AN INVESTIGATION INTO THE CHALLENGES FACING WOMEN ENTERPRENEURS IN SMALL AND MEDIUM ENTERPRISES IN THE KHOMAS REGION SME INCUBATOR CENTRE

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SUAMA MULAMA-HAIMBODI

200113259

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SUPERVISOR: DR. REINHOLD KAMATI (BANK OF NAMIBIA

ABSTRACT

The study examined challenges facing Women Entrepreneurs in Small and Medium Enterprises (SMEs) in the Khomas region, Namibia. The study objectives were to identify and rank the chronic challenges that limit the success of women entrepreneurs. Further, the study investigated the fundamental root causes of these challenges and come up with recommendations to mitigate or ameliorate the fundamental causes and challenges to women entrepreneurs. A mixed research method was used for this study. A sample for the study was selected through stratified random sampling. Through stratified sampling method a sample of 100 business-women was drawn from the population of 15,000 women entrepreneurs in the Khomas region as per the information obtained from the Ministry of Industrialisation Trade and SME Development (MITSMED). Data was collected through questionnaires administered to women entrepreneurs who operate in the SME Incubation centre. Quantitative data collected was analysed by means of descriptive statistics and the results were presented through figures, tables and summaries. Qualitative data was analysed, summarised and arranged into categories then coded and presented in an understandable way.

The findings indicated that the challenges facing women entrepreneurs in the Khomas region, particularly the incubation centre were: lack of access to finance, stiff competition, unavailability of land and premises, lack of skills and male domination. The women entrepreneurs in the Khomas region, especially the incubation centre need support from government and other stakeholders as well as the private sector in aspects of mentoring, subcontracting, eliminating gender inequality, creating fair competition, and availing financing to all. On the basis of the findings, the study recommended that these challenges should be handled strategically by solving the root-cause of the problem. In this regard, women entrepreneurs need more support from government and other stakeholders by reducing or reviewing the barrier requirements that are restricting the women entrepreneurs from operating effectively and efficiently. The study also recommended that the government and private sector should create an open dialogue

with women entrepreneurs to review the existing platforms of trading policies as well as such policies to be implemented so that women entrepreneurs can freely trade in a conducive and clean environment to add value to the Namibian economy.

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ACRONYMS

DBN	Development Bank of Namibia
GDP	Gross Domestic Product
GRN	Government of the republic of Namibia
ISBA	Indian Business Incubation Association
MSEs	Micro and Small Business Enterprises
MITSMED	Ministry of Industrialization, Trade and SME Development
NDP	National Development Plan
NBIA	National Business Incubation Association
NLFS	Namibian Labour Force Survey
NCCI	Namibia Chamber of Commerce and Industry
SMEB	Small and Medium Enterprises Bank
SMEs	Small and Medium Enterprises
STEP	Science and Technology Entrepreneurs' Parks

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"The Lord is my shepherd, I shall not want" (Psalm 23:1)

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DEDICATION

I dedicate this thesis to almighty Father, my only hope, my wisdom and who made everything happen. All glory to God.

I further dedicate this thesis to my beloved husband Erven Shali Haimbodi and our beautiful daughters Erencia, Erna and Erine for their support, I love you so much.

DECLARATION

I, Suama Luudeni Mulama Haimbodi, hereby declare that this study is my true research work and has not been presented for a degree or other awards in any other college or institution of higher learning.

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CHAPTER ONE

Introduction

1.1 Orientation of the Proposed Study

The entrepreneurship of women can make a particularly strong contribution to the economic well-being of the family and communities, poverty reduction and women's empowerment, thus contributing to Namibia's Vision 2030. Small and medium-sized enterprises (SMEs) are the backbone of all economies and are a key source of economic growth, dynamism and flexibility in advanced industrialised countries, as well as in emerging and developing economies (The Organisation for Economic Co-Operation and Development [OECD], 2006). Therefore, it is necessary for financial institutions and the local authorities to provide a wide range of services in order to mitigate the challenges women entrepreneurs are facing so that they can trade efficiently.

According to the Namibia Population and Housing Census (2012) The Namibian population is composed of 51% women. In addition, the latest figures show that an estimated 33,700, the majority of which is women (around 15,000 are formally registered) (SMEs) provide some form of employment and income to 160,000 people, accounting for approximately one third of the nation's workforce and contribute approximately 12% to the Namibian GDP (Bank of Namibia, 2004).

It has been particularly evident that women entrepreneurs have contributed significantly to the economic growth of Namibia, and an insight into how they operate is worth investigating (Bank of Namibia, 2004).

. The Ministry of Trade and Industry estimates that the SME sector provides 27-30% of total employment in the economy (World Bank, 2011). According to Davis (2005), despite the contributions made by women entrepreneurs towards the economic development of various countries through the establishment of new businesses and the employment of different people, prior research show that most policies made by the government favour men more than women entrepreneurs. Additionally, before starting and in the course of operating their businesses, women entrepreneurs in countries like China, Indonesia, and India face some challenges that are not experienced by their male counterparts. Further, Davis (2005) revealed that women face challenges such as lack of access to credit, limited business and financial training and lack of collateral to obtain finance from financial institutions. These challenges deprive most women of the opportunity to become successful entrepreneurs. Further, Cheng (2006) asserted that the women businesses are faced with challenges of career discrimination, business development, inexperience and financing.

The lack of finance, unavailability of land, stiff competition and lack of knowledge as well as male domination are among the key constraints to the development of the women entrepreneurs in Namibia, especially in the Khomas region incubation centre in Katutura according to Namibian Labour Force Survey (NLFS) of 2014 report. According to Sacharia (1999) Formal financial institutions in Namibia, especially commercial banks are reluctant to lend to the SME sector especially to women entrepreneurs. Reluctance by these institutions can be attributed to the perception that women businesses are high risk due to lack of collateral (Sacharia, 1999). However, it should be noted that these constraints deprive business women the opportunity to become successful entrepreneurs.

For the government to design effective policies and programmes to enhance women entrepreneurs' development, it is crucial to identify and understand the challenges and thus find mitigating measures. This study, thus, seeks to close this research gap by investigating the challenges faced by women entrepreneurs in the Khomas region of Namibia, focussing on the SMEs at the Windhoek incubation centre in Katutura.

1.2 Statement of the Problem

Women entrepreneurs have the challenge of facing stiff competition, limited access to finance, unaffordability of land as well as male domination, which hampers their business growth (Kauffmann, 2005). Their main sources of capital are their retained earnings, informal savings and loan associations, which are unpredictable, unsecure and have little scope for risk sharing because of their sectorial focus (Kauffmann, 2005). Access to formal finance is poor because of high bank requirements and most of the women entrepreneurs do not meet the requirement as they have neither land nor premises of their own to give to the bank as collateral. Women entrepreneurs in Namibia, especially in the Khomas region, can rarely meet the conditions set by financial institutions, which view women business as a risk because of poor guarantees and lack of information regarding their ability to repay loans.

Lack of availability of land and premises also affect the SMEs, as the women businesses have limited space to store their product after their business's growth. Those concerns that women entrepreneurs mostly encounter, are not necessarily dissimilar to those encountered by their male counterparts or entrepreneurs in general. Women entrepreneurs' problematic situation is still prevailing, as they are

getting lots of pressure from the Chinese and South African firms in terms of competition (NamBic, 2011).

Although some studies on women-owned small to medium enterprises have been conducted in Namibia, for example, Mandishaya (2015) which considered a very small and unregistered informal sector of SMEs, these findings could not be generalised to every SME sector. This study focused on formally registered women entrepreneurs who operate in the incubation centre in Katutura within the Khomas region. These centres were chosen for this study because they are regarded as a backbone of SMEs in Windhoek, and that a combined outcome of this study would help address the challenges effectively. It is therefore the aim of this study to assess the challenges facing the women entrepreneurs who operate in the incubation centre such as Single Quarters, Soweto market, Katutura Incubator Centre, Northern Industrial, and Khomasdal open Market. Thereafter, appropriate measures can be put in place to try and overcome these challenges.

1.3. Research Questions

Here are the research questions for the study:

- What are the enduring challenges facing women entrepreneurs (SMEs) operating within the Khomas region especially at the SME Incubators centre?
- What are the root causes of women entrepreneurs' failure?
- What are the possible strategies can be implemented to mitigate the fundamental failure to women entrepreneurs in Khomas?

1.4. Research Objectives

The purpose of the study is to investigate the challenges facing women entrepreneurs in Small and Medium Enterprises (SMES) sector in Khomas region, Namibia especially Katutura and Khomasdal incubation centre. The specific objectives of the study are to:

- To identify chronic challenges successful women entrepreneurs operating within Khomas region especially SME Incubators centre?
- Examine the root causes of main challenges to women entrepreneurs in Khomas region

1.5. Significant of the Study

With research around the world having recognised the importance of women entrepreneurs by creation of employment, eradication of poverty and overall contribution towards the growth of any economy around the universe, it is quite unbelievable that women business are facing challenges in Namibia.

It has to be stressed that the participation of women in the small business sector is consistently higher in the informal sector as compared to the formal sector. In fact, less than 1% of women in Namibia own a formal business; most of those in business are engaged in a low-profit informal business. Hence, it is widely recognised that women entrepreneurs are the most disadvantaged of all entrepreneur types in Namibia (MTI, 1997).

The purpose of this study is to critically assess the challenges that are mainly hindering the success of the women entrepreneurs and hence to suggest to regulators

and policy makers the ways business-women can be supported for them to add more value to the country's economy. The findings and suggestions of this study will contribute significantly towards the business growth of women entrepreneurs in Namibia by suggesting ways in which they can easily access finance, they can handle the male domination, create strategies to survive stiff competition as well as to access land and premises and any other ways in which business women can be supported so that they will eventually contribute towards more jobs being created, poverty eradication and economic sustainability.

1.6. Limitation of the Study

This study only covered the women entrepreneurs operating in the Khomas region. This is because Namibia is geographically a big country and it would have been very costly and time consuming if the researcher had expanded the study to other towns. In addition, only the incubation centre in Katutura and Khomasdal incubations centre have been investigated. This is a limitation because women entrepreneurs from other towns might have different problems that can prolong the researcher not to complete the analysis on time.

1.7. Delimitation of the Study

The study was able to reach the target of 100 respondents just as was initially planned.

