MAJOR FINDINGS

Basing on the findings and in accordance to the objective one of this study which deals with the challenges faced by women entrepreneurs and how they are addressed, the respondents of this study have revealed some challenges that affect them negatively. The findings indicated that 34.4% of respondents strongly claimed to have suffered from insufficient markets for their products, 60.9% also confirmed this challenge in Reba Unyurwe Agaseke Cooperative, 53.1% confirmed that being afraid of failure is among the challenges faced by their cooperative as women entrepreneurs. 51% of respondents, members of Reba Unyurwe Cooperative stated the lack of training as their big challenges. Women indicate that they need training in communication skills, management skills and specific training regarding their particular businesses. A combination of family obligations and business has also been singled out among the challenges faced by their cooperative as women entrepreneurs.

In relation to the drivers that influence women socio-economic development in Reba-Unyurwe cooperative, this study found that, all respondents confirmed that they have equal shares in Reba-Unyurwe cooperative. This research also established that 78.1% of respondents said that managerial skills, and access to credit are among of the factors that have motivated the spirit of entrepreneurship among women; 84.4% of respondents strongly agreed that they have received special treatment for being women entrepreneur; 78.1% believed that they have earned respect within the society, easy access to loan, improvement in living standards of their families motivate women entrepreneurs whereas 21.9% also agreed with that statement. Although 84.4% of respondents viewed that handcraft market in Rwanda is not sufficient, respondents who are in the range of 78.1% reasoned that their socio-economic status has improved through entrepreneurship.

Women are natural networkers. Women in Reba Unyurwe Cooperative point at the behavioral norms at the society level, by asserting that norms of appropriate female behavior in social networking can bring success. Effective policies that facilitate women entrepreneurship have also been ideal to enhance the socioeconomic development. There is evidence that when women are given support (both financial and emotional) is an important determinant of entrepreneurial behavior: It shapes the confidence of women entrepreneurs to achieve their ambitions, enhancing the chances for the growth of their businesses.

This research found that there is a positive relationship between women entrepreneurs and socio-economic development. The researcher used Pearson Correlation Coefficient, and found that the coefficient r equals to 0.783.

This leads to confirm that there is a significant relationship between women entrepreneurs and socio-economic development.

In relation to the main challenges faced by women in Kayonza District, out of 76 respondents, 59.2% said that as a member they don't have a chance of accessing personal loan, 40.8% said that their cooperative doesn't have opportunity for marketing our products. Out of 76 respondents, 2.6% said that lack of the ability of loan repayment is among of challenges faced by Women's Opportunity Center members, 6.58% chose lack of the accessibility to clean water, 2.63% chose lack of the accessibility to electricity, 19.74% chose lack of auto financial for health insurance, 13.16% chose lack of the Commodities of food & other household needs, 2.3 chose lack of the generating income occupation and 52.63% chose all of these challenges.

According to mechanisms used by Women's Opportunity Center to empower women in Kayonza District, the study

revealed that, out of 76 respondents, 3.9% chose access to loan, 92.1% chose training and 3. % chose education. Out of 76 respondents, 92.1% said that the trainings help members to make decision in their daily activities and social life, while 7.9% did not confirm. Out of 76 respondents, 26.32% said that they contributed to the building of schools, 3.95% said that they participated in the construction of my church, 14.47% said that they shared a little amount to support construction to Office of cell (Akagari) and 65.26% said that the products from their cooperative supply the whole community

According to relationship between women empowerment and socio-economic development, the study used Pearson correlation coefficient and found that women empowerment affect socio-economic Development on the rate of 0.954.

Using Pearson correlation coefficient, the Table I indicates that women entrepreneurs (Reba – Unyurwe women Cooperative) impact the socio-economic development at the rate of 78.3%.

TABLE I: RELATIONSHIP BETWEEN WOMEN ENTREPRENEURS AND SOCIO-ECONOMIC DEVELOPMENT

		Women entrepreneurs	Socio-economic development
Women entrepreneurs	Pearson Correlation	1	.783**
	Sig. (2-tailed)		.000
	N	64	64
Socio-economic development	Pearson Correlation	.783**	1
	Sig. (2-tailed)	.000	
	N	64	64

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Field survey, 2015

TABLE II: INCOME GENERATING PROJECTS AND WOMEN EMPOWERMENT IN AGASEKE

		Income Generating Projects	Women Empowerment
Income Generating Projects	Pearson Correlation	1	.847**
	Sig. (2-tailed)		.000
	N	78	78
Women Empowerment	Pearson Correlation	.847**	1
	Sig. (2-tailed)	.000	
	N	78	78

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Field survey, 2015

Using Pearson correlation model, Table II shows that income generating projects are directly correlated to women empowerment. Implication is that income generating projects when well implemented and targeting the right kind

of women group (in our case poor urban women) the income generating project exhibits a direct positive relationship to empowerment of women.

VII. CONCLUSION

According to the research findings, the study concluded that lack of access to market affects the socio-economic development of women to a large extent.

Reba Unyurwe lacks experience from other women cooperatives, which in turn among other factors should negatively impact their level of socio-economic development. The majority of respondents confirmed that tax is among the challenges faced by women entrepreneurs in Rwanda. The majority of respondents also confirmed that women entrepreneurs are afraid of failure.

On the other hand, managerial skills and access to credit or financial resources were found the main factors that facilitate entrepreneurship in Rwanda; women have accessibility and right to do business, whereby there are some facilities are in place to motivate them, like microfinance for women, besides effective Government policies.

Concerning the fifth research question, the mechanisms used by Women's Opportunity Center to empower women in Kayonza District. This study concluded that availability of training is the best mechanism used by Women's Opportunity Center to empower women in Kayonza District.

VIII. RECOMMENDATIONS

Women entrepreneurs must minimize all loss caused by lack of training and low level of education that leads to lack of managerial skills in their routine activities of business by seeking various trainings available. Women should also expand their markets; participate in different trade fairs since it is an opportunity for marketing their products, in order to achieve high levels of performance.

The Government of Rwanda should formulate policies to ensure that entrepreneurs of rural areas are guided in a way that it successfully guides rural people through availing resources and procedures that favor the context of the entrepreneurs 'needs.

The Government needs to promote women entrepreneurship by encouraging grassroots self-help efforts in several ways, including funding direct operations, training, education and subsidiary activities of community groups.

Women members of Reba Unyurwe handcraft cooperative should look for mentors and coaches for informal learning, exchange of good practices and for resolving real-life business problems in a sustainable manner.

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