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Rural Entrepreneurship: Motives and Barriers to Small Business in Ghana: A Gender Analysis

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Abstract

The high incidence of youth unemployment and poverty in recent years threatens both the socio-economic growth and security of countries in Sub-Saharan Africa. In response, several policy interventions have been implemented to enhance job creation, value addition and to reduce poverty. Hence, this study explored one of these initiatives, that is, Promotion of Rural Based Small Enterprises in the Sunyani Municipality of Ghana. The study examined the gender perspective of Ghanaian rural entrepreneurs with respect to motivation, enterprise characteristics and the challenges faced. More specifically, it aims to identify whether men and women have different motives for becoming entrepreneurs. A cross-sectional survey was conducted among 200 small scale business owners selected using multi-stage sampling in Sunyani municipality of Ghana in 2015. Data were analysed using descriptive technique such as mean, frequency and cross-tabulations and chi-square test to test hypothesis. The descriptive analyses show three forms of small-scale enterprises vis-à-vis processing (46 %) (dominated by females), and artisans (37 %) and craft makers (17 %) (dominated by males). Female entrepreneurs (51 %) marginally dominate entrepreneurship. Further, business operation favours sole proprietorship (93 %) with insignificant numbers of family ownerships (5 %) and partnerships (2 %). Findings indicated men (54 %) are more likely to engage into business for economic benefits compared to women (46 %) but the difference is not significant ($X^2 (1)6.613, p < 0.010$). The need for independence to ensure balance between family and work relations are the motivations for women (67 %) into business start-ups. Further, it seemed more challenging for women (75 %) to acquire capital for business compared to men (25 %) the difference is significant at ($X^2 (1)7.776, p < 0.005$). Furthermore, women (61 %) found it challenging to access market for their products. An important consequence of the findings is the need for improved support of access to financial capital and to market for women starting entrepreneurship.

Keywords: Entrepreneur, entrepreneurship, gender, rural enterprises