A comparatively bigger sample covering larger geographical areas would have been ideal and appropriate, but cannot be permitted due to financial, time and other constraints. As a result, the study did not cover the whole of Namibia, but the results can be applied to the other regions of Namibia.

CHAPTER TWO

LITERATURE REVIEW

According to Dawidowicz (2010), a literature review is an examination of scholarly information and research-based information on a specific topic. Its goal is to create a complete accurate representation of the knowledge and research-based theory available on a topic. This chapter reviews the existing literature on challenges faced by women entrepreneurs that hamper the growth of their businesses. The chapter covers the definition of SMEs, the role and importance of women SME entrepreneurs in the economy in Namibia, strategy adopted by women entrepreneurs to succeed, the challenges, the role of government and financial institutions in helping SMEs to access finance.

2.1 Definition of the SME Sector in Namibia.

There is no accepted worldwide definition of SMEs (Hooi, 2006). According to OECD (2006), the most frequent upper limit designating an SME is 250 employees, as in the European Union. However, some countries set the limit at 200, while the United States considers SMEs to include firms with less than 500 employees. In Namibia the most common criteria used to arrive at such a definition would include the number of employees, the turnover and the capital employed. The following definition of a small business has accordingly been adopted to fit the Namibian context (Ministry of Trade and Industry [MTI], 1997).

Table 1. Definition of a small business in Namibia

Sector	Employment	Turnover (N$)	Capital Employed (N$)
Manufacturing	Less than 10 persons	1 000 000	500 000
All other business	Less than 5 persons	250 000	100 000

MTI (1997) argued that this definition is believed to cover the most disadvantaged small enterprise in the country. Small businesses fall under the wider category of SMEs, which are believed to provide employment and income for approximately one third of the Namibian workforce. This fact indicates the weight that the sector has objectively acquired in Namibian society and substantiates the rationale for the programme aiming to promote the growth and development of small and micro enterprises.

In Namibia, as in any other country, a small business may be an informal unregistered enterprise or a formally licensed firm. Informal businesses are generally very small enterprises with a turnover of below N$ 20 000, while formal small enterprises are generally larger in terms of both staff size and turnover (MTI, 1997). According to (MTI, 2015), a micro business is defined as an enterprise that makes an annual turnover of up to N$300,000 while a small business is defined as an enterprise that makes an annual turnover of up to N$ 3 million per annum. A medium enterprise is defined as an enterprise that makes above N$ 3 million and up to N$ 10 million per annum. Any enterprise that makes more than N$ 10 million per annum is regarded as a corporate entity.

As mentioned earlier, SME definitions differ from country to country as well as with the type of industry each country is involved in. Even though, SME definitions differ from country to country, there is no unique definition of women entrepreneurs in Namibia as defined in other developing and developed countries.

2.2 The role and importance of Women SME Entrepreneurs in the Economy

The important role that women entrepreneurs play in inspiring economic activity, creating jobs, alleviating poverty and elevating the standards of living, has been recognised internationally. Women entrepreneurs are progressively considered essential for economic development. Not only do they contribute to job creation, but they also contribute to a range of entrepreneurial activities for development (Verheul, 2004). Mc-Clelland, (2005) describe a woman-owned business as any business in which one or more women possess a share of 51 percent of the business. In the case of a public business, at least 51 percent of stock should be possessed by one or more women.

Women own nearly 8 million businesses in the United States accounting for $ 1.2 trillion of the GDP. Compared to men, women tend to spend more of their earned income on the health and education of their families. In the United States, women went from holding 37% of all jobs to nearly 48% over the past forty years. Some statistics show that the reductions in barriers to female labour force participation would increase the GDP of the USA by 9%, the GDP of Europe by 13% and the GDP of Japan by 16%. The reduction in barriers to women's equal access to productive resources could raise total agricultural output in developing countries from 2.5% to 4%. It could also result in the reduction of the number of hungry

people in the world by up to 150 million people (The World Economic Forum Gender Gap Report and the Food of United Nations 2014).

In India, women dominate the micro enterprise sector both in rural and urban areas. According to the central statistical authority, close to 70 per cent of the micro enterprises in India are run by women. However, their participation in small, medium and large enterprises diminishes. Beyond the participation in productive activities such as agriculture, trade and industry, women have multiple roles in society. They participate in productive activities such as agriculture; they are responsible for caring for the family including the preparation of food, health care and education. Women need to balance this different role and therefore they are multitasked, managing their businesses alongside all other roles they are expected to perform (Kumar and Gugloth, 2012)

Women account for a larger share of the informal economy operators, as well as those running micro and small enterprises in India. MSMEs make a significant contribution to the socio-economic development of the country by way of supporting the people to earn money and make a contribution to family income, and by supplying basic goods and services for local consumption. However, this contribution is not fully recognised or understood, and there is little in the way of research or statistics to provide a broader understanding of women's experience as business owners. Their contribution to economic development or the challenges they face in setting up, managing and growing their enterprise are hardly acknowledged (Kumar and Gugloth, 2012).

Women Entrepreneurs have been making a significant impact in all segments of economies of the world. Their willingness for the future is apparent in their growing

confidence, in their strengths and in their desire to seek different forms of work in order to achieve a new balance between work and home (Masood, 2011)

2.3 The role and importance of Women SME Entrepreneurs in the Economy in Namibia

Women constitute about 50% of the world population (Naidu & Krishna R., 2008: pp 171). The Namibian Labour Force Survey (NLFS) of 2014 reports a population of 385,567 in the Khomas Region, a region which has the highest number of inhabitants in Namibia. Of these 385,567 inhabitants, 194,341 are women, a little over 50%. The Khomas region has an active population of 277,434 (both private-formal and informal- and public employment) women again make up a higher number of 140,304 (50.6%) of the people of the working age compared to 137,130 (49.4%) males. Thus, it can be concluded women are more participative in business activities in the region. Khomas region also has the second highest number of households whose main source of income is business activities (no-agricultural) at 9.7% after Oshana region with 10.9% (NLFS, 2014).

According to the NamBIC survey (NCCI 2014), there is a higher job loss among small scale (SMEs) than among large firms, but the number of jobs created tends to outweigh the number of jobs lost, resulting in a higher net job creation for small scale than larger firms. Namibian small scale (SMEs) operate in a variety of economic sectors, with the majority of them being retail traders, one quarter in food processing and other in manufacturing or craft, and the others being involved in services.

Today, women entrepreneurs account for up to a third of all businesses operating in the formal economy worldwide. However, the majority of those in developing and transitioning economies are very small and micro enterprises, with little potential for growth. Apart from being under-represented in enterprises of all sizes, the bigger the firm the less likely it is to be headed by a woman. Societal attitudes and norms inhibit some women from even considering starting a business, while systemic barriers mean that many women entrepreneurs stay confined to very small businesses often operating in the informal economy. This not only limits their ability to earn an income for themselves and their families but impedes them from realising their full potential to contribute to socio-economic development, job creation and environmental stewardship (NCCI, 2014).

2.4 Strategies adopted by Women Entrepreneurs in Developed and Developing Country

According to Agholor E. Deborah (2015), to overcome the various challenges that women face, women entrepreneurs who have met with success have done so by adopting a number of effective strategies. The strategies adopted by women entrepreneurs are divided into two broad areas which are personal success factors and the managerial success factor. It is important for women to assess themselves to know exactly what their strengths and weaknesses are in order to ensure success.

Creativity can involve the alteration or improvement of existing procedures or products, the identification of opportunities and resolutions to problems. Ultimately it involves new ideas. Every effect of new concepts is based on innovation. Though entrepreneurs understand the importance of innovation, they often view the risk and the high investment that the improvements of innovative products or services require

as out of proportion to the profit potential. This explains why owners of small businesses often creatively adopt innovations of competitors (Nieman, 2003). In other words, women take the initiative to solve problems in a unique manner in order to be successful, which then contains an element of risk.

The success factor, commitment to business, refers to the willingness of women entrepreneurs to commit their personal resources to the business It is an indication that women entrepreneurs have a high level of confidence towards their businesses. A high-potential enterprise cannot be developed and established on a part-time basis. It requires total commitment and participation. Women entrepreneurs mostly make personal sacrifices and extraordinary efforts to deal with a challenge in the business (McClelland 1986).

Knowledge of competitors is one of the strategies women use for success. This means that women entrepreneurs know who their competitors are, what the competitors are doing and what the position of their own business is compared to that of their strategies. The knowledge of this, will determine the competitive advantage of their businesses in order to differentiate it from other businesses (Nieman *et al.*, 2003).

Women entrepreneurs are market oriented. They know which individual the business is aimed at, what the target market's requirements are and how to meet this requirement in order to be successful. The products and services of market-oriented entrepreneurs are developed to meet the needs of clients. Women entrepreneurs also position the business in a way that their business is differentiated from another competitor's advantage (McClelland 1986).

According to Nieman *et al.,* (2003), understanding of financial concepts, knowledge of what financial management is, how important it is and how it must be applied in the SME and a book-keeping system are important factors that women consider in business to ensure success. To achieve success in an enterprise, sound financial principles must be applied. Merely by looking at their profit and loss statements one can identify good entrepreneurs from bad ones.

2.5 Challenges facing Women Entrepreneurs

According to Rajendra (2003), a large number of women around the world have set up and managed their own businesses. It was not easy for these women to succeed in business. They have to face a lot of difficulties and overcome a number of barriers to become successful in their ventures. They have to deal with discrimination and withstand the scepticism of society, and also put in more effort than men to prove their credibility to others.

For the past 18 years now, the business sector in Namibia has grown at a level where local SMEs have been facing numerous challenges to compete with foreign investors in the country as Namibia found herself at an advanced level towards the global business competitive stance that has forced some SMEs to demand government's local business protection against foreign entrepreneurs' business competitors (NCCI, 2010).

The Government of the Republic of Namibia through the Namibia Chamber of Commerce and Industry [NCCI] has created an enabling business environment that is beneficial to local business entrepreneurs and foreign investors. It started with the Namibia National Chamber of Commerce and Industry [NNCCI] as a central

structure chamber that was transformed into the Namibia Chamber of Commerce and Industry in 1998, as a credible business organisation. NCCI is mandated "to represent the interests of the private sector, while advocating and lobbying to an enabling environment, by influencing policy legislative debates and providing relevant services for facilitating business growth and development" (NCCI, 2014).

According to MTISD (2015), although many studies have been conducted on MSMEs over the years in Namibia, there is still a lack of accurate, quantitative information on these enterprises - for example, there is no database in place. The lack of data poses a problem for the monitoring of MSMEs' development and the design of relevant support programmes.

According to MTISD (2015), a number of MSME support programmes have been put in place to address the challenges facing Namibian MSMEs. Nevertheless, entrepreneurs still face challenges in implementing their business ideas; due to their size. MSMEs are particularly constrained by:

- **Lack of capital or access to finance**: MSME financing is unattractive to traditional financial institutions since such enterprises are perceived to represent high-risk investments that do not yield commensurate returns. Even if they offer promising, commercially viable investment opportunities, MSMEs are often not backed by adequate collateral. As a result, only a few such businesses use financial services; the majority of MSME businesspeople rely on their own financial resources and contributions from family members or friends. The limited use of financial services by MSMEs is also strongly correlated with poor financial literacy (the majority of MSMEs make use of private saving accounts or private cheque accounts to run their businesses for instance). As a result, 97% of Namibian MSMEs are considered non-bankable. According to the 2014 World Bank Enterprise Survey for

Namibia, 40.9% of small enterprises and 28.6% of medium enterprises identified access to finance as a major constraint to their operations, whereas only 1% of large enterprises see access to finance as a challenge for their development.

• **Global competition**: expanding markets and lower tariffs contribute to increased competition from imports. As new foreign investors enter the Namibian economy and large domestic firms consolidate their positions, traditional, local MSMEs suffer. Globalisation is also linked to a shorter life cycle for products and technology, making it difficult for MSMEs to catch up.

• **Lack of access to markets**: the majority of Namibian MSMEs do business only locally. The Namibian Economic Policy Research Unit Small Business Impact Assessment showed that only 4% of the MSMEs sampled export their goods or services, while 16% sold their goods or services only within the administrative region where they operate. Only 12.7% do business throughout the whole of Namibia. The remaining 67% of the interviewed MSMEs do business only locally. Due to the limited size of the domestic market in Namibia, MSMEs need to export their products or services if they want to grow.

• **Lack of access to land or unavailability of land/properties**: for historical reasons and as a result of the skewed distribution of land in Namibia, there are limited affordable business premises available throughout the country for MSMEs, and high rental costs jeopardise the success of start-up companies. Moreover, the high cost of serviced land further hinders investment.

- **Lack of entrepreneurial skills** - such as those pertaining to management, accounting, and creativity - in tandem with limited personal commitment among entrepreneurs can lead to poor business proposals and a lack of viable projects. In the global marketplace, the ability to create, acquire and adapt new technologies has become a critical requirement for competing successfully against other economic players.

Furthermore, the databases of businesses owned and managed by women are not readily available and this continues to limit the opportunity of women entrepreneurs as they are exposed to possible buyers. Women entrepreneurs are the valuable key to reduce poverty by accelerating economic growth and promoting and empowering the poor and disabled so that they can escape malnutrition, hunger, and diseases. Although several studies have been conducted, recommendations and conclusions made; only few studies have been conducted with regards to challenges facing women entrepreneurs as SMEs in Namibia with emphasis on the Khomas region (MTISD, 2015).

According to the Bank of Namibia (2010), the government is not doing enough to enable SMEs to access domestic markets. It was thus concluded that SMEs will not access external markets if they cannot even access their own market. Therefore, there is a call for Namibians to support SMEs by buying their products as well as to ensure that the sector improve on the quality and relevance of its products. It was further noted at the 12th Annual Symposium 2010 SME development in Namibia, that Namibia has adopted numerous policies towards SME development, but has done very little in terms of implementation. Government was called upon to begin matching their talks with action. Some of the areas where Government could focus

more on include fair competition and promotion of Government bulk procurement from local SME suppliers (Bank of Namibia, 2010).

This has become a big challenge for many local business entrepreneurs some of which have already closed their businesses and are now lending their businesses to foreign competitors. However, other business entrepreneurs are still thriving as they are in constant contact with the Ministry of Industrialization, Trade and SME Development, Namibia Chamber of Commerce and Industry, Development Bank of Namibia, Small and Medium Enterprises Bank and other commercial institutions for sustainable business innovations and strategic marketing management to create value for the growth of their businesses.

The growth of a business enterprise is a complex marketing issue that involves customer needs, target market focus for customers to satisfy their needs, integrated marketing to keep customer's best interests in the business products and services and the business to pursue consistent profitability, diversification and increased sales promotion on a sustainable basis.

2.1.1 Women entrepreneurs in developed countries

According to Richard (2013), women have a higher labour burden (time poor) as opposed to men. He further maintains that family and community responsibilities take lot of women's time that could be applied to improving their income generating efforts. Indeed, in countries like India, China, and Indonesia, women work up to 16 hours a day, juggling both productive work and their responsibilities at home. Their responsibility for child care (often caring for three or more children at a time, excluding China) limits their mobility and obliges them to generate income in less conducive environment for business. Although statistical data are not available on

the share of children attending early childhood education, there is a greater shortage of affordable child care and preschool programs in these countries. Women's responsibilities or child care are often cited as reasons for women's low participation in skills training and literacy programs which are crucial for building the business management skills of female enterprises (Richard, 2013).

Similarly, Stancher (1996) argued that women's family obligations often bar them from becoming successful entrepreneurs. He further argued that having primary responsibility for children, home and older dependent family members deprive women of the opportunity to devote more time and energy to their businesses. Indeed, small and micro businesses require women to devote longer hours to them. However, given that in many developing countries domestic duties and childcare are seen as women's responsibility most female entrepreneurs face conflicts in their roles as wife mother, and business owners (Carter and Cannon, 1992).

According to Mahbub (2000), women Entrepreneurs have grown in large number across the globe over the last decade and increasingly the entrepreneurial potentials of women have changed the rural economies in many parts of the world. But this does not mean that the problems are totally resolved. In support of this, The Centre for Women's Business Research in the United States as sited in UNECE (2004) identified lack of capital or access to finance and lack of access to markets as most prominent factors that affect women entrepreneurs.

Lack of capital or Access to finance

Access to finance is a key issue for women. Accessing credit, particularly for starting an enterprise, is one of the major constraints faced by women entrepreneurs. Women often have fewer opportunities than men to gain access to credit for various reasons, including lack of collateral, an unwillingness to accept household assets as collateral and negative perceptions of female entrepreneurs by loan officers (Mahbub, 2000).

According to Athanne (2011), the greatest barrier facing women entrepreneurs in Kenya is access to finance is an issue because of requirements of collateral. In Kenya only 1% of women own property and that makes it very difficult for women to provide collateral for banks. Most women who venture into businesses in the rural areas and need financing lack the needed collateral to enable them secure bank loans. Responsibility of entrepreneurs for dependants has limited opportunities to make savings or undertake business expansion and diversification Athanne (2011). The financial aspects of setting up a business are without doubt the biggest obstacle to women Zororo (2011) and Brush (1992). Women entrepreneurs often lack information about how to get a loan, lack the necessary collateral to obtain one and /or face discriminatory laws or practices related to finance and credit Common wealth secretariat (2002).

Lack of access to markets

The ability to tap into new markets requires expertise, knowledge and contacts. Women often lack access to training and experience in how to participate in the market place and are, therefore, unable to market goods and services strategically. Thus, women-owned SMEs are often unable to take on both the production and marketing of their goods. In addition, they have often not been exposed to the

international market, and therefore lack knowledge about what is internationally acceptable. The high cost of developing new business contacts and relationships in a new country or market is a big deterrent and obstacle for many SMEs, in particular women-owned businesses. Women may also fear or face prejudice or sexual harassment and may be restricted in their ability to travel to make contacts (UNECE, 2004).

Nosa (2013) observed that women entrepreneurs who own micro and small businesses often complain about the lack of demand for their products. There are various factors that limit women's income generating activities that could give them access to markets. As noted earlier, women disproportionately experience limited mobility, due to various factors linked to either their family responsibility or cultural practices. Those who can travel lack the market information on products and inputs; thus, becoming dependent on the middle traders who buy their products at relatively lower price compared to the market price.

2.1.2 Women entrepreneurs in developing countries

Women entrepreneurs have been designated as the new engines for growth and the rising stars of the economies in developing countries to bring prosperity and welfare. A variety of stakeholders has pointed at them as an important 'untapped source' of economic growth and development (Minniti and Naudé, 2010).

The growth of the proportion of women entrepreneurs in developing countries has drawn the attention of both the academic and the development sector. Donors, international public institutions, national and local governments, NGOs, private companies, charities, knowledge institutes and business associations have initiated programs or policies to promote and develop women's entrepreneurship. They

initiate programs for capacity-building of entrepreneurial skills, strengthening women's networks, provide finance and trainings, or design policies that enable more and stronger start-ups and business growth.

They all claim that women entrepreneurship is essential for growth and development. Some even argue that women entrepreneurs' contribution tends to be higher than that resulting from entrepreneurial activity of men (Minniti, 2009). In recent years, the general attention to women and entrepreneurship in developing countries has increased to a great extent and the focus on this 'untapped source' of growth seems to be indispensable nowadays for development practitioners and policy makers (Minniti & Naudé, 2010). However, despite this growing number of initiatives and resources made available to promote and develop women's entrepreneurship in developing countries, women still own and manage fewer businesses than men, they earn less money with their businesses that grow slower, are more likely to fail and women tend to be more necessity entrepreneurs.

Even though the literature is not conclusive, a common challenge for women to establish and run a business is access and control over finance (Minniti, 2009; Jamali, 2009). Women entrepreneurs appear to have less access to external sources of capital than men when securing finances. One challenge often mentioned in research on women entrepreneurs in developing countries is that they have a relatively low level of education and skill training. This, combined with a lack of career guidance, generally seems to limit their access to various publicly and privately offered support services including business development services and information on business growth (Kitching and Woldie, 2004; Davis, 2012).

Furthermore, a lack of experience and skills also accounts for the fact that women entrepreneurs had a preference in industry orientation and thus were less well represented in industrial activities. For instance, Drine and Grach (2010) found that Tunisian women entrepreneurs experience challenges as they do not as yet benefit from existing entrepreneurship support. In particular, the authors claim that their results confirm that professional agencies have not been efficient in disseminating information to entrepreneurs, and that the training and assistance provided by support services do not meet the specific needs of women entrepreneurs.

Similar challenges identified in other developing countries are a lack of access to ICTs, insufficient entrepreneurial and management skills, together with problems in finding the markets and distribution networks. For instance, in their study of women's SMEs in Ethiopia Gurmeet and Belwal (2008) mention that the absence of technological know-how and access to technology and ICTs poses a challenge for women entrepreneurs.

Robertson (1998), OECD (2002), ILO (2008) added that the key factors that affect women entrepreneurs' performance especially in developing continents like Africa are: vulnerability of women to adverse effects of trade reform; restraints with regard to assets (land); lack of information to exploit opportunities; and Poor mobilization of women entrepreneurs; lack of management skills; lack of awareness among young women of entrepreneurship as a career option; conflicting gender roles; gender inequality inappropriate technology; and constraints at the legal, institutional and policy levels .

Other studies (Gurmeet and Belwal, 2008) reveal that African women do not (yet) possess the necessary skills to adapt to the impact of globalization, evolving

technologies and changing patterns of trade. However, to what extend this is the case compared to men in order to establish the gender gap more country and region-specific research is needed.

Mandipaka (2014) explains that South African women entrepreneurs engage in survivalist activities such as sewing co-operatives, chicken farming, candle-making, gardening, arts and crafts. According to Akhalwaya & Havenga, (2012), their contribution in business is mainly located in the areas of craft, hawking, personal services and retail sectors. Maas and Herrington (2006) point out that only 41 percent of the adult women in South Africa are part of the active working population.

The TEA index (total early-stage entrepreneurial activity index) measured the percentage of women entrepreneurs between the ages of 18 and 64, involved in starting a business, at only 4.83 percent for South Africa. This is below the average of 7.72 percent as calculated for all countries (Maas and Herrington, 2006:44). According to Singh (2012: p46), in the process of entrepreneurship, women have to face various problems associated with entrepreneurship and these problems are doubled because of their dual role as a wage earner and a homemaker.

Women entrepreneurs in Kenya are the key to economic growth because they are generating employment. But women- owned businesses could contribute more than what they are doing today. According to Anthanne (2011), a growing amount of research shows that countries that fail to address gender barriers are losing out on significant economic growth. Without increased attention to the gender dimensions of economic development, Kenya is therefore unlikely to meet its growth targets.

This, therefore, demonstrates that addressing gender barriers in Kenya could generate significant economic growth for the country. The Kenyan government recognizes

that women entrepreneurs have not been on an equal footing when it comes to their access to opportunities and assets but it has yet to effectively address the barriers facing women in business (Athanne, 2011).

2.6 Gender barrier affecting Women Entrepreneurs

Cheng (2006:p49) carried out research on the impact of gender on individual perceptions and found out that there are differences between men and women in levels of job satisfaction, commitment, and motivation, with the outcomes of these influencing firm growths. In addition, despite a number of female entrepreneurs; most small business owner-managers have traditionally been male, married and middle-aged. Although characteristics of both male and female entrepreneurs are generally very similar, female entrepreneurs differ on some aspects.

Hirsch and Peters (2002) admit that in terms of personality, there are strong similarities between men and women entrepreneurs. Both tend to be energetic, goal oriented, and independent. However, men are often more confident and less flexible and tolerant than women, which can result in very different management styles. In addition, Hirsch and Peters (2002) summarise that the differences between male and female entrepreneurs are as a result of their differences in motivation, departure point, occupational backgrounds, personality characteristics, background, support groups, source of funds and type of business started. These differences have a significant impact on the growth and performance of a business as they affect such areas as the organisations earnings, finances, markets and human relations among other things.

In many societies women do not enjoy the same opportunities as men. In many transitional economies progress has been achieved in opening doors to education and health protection for women but political and economic opportunities for female entrepreneurs have remained limited. Concerted efforts are needed to enable female entrepreneurs to make better economic choices and to transform their businesses into competitive enterprises, generating income and employment through improved production (OECD, 1997).

However, Cheng (2006:p50) argues that the gender of owner-manager is not a key influence upon subsequent business performance- there being no differences in the performances of firms run by males and females. There has been a lot of success stories demonstrating that business success and growth can be achieved by female-owner managers and that female owner-managers starting businesses for economic reasons with lower initial expectations of their venture's success were perceived to have a greater level of satisfaction in business performance than their male counterparts.

There are several push and pull factors that attract women to the world of entrepreneurship. The GEM Namibia Report (2012) shows that women are almost as likely as men to be involved in early-stage entrepreneurship, (18% and 19%, respectively). There is a difference in their motives for becoming entrepreneurs, however. Whereas 32% of male entrepreneurs cite necessity as having driven them into business, the figure rises to 43% for women, suggesting that they see setting up their own business as a survival strategy. Zimmerer and Scarborough (2008:20) assert that small business has been a leader in offering women opportunities for economic expression through employment and entrepreneurship. In addition,

increasing numbers of women are discovering that the best way to break the "glass ceiling" that prevents them from rising to the top of many organisations is to start their own companies.

2.7 Government and Private Sector

Most women have little access to policymakers or representation on policymaking bodies. Large companies and men can more easily influence policy and have access to policymakers, who are seen more as their peers. Women tend not to belong to, and even less reach leadership positions in, mainstream business organisations, limiting their input into policymaking through lobbying. Women's lack of access to information also limits their knowledgeable input into policymaking (UNECE, 2004).

It is imperative for government to prepare a policy-based lending strategy to direct SMEs finance through institutions like the Development Bank of Namibia. The DBN's Special Development Fund is one of the vehicles appropriate for such an approach. This strategy should also deal with issues of interest rates; support to priority sector SMEs; and cultivation of backward and forward linkages between priority sector SMEs and public procurement (Knutsen, 2003).

2.8 Summary

This chapter focused on the discussion of the challenges faced by women entrepreneurs, regarding access to finance, access to market and high competition identified as the main challenge in many developed and developing countries. The chapter has revealed the role and importance of women entrepreneurs in the global economy. The chapter also highlighted the strategies that need to be adopted by women entrepreneurs to overcome the challenges hampering the growth and

prosperity of SME business women in the Khomas region. Regardless of the problems, the situation can be improved by introducing the women entrepreneurs to the appropriate management tools. Chapter three outlines the design of the research and the methodology that was followed.

CHAPTER THREE

RESEARCH METHODS

3. Introduction

The aim of this study was to identify the challenges facing women entrepreneurs in the Khomas region, taking into consideration the business women operating in the SMEs Incubation centre. This chapter covers the method that was used for the study. It explains the research design, the population, the sampling method, ethical considerations and the way the data was analysed.

3.1 Research Design

This study used the quantitative approach to analyse challenges facing women entrepreneurs in incubation centre such as Single Quarters, Soweto market, Katutura Incubator Centre and Khomasdal open Market. The data for this study was gathered using primary and secondary sources. The primary data source for this study involved the use of questionnaires. According to Babbie & Mouton (2003), quantitative research is used to quantify the problem by way of generating numerical data or data that can be transformed into useable statistics. It is used to quantify attitudes, opinions, behaviours, and other defined variables – and generalise results from a larger sample of the population.

The questionnaires were distributed to 100 women entrepreneurs operated in SME incubation centre industrial zone. The two undergraduate students administered questionnaires together with the researcher to the women entrepreneurs and to make things easy for the women entrepreneur operators, assistant had to fill in the

questionnaires as they take information from the respondents, unless if the respondents were eager to fill it in themselves.

The questionnaires were collected from the respondents the same day after the assistant completed the questionnaires with a responded. The questionnaires for those responded were eager to fill up themselves were collected after two days. A checklist was used to make sure that all questionnaires handed over were collected. Out of 100 women entrepreneurs targeted for the study, 88 completed questionnaires were returned. This gave a return rate of 88%. For sampling purposes, the study used secondary data from the Ministry of Trade and SME Development to establish the population of women SMEs in the Khomas Region.

To ensure that data collected was of high quality, a process of data verification was carried out. This involved going through all questionnaires and checking out for errors and correcting where possible. All structured questions responses were assigned code numbers. Open-ended questions were analysed and arranged into categories then coded in a qualitative way.

SPSS software, a statistic tool to analyse data in a quantitative way was used, as well as Microsoft Excel. The analysed output was collated and interpreted and was presented in the form of tables and graphs showing trends for easy understanding.

3.2 Population of the Study

A population consists of all members of a group about which you want to draw a conclusion. The research question applied to the challenge facing women entrepreneurs in the Khomas Region in Namibia. The target population of this study were registered women entrepreneurs in the SME industry operating within the

Khomas region residing in the SME Incubator centres (Single quarter, Soweto Market, Incubation centres Katutura, Northern Industrial area and Khomasdal). A total of 15 000 SMEs were registered in the Khomas region. Among that, there was an estimated 1,032 women entrepreneurs registered across Windhoek. Of the registered SMEs 500 were operating from Katutura and Khomasdal incubator centres (MTI, 2015).

The SME Incubator centre in the Khomas region such as Single Quarters, Soweto market, Katutura Incubator Centre and Khomasdal open Market was selected for the following reasons:

Firstly, most of the formal women entrepreneurs are located in Windhoek and with the objective of the study in mind, the SME Incubator centre was selected as it afforded the researcher the opportunity to contact business women operators who have a lot of experience to share. The researcher also made numerous contacts with different stakeholders and the private sector to get support to overcome the constraint hampering their business growth.

Secondly, choosing any other city or town would mean travelling a long distance just to contact with the women operators, which would have been very difficult considering the time frame of this thesis.

3.3 The Sample Size

A stratified random sampling strategy was used. Stratification generally produces more precise estimates of the population percent than estimates that would be found from just a simple random sample. The procedure used in selecting incubator centre was that, all possible sample names were written in a piece of paper and put in a little

center piece. The samples were drawn from the center piece. The samples were mixed thoroughly and the researcher picked the strata from the center piece without looking. The strata were the incubator centres where the researcher conducted the interviews: Single Quarters, Soweto market, Katutura Incubator Centre, Northern Industrial, and Khomasdal open Market. The sample size was 20% of the women SMEs found in those five incubator centres, having a population of 500 women SMEs. This brought the sample size to 100 respondents representing all the identified five industrial zones in the Khomas region. The respondents represented the SMEs who participated in this research. Table 2, presents the distribution of respondents for this study.

Table 2. Distribution of respondents by Markets of operation

Strata	Population	Sample (20%) of the population
Single quarter	120	24
Soweto Market	150	30
Katutura Incubation center	100	20
Northern Industrial	60	12
Khomasdal market	70	14
	500	100

Source: Research data

According to Parkin (2003) and De Paulo (2000), as a rough rule of thumb, your sample should be about 10% of your universe but not smaller than 30 and not greater than 350. Furthermore, Saunders *et al.*, (2009) state that statisticians regard a sample size of 30 or more to be considered large enough to result in a sampling distribution on average that is close to the normal distribution. To obtain a representative sample

size from the population, the research sample was selected from the women SMEs within the Khomas region especially SME Incubators centre using the stratified random sampling.

3.4 Research Instruments

3.4.1 Questionnaires

The study instrument used to collect data from the primary source contained both questionnaires with structured and non-structured questions. According to Crowther and Lancaster (2009), questionnaires for quantitative research in the social sciences are usually designed with the intention of being operational definitions of concepts, instruments that reflect the strength of attitudes, perceptions, views and opinions. The study gathered data using of a structured questionnaire to collect data from women entrepreneurs.

3.4.2 Interviews

According to Crowther and Lancaster (2009), an interview is a face-to-face questioning technique, aimed at collecting information from respondents. As an advantage, oral interviews enable the researcher to check the validity and relevance of data as it is collected. The Interview technique has the potential for substantial depth and detail. Where data encompasses complex issues, it also stimulates more information and clarification on follow-up questions. Interviews were conducted for the reasons in line with the explanations done by Veal (2005) and Crowther & Lancaster (2009). Interviews were considered appropriate because they can elicit startling and personal information (Swetnam & Swetnam, 2009).

Interviews were conducted using an structured guide to collect the findings from the interviewees and semi structured guide were also used to collect information from the Ministry of Industrialisation, Trade and SME Development and Namibia Chamber of Commerce and Industry respectively. Therefore, women entrepreneurs were the interviewees referred to in this study. The interview guides used were different, because they were representing different interviewees such as questionnaire interview conducted for women entrepreneurs operates in incubator centre and oral interview for the representative body (NCCI) and policy maker (MITSD).

3.5 Data Collection Procedure

The research instruments used were questionnaires and interview schedules. The questionnaire was used as a tool because it was familiar to most women businesses. To save time, two undergraduate students administered questionnaires together with the researcher to the women entrepreneurs. Assistants were trained by going through the whole questionnaire so that they understood the content and the importance of the process. To make things easy for the women entrepreneur operators, assistant had to fill in the questionnaires as they take information from the respondents, unless if the respondents were eager to fill it in themselves. A checklist was used to make sure that all questionnaires handed over by the researcher to assistants were collected and accurately completed. The interviews were limited to women entrepreneurs who were operating from Municipality premises in the Khomas region i.e. Single quarters, Soweto Market, Incubator centres Katutura, northern industrial area and Khomasdal, due to lack database of all operating women SME entrepreneurs in Namibia. The interviews were also about determining and researching on the general

information of owners of SMEs and on business information and its trading activities.

3.6 Data Analysis

Data analysis, according to Streubert and Carpenter (1995: 44), is a description of what was found from interviews and questionnaires. To ensure that data collected was of high quality, a process of data verification was carried out. This involved going through all questionnaires and checking out for errors and correcting where possible. All structured questions responses were assigned code numbers. Non-structured questions were analysed and arranged into categories then coded in a qualitative way.

In this study, quantitative analysis was used to examine the finding of challenge facing women entrepreneurs from interview discussions. This form of analysis offered considerable scope to scrutinise in detail how interviewees conceptualised and expressed their views on different aspects of SME policy and challenges facing women entrepreneurs in Windhoek. Quantitative analysis focused on numbers and counting and was applied to those responses from the structured women entrepreneur's questionnaires. This questionnaire consisted of mostly structured questions.

The SPSS software was used, as well as Microsoft Excel. The analysed output was collated and interpreted and was presented in the form of tables, graphs showing trends for easy understanding and read through as presented in chapter 4. Such analysis helped in understanding where and how many people agreed or disagreed on issues.

3.6 Reliability

The reliability of this research's instruments (questionnaires) was established by pilot testing. The inter-rater reliability was used to rate uniformity of the questionnaire. The researcher tested the questionnaire with a small group of women entrepreneurs in incubation centre, to determine the flow and consistency of the questions before the actual data collection.

3.7 Research Ethics

Confidentiality and anonymity for all participants in this study was assured. Ethical issue of participants' right and privacy were considered in this research. Confidentiality note were signed by the researcher and assistant before start filling in the questionnaires and no names of the participant were required on the questionnaires'. Therefore, information obtained is only being used for the purpose of this study.

CHAPTER FOUR

RESULTS AND DISCUSSION

This chapter focuses on the presentation, analysis and discussion of the results. Results are presented in various formats such as tables and graph. The results revealed women entrepreneurs views on challenges facing their business. This chapter presents the results obtained from the study in line with the guiding objectives.

4.1 Presentation, Discussion and Analysis of Results Obtained from the Questionnaires for Women Entrepreneurs

4.1.1. Demographic Characteristics of Respondents

The demographic characteristics was obtained in order for the researcher to know the age of the participants, level of education, marital status and the various reasons attributed starting their businesses, as these could well have an influence on the participants entrepreneurial activities.

Table 3. Age Distribution

Age in years	Frequency	Percentage
20 -30	11	12.5%
31 -40	35	39.8%
41 -50	32	36.4%
Over 50	10	11.3%
Total	**88**	**100%**

Source: Research data

From the table above 12.5% of the respondents were women between the age group 20-30 years old, 35 (39.8%) were women between age group 31-40 years old, 32 (36.4%) were women entrepreneurs between age group 41-50-year-old, while 11.3% were women entrepreneurs age 50 years and above. It appears more women participate in business as they grow to maturity and become less active as they advance in age. According to the findings, the age group 31-50 years are more energetic and active and can better withstand the demand of running business than their older counterparts. Similarly, it was observed from the table 3 that about 52.3% of the women operators are below 40 years old. Thus, the share of young persons was observed to be higher among the women (SMEs) operators.

4.1.2. Education Level

The study sought to find out education level of respondents to ascertain how whether levels of education affect the women entrepreneur's business operations. This is shown in the table below.

Table 4. Education Level

Education background	**Frequency**	**Frequency**
Read and Write	10	11.4%
Elementary – Secondary	53	60.2%
College Certificate/Diploma	20	22.7%
Degree	5	5.7%
Total	**88**	**100%**

Source: Research data

The table above indicates respondents' level of education. The findings indicate that the level of education of the majority (60.2%) of women entrepreneurs in incubation centre have attained formal education and 22.7% had managed to attain a tertiary qualification through Vocation training centre as well other Training Centre such as Monitronics College etc, while 5.7% were degree holder and 11.4% know how to read and write respectively.

It might be that the women entrepreneurs who were educated with tertiary level of education such as Diploma and Degree might enrol in business because they had entrepreneurial ambition or they failed to find a job in public and private sectors. Respondents with no qualification indicates that they enrolled in entrepreneurship as an option for them to earn income and look after their family, as they could not able to secure a formal employment. According to the findings, such women entrepreneurs need to be supported to grow their business, because they act as role models for other women who might not had chance to attend school while young.

4.1.3. Marital Status

The researcher sought to find out the marital status of the respondents to find out how their status affects the operation of their businesses.

Table 5. Marital status

Marital status	**Frequency**	**Percentage**
Single	37	42.1%
Married	28	31.8%
Divorced	15	17%
Widowed	8	9.1%
Total	**88**	**100%**

Source: Research data

The results in table 5 above show that 42.1% of the respondents were single, 31. 8% were married, 17% of the respondents were divorced and 9.1% were widowed having lost their husbands due to many reasons. The results show that majority of women operators are either married or single parents. It might be that single women have entered in business to secure their finance and support their families and married women might be chosen to become entrepreneurs as they had more financial power than women in other categories or received their husband motivation and influence.

According to the findings, many women entrepreneur operators have entered the SME sector because of the unemployment situation and they have a family to support, while on the other hand, a few of them enter the sector because they want to be independent or took advantage of the opportunity in the market.

4.2. Business experience

The study sought to find out how the experience in running an enterprise affected the management of the business run by the women. The participants were asked about the industry in which their business operated, the age of their business and number of employees the participant worked with.

Table 6: Industry in which respondents business operate

Type of Enterprise/ Sector	Number	Percentage
Retail	15	17%
Service	19	21.6%
Manufacturing	32	36.4%
Upholstery	8	9.1%
Joinery/Carpentry	5	5.7%
Other	9	10.2%
TOTAL	**88**	**100%**

Source: Research data

The table above shows that 17% were in the retail industry, 21,6% were in the service industry, 36,4% were in the manufacturing industry, 9.1% were in the upholstery industry while 5.7% were in the joinery/carpentry and the remaining 10.2% were in other businesses. The finding in above table shows that the majority (36.4%) of the women entrepreneurs interviewed were in the manufacturing sector.

It might be that women concentrate more in manufacturing sector, service and retails, because it requires small capital investment than other sectors such as construction, or import or export businesses, which appear to be male-dominated and

requires more capital that women might not have. According to participants, 40% of women entrepreneurs (SMEs) employed between two (2) to maximum five (5) staff member. The reason of this lower employment is that women entrepreneurs cannot afford to recruit more people due to unsustainability of the participant's business growth.

4.2.1. Duration of women entrepreneur's engagement in operation

The study sought to find out whether the longer the participant been in business have an impact in women entrepreneurs business growth.

Figure 4.1. Duration of women entrepreneur's engagement in operation

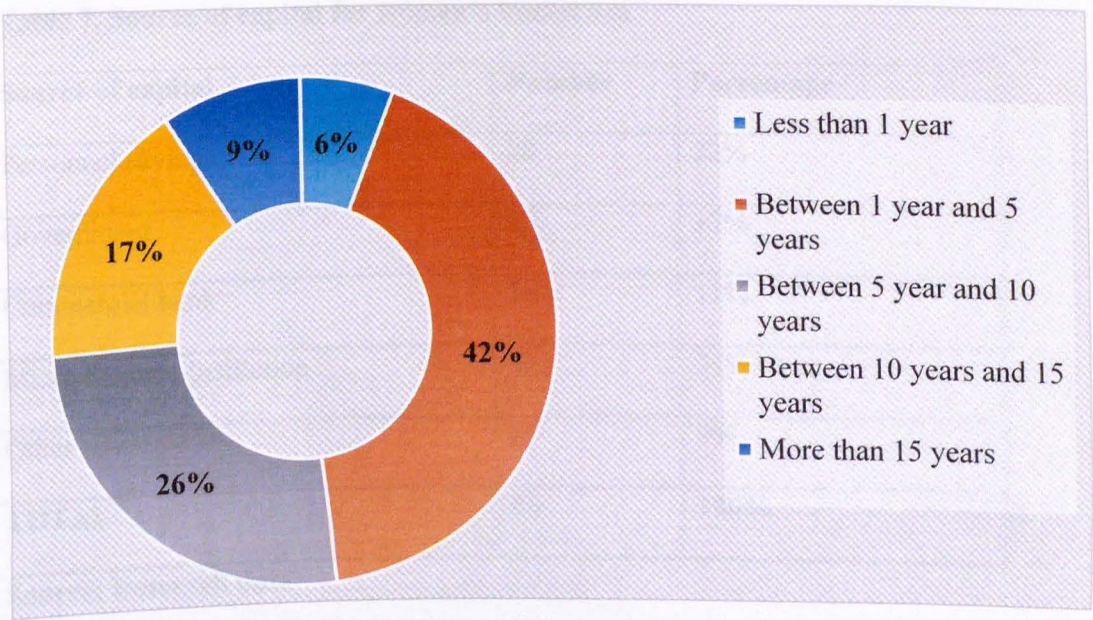


Figure 4.1 above represents the age of business in operation for the 88 respondents. The results in this figure show that 6% of the responded were in a business for less than one year, majority of respondents' businesses have been in existence for a period of between 1 and 5 years (42%), 26% of respondents were in business between five years and ten years, 17% were in business between ten year and fifteen years, another 9% were in business for more than fifteen years respectively. The majority of respondent businesses have been in existence for a period between 1 to

15 years, indicating that most women are progressing well which referred to as survivalist. The finding indicted that there are slight decline in women business operation, however is very encouraging considering the challenges faced by women entrepreneurs in the business life cycle.

4.3.Main source of capital

This section focused on the challenges that inhibited success among women entrepreneurs and how they influenced the women entrepreneurs' businesses operations. This is shown in the table below.

Table 7. Source of capital for women's businesses

Source of capital	Number	Percentage
Personnel savings	28	32%
Government	15	17%
Commercial bank	10	11%
Micro Finance Institution	27	31%
Other	8	9%
TOTAL	**88**	**100%**

Source: Research data

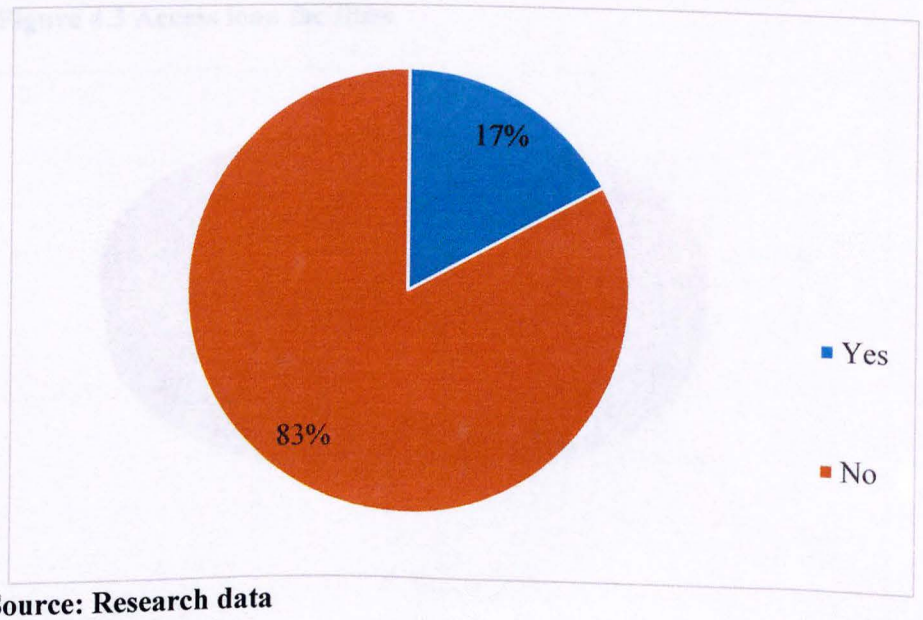
The table above shows the sources of capital women used by establishing their businesses. The results indicated that, majority of respondents (32%) used their own personal savings to start-up of business ; 17% received support from the government project scheme, 11% managed to get a fund from the commercial bank, while 31% used a capital obtained from micro finance institution and another 9% got the fund from others such as family, friends and husband.

The majority (32%) of women entrepreneurs utilised their own personal savings to establish their businesses for various reasons, including bank demand for securities, and high interest rate charged by the financial institutions. The result from this study correspond with what documented in the literature that women use their savings and borrow from family and friends to start and grow businesses, due to the lack of access to finance, an unwillingness to accept household assets as a collateral and negative perceptions of female entrepreneur by loan officers (Mahbub, 2000).

4.4.Support from Government

The study sought to find out how the government was supporting the women entrepreneurs in the Khomas region especially the incubation centre and how that support was contributing to the growth of women entrepreneurs' businesses. Participant responses were as shown in the figure below.

Figure 4.2 Number of women get support from the government



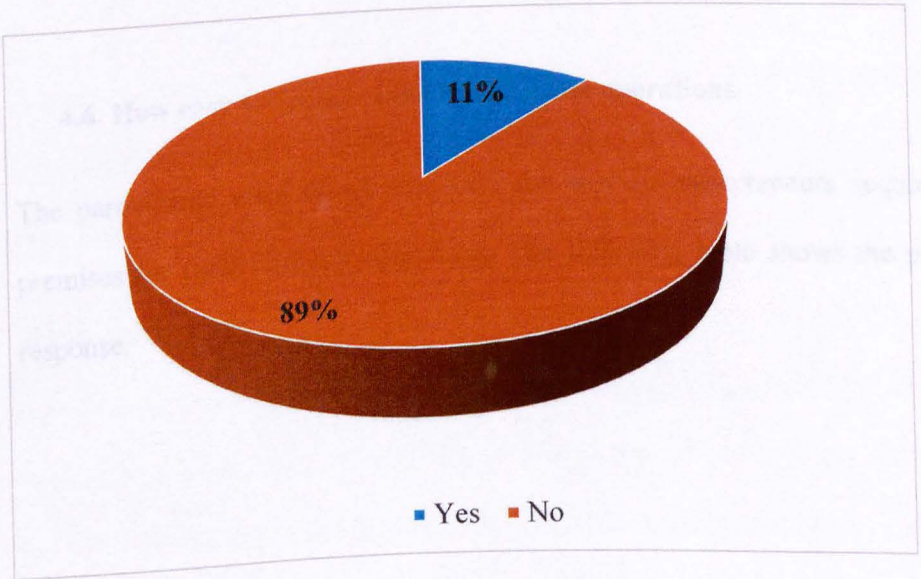
Source: Research data

Figure 4.2 above indicated that 17% of women entrepreneurs were supported from the government project scheme and 83% responded that they did not received any support from government project scheme. The majority of respondents mention that they were not sure what procedures the government or officials used to choose women entrepreneurs who qualify and receive a support through government project scheme. The situation seems to call for measure to ensure that government offer equal opportunities to all women entrepreneur to operate effectively and efficiently. The result shows that, it might be difficult the government to give support to women entrepreneurs SMEs, due to lack of database at the Ministry of Trade, Industry and SME Development. The lack of data poses a problem for the monitoring of MSMEs' development and the design of relevant support programmes (MTISD 2015).

4.5. Access loan facilities

The study sought to find out whether women entrepreneur access loan facilities to sustain their businesses.

Figure 4.3 Access loan facilities



The finding in figure 4.3 reveal that majority of respondents (89%) do not access loan facilities, while 11% access loan facilities. Participants indicated that, could not access loan facilities due to the fact that they were not able to secure collateral for their loan application, however, their business are seems as more risky. The women entrepreneurs mention that, application procedure are too complicated and high bank charged such as interest rate also scare them away from applying for loans and preferred to run their businesses using their own money. It appears that the high interest rate push women entrepreneurs to look around for where they can borrow money without interest or at a reasonable rate of interest. The bank requirements are the major obstacles that women entrepreneurs are facing because most of the SMEs do not meet the requirement as they have no land neither premises on their own to give to the bank as collateral, and thus majority of the women entrepreneur's do not try to take loan from the financial sectors. The participant further indicated that even though some of their businesses have an existing business plan or financial report, the bank will still not take them seriously, because bank are not confident in the abilities of women manage business .

4.6. How easy to acquire land for business operations

The participants were asked how easy the women entrepreneurs acquire land or premises for their business operations. The following table shows the participants response.

Table 8. Respondents of women entrepreneurs on how easy to acquire land for business operations

Easy to acquire land for business operations	Frequency	Percentage
Yes	75	85%
No	13	15%
Total	**88**	**100%**

Source: Research data

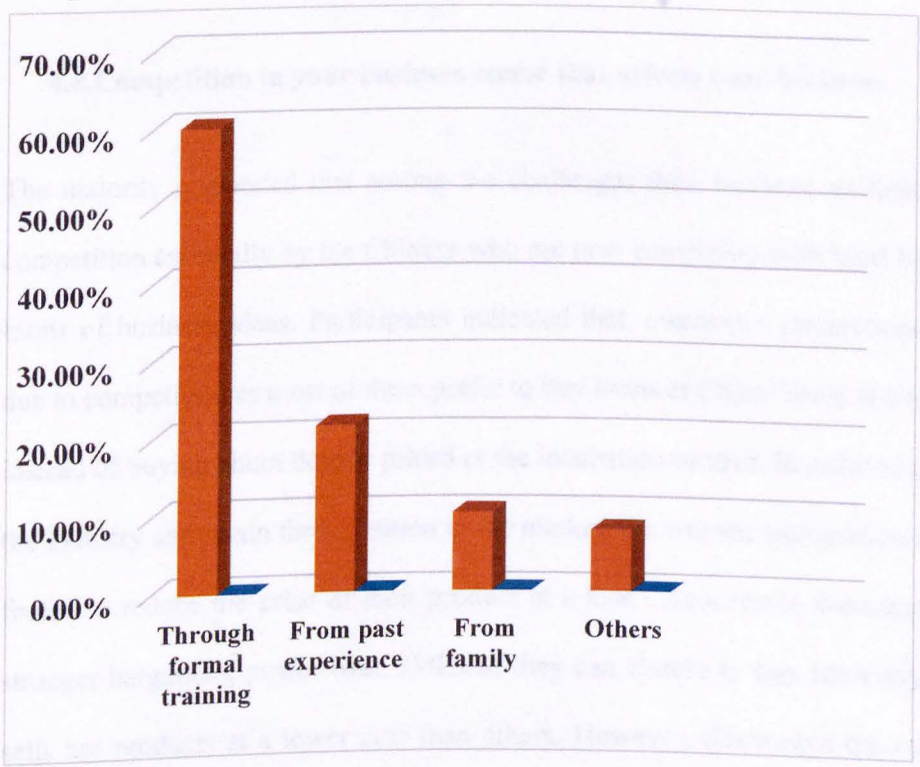
The table above analyses the ease for women entrepreneurs to acquire land / premises for their business operations. About 85% of the responses received from participants indicated that it's not easy to acquire land/premises for their business operations due to lack of capital to expand their businesses as well as unavailability of land and premises. While 15% of the participants elaborated that even the process of applying for the land/premises is not complicated. The fact however remains that there is no fairness in the City of Windhoek process of availing land and property to SMEs, due to corruption and nepotism. This has affected the growth of women business, because they cannot expand beyond SME trading centres. Participants further elaborated that women entrepreneurs have a limited opportunity to develop sustainable business' operations, as they only survive through little income they earn from selling their goods and services.

Literature reviewed showed that access to land is another challenge women entrepreneurs experience during business operations, MTISD (2015). For historical reasons and as a result of the skewed distribution of land in Namibia, there are limited affordable business premises available in Khomas region for women entrepreneurs. Moreover, the high cost of serviced land further hinders investment.

4.7.How the women entrepreneurs acquired skills for running their enterprise

The study sought to find out how the women entrepreneurs acquire skills affect the running of their enterprise operations. In running any business, it is logical that the necessary skills are required. These skills can be acquired from different sources. The following table shows the respondents source of skills to run their enterprises.

Figure 4.4. How the women entrepreneurs acquired skills for running their enterprise



Source: Research data

It is indicated in figure 4.4 above that 60.2% of the respondents acquire the necessary skill for their business from formal trainings while 21.6% acquired the skills from past experiences. Moreover, 10.2% of the entrepreneurs acquire their skills from their family. Only 8% of the respondent entrepreneurs acquire the skill from sources other than those stated. Participants indicated that the basic training they received have added value to the success of their business and believed that with adequate

training they could improve productivity. However, most of women entrepreneurs also indicated that training of identifying new ideas and entrepreneurship is also lacking because businesses are established to address poverty i.e. solving social needs in the family for as long as there will be a bread on the table for the family. Even when a woman does venture into these networks, her task is often difficult because most network activities take place after regular working hours. There are hardly any women-only or women-majority networks where a woman could enter, gain confidence and move further.

4.8.Competition in your business sector that affects your business

The majority responded that among the challenges their business suffered from is competition especially by the Chinese who are now competing with local business in terms of business ideas. Participants indicated that, customers preferences changed due to competition as most of them prefer to buy items at China Town at a lower cost instead of buying about double priced at the incubation centres. In order to survive in the industry and retain their position in the market, the women entrepreneurs are thus forced to reduce the price of their product at a loss. As a result, customers have a stronger bargaining power over SMEs as they can choose to buy from anyone who sells her products at a lower cost than others. However, this makes the completion too hard among women entrepreneurs, because the respondents also compete in terms of price, in order to make sales and in return it causes their profit to reduce instead of growth. Thus the low priced strategy adopted by women entrepreneurs further makes their survival difficult in running their businesses.

Some of these people (Chinese) get subsidies from their government, they can afford to sell their products at a very low price and we don't have any type of protection.

Chinese investors are taking all the business opportunities from the local people (Jauch and Sakaria 2009: 19-20). We understand that we have a free market economy, that we have to compete, but what is happening is corruption, it is not free and fair competition. The government is telling the youth that they should go and establish SMEs, but how does government expect these people to compete against already skilled and experience business people if they are not given any type of protection? some of the views expressed by local SMEs as captured by (Jauch and Sakaria 2009: 19-20).

4.9. Other factors that affect women business operations

Most respondents mention that, access to proper market is the other challenge that hampered their business operation Women entrepreneurs often lack experience in on how to participate in the market place and are therefore unable to market goods and services strategically. Thus, women-owned SMEs are often unable to take on both the production and marketing of their goods. In addition, they have often not been exposed to the international market, and therefore lack knowledge about what is internationally acceptable. The high cost of developing new business contacts and relationships in a new country or market is a big deterrent and obstacle for many businesses, women-owned businesses. Women may also fear or face prejudice or sexual harassment and may be restricted in their ability to travel to make contacts (UNECE, 2004).

4.10. What measures did you take to solve the problems you faced

Women entrepreneurs responded that not much done by them to solve the problem as they were powerless. However, the situation forced them to reduce the price of their

product for their business to survive the market. Participants further indicated that they have implemented new ideas which complemented their business growth.

4.11. What do you think the solutions to these challenges

Participants responded that the government and private sector need to implement and adopting the policies that can protect and contribute to women entrepreneurs SMEs business growth. Respondents further indicated that women also have to identify a new opportunities and move away from the existing procedure of doing business so that their business can survive the competition. However, women entrepreneurs emphasised that for them to overcome those challenges, they also need to acquire knowledge and skills to run a successful business.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter looks at the summary; conclusions and recommendations based on the findings of the study.

3.1 Summary of the Findings

This study was based on the following objectives: to identify chronic challenges successful women entrepreneurs operating within Khomas region especially SME Incubators centre, to examine the root cause of women entrepreneurs failure and assess mitigate or ameliorate the fundamental causes and challenges to women entrepreneurs who are operating in the vicinity of the SME incubation centre in Khomas region such as Single Quarters, Soweto market, Katutura Incubator Centre, Northern Industrial, and Khomasdal open Market. In view of the objective indicated above, the study sought to find answers to the following questions.

1. What are the chronic challenges facing women entrepreneurs (SMEs) operating within the Khomas region especially SME Incubators centre?
2. What is the root cause of women entrepreneurs' failure?
3. What are possible strategies can be implemented to mitigate / ameliorate the fundamental failure to women entrepreneurs?

5.1.1 The findings were that:

The most important challenges according to respondents were: lack of finance support and access to capital, unavailability of land/ premises, lack of knowledge/ training and stiff competition

A high percentage of 32% of women entrepreneurs utilised their own personal savings to establish their businesses for various reasons, including fear of rejection, bank demand for securities, and high interest rate charged by the financial institutions. This means that the fear of bank security scare the women entrepreneurs from applying for loans and preferred to run their businesses using their own money.

The finding on access to finance indicated that majority of respondents (89%) do not access loan facilities, due to the fact that they were not able to secure collateral for their loan application. The result shows that majority of women entrepreneurs had no faith of getting loan from the commercial bank and considered to look around for where they can borrow money without high requirements.

About 85% of the responses received from research's participants indicated that it is not easy to acquire land/premises for their business operations, due to lack of capital to expand their businesses as well as unavailability of land and premises. However, this has affected the growth of women business, because they cannot expand beyond SME trading centres.

Respondents (60.2%) acquired the necessary skills for their business from formal training. Women felt that training in identifying new ideas and entrepreneurship is

also lacking because businesses are established to address poverty i.e. solving social needs in the family for as long as there will be bread on the table for the family.

The findings revealed that, customers preferences changed due to competition as most of them prefer to buy items at China Town at a lower cost instead of buying about double priced at the incubation centres. However, this makes the completion too hard among women entrepreneurs and in order to survive in the industry and retain their position in the market, the women entrepreneurs are thus forced to reduce the price of their product at a loss. The government is to be blame for failure to focus on fair competition by implementing a policy that protects women entrepreneurs from foreign competitors, especially the Chinese who are now competing with local business in terms of business ideas.

5.2 Conclusion

The conclusions based on the research study findings are:

5.2.1 Lack of finance support and access to capital

The study revealed that most of the respondents did not access loan facilities from financial institutions, as they were not backed by adequate collateral that the bank required. This means lack or insufficient capital for start-up or expansion hugely affected women entrepreneurs' operations. The women entrepreneurs also find the process of accessing finance a bit cumbersome since it involved a lot of paper work, and then the process took too long before it went through. Nevertheless, lack of tangible security was another major blow to the women entrepreneurs in order to have access to any credit facility by the financial institution who also charges high interest rates hence repayment and running business at the same time becomes hard.

The study concluded that women businesses are likely to start business using their own savings or borrowing from micro-finance institutions, than applying for a loan from the banks.

5.2.2. Unavailability of land/premises

Responded mentioned that not many women entrepreneur are happy with some of City of Windhoek's trading site allocation and they felt that only those who are trading next to the entrance of the site does make more many because not all the customer walk around and buy to women entrepreneurs SME who is operating for instance at the end of trading site. The study concluded that the unavailability of land and limited affordable business premises affected the growth of women businesses as they have nowhere to go after their businesses grow, therefore, they were forced to operate at SME incubation centres.

5.2.3. Lack of knowledge

Lack of knowledge has a high influence on women business operations, as most women are not member of Namibia Chamber of commerce or other bodies, also have less knowledge about the importance of being the member of the Chamber of commerce and that does really limit their growth. This is because most women entrepreneurs operate on a small scale, and generally not all of them know how to become member of a professional organisations or part of other networks. Therefore, they found it difficult to access information and to find a market for their product internationally. The networks events organised by some networking organisations have not benefited the respondents as those events are normally only hosted in the city centre and are likely hosted in Katutura. Thus, way women find it difficult for them to attend due to timely schedule and location. The findings further illustrated

that lack of knowledge such as the basic skills of business especially marketing, bookkeeping and business management or financial management were negatively affecting the sales and profits of the respondents.

5.2.4. Stiff competition

Stiff competition was found to be among of the biggest challenge women entrepreneurs were facing in their businesses as they found it difficult of establishing their businesses in the market, due to a high degree of competition that requires dedication and commitment of the business owner. Lack of support as some of Namibians chose not to purchase local product but rather to import from outside the country was another factor. It thus concluded that women entrepreneurs would not access external markets if they could not even access their own market. Therefore, this made the competition too hard and caused their profit to reduce instead of going up. The study concluded that Namibians' failure to support women SME entrepreneurs by buying their products has affected businesses growth. This has also affected the improvement of the sector, thereby affecting quality and relevance of the products.

5.3. h questions

This study aimed to assess the challenges facing women entrepreneurs in small and medium enterprises (SMES) in the Khomas region especially the Katutura incubation centre. The findings were presented in accordance with the extent to which the research questions were answered.

1. **What are the chronic challenges facing women entrepreneurs (SMEs) operating within the Khomas region especially the SME Incubators centre?**

Based on the responses received through the questionnaires, it became evident that women entrepreneurs in the Khomas region were faced with challenges that affect their business operation. This was similar to women entrepreneurs in other countries and this finding concurs with findings of previous studies conducted by Mandishaya, 2015.

The study revealed that lack of capital/ access to finance, stiff competition, lack of land and premises as well high rental rates and lack of knowledge are some of the major challenge faced by the respondents. On the other hand, access to finance and competition were found to be the biggest challenges women entrepreneurs were facing in their businesses, because without capital it's difficult to sustain the business and handle the completion. It was also found that unavailability of land and lack of knowledge or lack of skills are the second biggest challenges all the respondents were facing in both business sectors.

The study conducted in the past found that a common challenge for women to establish and run a business was access and control over finance (Minniti, 2009; Jamali, 2009).

2. **What are the root causes of the main challenge to women entrepreneurs?**

The study found out that high collateral requirements and also charge high interest rate by the financial institution had forced women businesses to rely on their own financial resources and contributions from family members or friends. The limited affordable business premises available in Khomas region for women SME

entrepreneurs, and high rental costs jeopardise the success and growth of their businesses. The slow adoption and implementation of policies towards women entrepreneurs has created stiff competition and a challenging business environment. This has become a big challenge for many local business entrepreneurs, some of whom have already closed their businesses

3. **What are the possible strategies that can be implemented to mitigate/ ameliorate the fundamental causes and challenges to women entrepreneurs?**

It is important for women to analyse themselves to know exactly what their strengths and weaknesses are in order to overcome the various challenges that constrain the success of their business. Women entrepreneur should improve from the existing procedure of doing business and come up with creativity that can led them to the identification of new opportunities and resolutions to problems. Women entrepreneurs should understand the importance of innovation and take the initiative to solve problems, which contains an element of risk as well as to have a high level of confidence towards their businesses. It's important the women to know who their competitors are, what the competitors are doing and what the position of their own business is compared to that of their strategies. For the women entrepreneurs to achieve success in an enterprise, sound financial principles must be applied. Merely by looking at their profit and loss statements one can identify good entrepreneurs from bad ones. Further, investing in women is one of the most effective means of increasing equality and promoting inclusive and sustainable economic growth.

5.4. Recommendations

Based on the findings, of this study, there are so many challenges facing women entrepreneur such as lack of capital for expanding their business, shortage of land and premises when they want to move out from the incubator centre, poor training in recording or book keeping, lack of skilled manpower and stiff completion among SME's entrepreneur especially Chines who are competing with micro and small medium enterprises by stealing the ideas. The challenges are the same and it has a great impact on women business and also it restricts the contribution of those women in economic development of the country, the researcher made the following recommendations:

- The financial institution should set some simpler way of accessing the credit facilities for the women entrepreneurs and gave them at reasonable rate to enable them to repay with ease, including humble grace period. Bank of Namibia should liaise with commercial bank to lower interest rates to encourage more women entrepreneurs to borrow money from the bank. Further, the bank should review their security to pledge criteria so as to encourage more women entrepreneurs to borrow money from the bank.

- The government should influence the financial institution to put in place some policies which favours which favour entrepreneurs so as to make it a bit easy to access finance for their business.
- Hence, the government officials need to put much effort towards alleviating those challenges by coordinating different stakeholders like NCCI, SME Compete (Namibia Chamber of Commerce and Industry, SME compete

Vocational training centre) to provide training, financial institution to facilitate credit opportunity and other stakeholder as well.

- City of Windhoek should assess and strengthen existing platforms or move away from the existing practice of availing the land and property to women entrepreneurs SMEs so that they can freely trade in conducive and clean environment so that they can add value to the Namibian economy.
- The stiff competition among women entrepreneurs SME's especially by Chines must be also minimized to give opportunity to local to operate freely.
- Lack of statistical data on informal businesses is a major problem for researchers, policy formulation, and program development. Therefore, it is recommended that attention be paid to collect sufficient and detailed gender statistics on the country's micro and small enterprises. This would help the government to develop policies that would equally favour the male and female entrepreneurs in the country. It would also help researchers to easily access lots of information regarding women entrepreneurs who operate in both the formal and informal sectors, this, in turn, would enable them to easily generalise their findings.
- Lastly, Women entrepreneurs in the Khomas region especially those operating at the SME incubation centre should raise confidence, empower themselves through entrepreneurial education, which is one of the initiatives that can be designed to enhance skills and knowledge in entrepreneurship. It is recommended that women entrepreneurs should acquire skills that will help to break the stereotypes and value systems that hinder them from participating in everyday activities. Women entrepreneurs should form

partnerships with individuals from different towns and regions of knowledge and expertise in order to learn from one another.

5.5. Suggestions for further Research

It is suggested that further research be carried out because research is a continuous process. A similar study should be conducted for instance expanding to other towns and regions to find out if indeed women entrepreneurs face growth challenges.

5.6. Conclusion

Conclusions from the study were highlighted. These included challenges such as lack of capital/access to finance, unavailability of land and premises, lack of knowledge / skills and stiff competition. Strategies that would address these chronic challenges facing women SME entrepreneurs in the Khomas region especially the incubator centre were recommended to existing and potential entrepreneurs. Areas for further research were identified as extending the research to another towns and regions to find out whether other women entrepreneurs also faced the same challenges.

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APPENDIX 1: RESEARCH QUESTIONNAIRE

CHALLENGES FACING WOMEN ENTERPRENEURS IN SMALL AND MEDIUM ENTERPRISES (SMEs) IN KHOMAS REGION ESPECIALLY AT SME INCUBATORS CENTRE, NAMIBIA

Dear respondent:

I am a student in the University of Namibia pursuing an MBA degree in Management Strategy. I am carrying out a study on challenges facing women entrepreneurs in small and medium enterprises (SMEs) in Khomas region especially at SME incubators centre, Namibia

Kindly fill in the questionnaire attached, giving relevant and honest information will significantly contribute to the finding practical solutions to this problem. The information provided will be treated with utmost confidentiality as much as required.

Kind regards

Suama Mulama Haimbodi

Appendix -: **Questionnaire**

The purpose of this questionnaire is to collect data for study entitled: Challenges facing women entrepreneurs in small and medium enterprises (SMES) in Khomas region especially incubators centre. The information collected will be treated with utmost confidentiality and used for the purpose of this study only. Kindly give the information in the spaces provided (indicate with a tick where appropriate).

CHALLENGES FACING WOMEN ENTERPRENEURS IN SMALL AND MEDIUM ENTERPRISES (SMES) IN KHOMAS REGION ESPECIALLY AT SME INCUBATORS CENTRE, NAMIBIA

PLEASE TICK AS APPROPRIATE, AS IT **PRACTICALLY** HAPPENS WHERE POSSIBLE.

SECTION A: DEMOGRAPHIC FACTORS

1. Name of the organisation?

.....

...

1. Age:

A. 20 – 30 ☐ B. 31 – 40 ☐

B. 41 – 50 ☐ D. Above 50 years ☐

2. Level of academic and professional qualification

A. Read and write ☐ B. Elementary - Secondary ☐

C. Colleague diploma ☐ D. First degree and above ☐

3. Marital Status:

A. Married ☐ B. Single ☐ C. Divorced ☐

D. Widowed ☐

4. Size of your Business A. Micro ☐ B. Small ☐ C. Large ☐

5. In which sector your business operates?

A. Service ☐ B. Retail ☐ C. Manufacture ☐

D. Real Estate ☐ E. Jointly/Upholstery ☐

E. F Construction ☐

6. For how long has your company been in operation?

A. Less than 1-year ☐ B. Between 1 year and 5 years ☐

C. Between 5 year and 10 years ☐ D. Between 10 year and 15 years ☐

E. More than 15 year ☐

7. Number of employees: A. At state ☐ B. At current time ☐

SECTION B

8. What is your main source of capital?

A. Family ☐ B. Government ☐ C. Commercial Banks ☐

D. Micro Finance Institutions ☐ others.....

9. Do you get support from the government?

Yes ☐ No ☐

10. Do you access loan facilities?

Yes ☐ No ☐

11. If yes specify the loaning institutions that provide the loan?

A. Commercial Banks ☐ B. Government Funding ☐

B. NGO'S ☐

12. What information did your bank asked for?

A. Collateral ☐ B. Audited Financial Statement ☐

C. Cash flow statement ☐ D. Business Plan ☐

13. Do you find it easy to acquire land for your business operations?

Yes ☐ No ☐

.....

...

14. How did you acquire the skill for running your enterprise?

A) Through formal training ☐ B) From past experience ☐

C) From family ☐ D) other (specify) ☐

How does competition in your business' sector affect your business?

.....

15. What other challenges did you face?

.....

16. What measures did you take to solve the problems you faced?

.....

17. What do you think the solutions to these challenges?

.....

Thank you