

Equality for Growth (EfG)

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Baseline survey of female entrepreneurs
in Temeke, Kinondoni and Ilala districts of
Dar es Salaam, Tanzania



**Empowering
Women in Business**

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“Study after study has taught us that there is no tool for development more effective than the empowerment of women”
 – Kofi Annan



Introduction

What is Equality For Growth?

Equality For Growth (“EFG”) has been set up to empower informal women workers in Tanzania through legal and human rights education, advocacy and capacity building in order to eradicate poverty. Its vision is a market place free from gender barriers where informal women workers of all levels can operate freely on an equal footing with men, and be free from all types of exploitation.

EFG was established in February 2008 as a working group in Tanzania. In August 2008, it was formalised into a registered company limited by guarantee (and not having share capital) under Registration N. 66935.

What is the baseline study about?

EFG carried out a survey involving 130 women engaged in business in the Temeke, Kinondoni and Ilala districts of Dar es Salaam in Tanzania, in order to gain a better understanding of their business operations. EFG sought to understand the female entrepreneurs’ views on, and assess their level of knowledge of the legal framework which impacts on their businesses, in particular, with regard to governmental, social, and economic policies. By using the terms ‘female entrepreneur’, ‘women engaged in business’ or ‘informal women workers’, EFG is intending to capture women who are self-employed and operating their own businesses informally, ie as a sole proprietor, or in partnership rather than through a company.

EFG acknowledges that there are comprehensive research and data on issues related to women in business. Such research and data have been very helpful in shaping EFG’s thinking on this area. However, EFG believes that this baseline report, produced as a result of recent surveying (carried out in October 2008), and with its emphasis on areas in Dar es Salaam will supplement EFG’s knowledge, and also inform the work which EFG intends to carry out in the future. The surveying activity and subsequent process of feedback (via conferences/workshops etc) to female entrepreneurs will help foster links between EFG and the female business community.

How will the baseline study be used?

EFG hopes that the results of this survey will:

1. Provide greater insight into the level of knowledge of female entrepreneurs with regard to applicable law and legal procedures
2. Improve the access of such entrepreneurs to legal advice/services
3. Assist in increasing the level of advocacy undertaken by female entrepreneurs so that policy making and implementation can accommodate their particular needs
4. Help remove barriers to women setting up and running their own businesses
5. Assist in the establishment of female entrepreneur support networks and groups

How was the survey carried out?

In October 2008, EFG surveyed a random sample of 130 women engaged in business in the Temeke, Kinondoni and Ilala districts of Dar es Salaam. A team of researchers interviewed the entrepreneurs to fill out a questionnaire which covered a number of different issues including, for example, the level of knowledge among female entrepreneurs of the law, and legal procedures and policies relating to their businesses, and the accessibility of legal services and female entrepreneur networks (if any) to such women.

Ideally, the baselines aimed at collecting the information and draw lessons from them. Baseline survey did not have any elements of representation but it was just to get ideas of women entrepreneurs.

The study used structured questionnaire as a tool of data collection, which actually could collect the data of which the EFG thought to be a core of its activities. However, the researcher used observation as another means to supplementary.

Limitation of survey

The survey was carried out successful however, despite some limitations. Financially the survey was constrained by insufficient resources to cover a wider group of women; therefore some activities were conducted under volunteering.

Presentation of the results

The results of the survey is presented alongside some of the relevant research and data published by other institutions in order to facilitate analysis of the baseline survey itself, and also to provide a better understanding of the political, social and economic context in which women engaged in business operate.

“The business case for expanding women’s economic opportunities...is nothing less than smart economics” World Bank observation 2007

Overview of female entrepreneurs in Tanzania

Tanzania is among the world’s poorest countries with an annual per capita income of US\$400. The HIV infection rate is around 7 percent (which while lower than other parts of Africa, is still significant). The HIV/AIDS epidemic has created a great burden on women as there has been an increase in the number of female-headed households with sick relatives whose care is the sole responsibility of such females. Many girls do not continue their education past primary school level. Between 30 and 40 percent of women in Tanzania, remain illiterate.

It has been estimated that women constitute 43% of all entrepreneurs in Tanzania (African Development Bank and ILO study 2004). However, women continue to face socio-cultural obstacles as well as legal, regulatory and administrative barriers which prevent them from participating on a gender-equal playing field. Women work predominantly in low growth areas where the financial returns are much lower than that of their male counterparts.

There is a great need for more information and understanding on the situation female entrepreneurs’ face, which this report in part attempts to address.



Business structures: Profile of businesses operated

Publicly available research/data

Micro and small enterprises are typically enterprises employing one to forty nine people (UDEC – ‘Jobs, Gender and Small Enterprises in Africa’, 2002), with micro enterprises generally employing less than 10.

Although women account for about 43% of micro and small enterprises in Tanzania, such enterprises tend to be in informal, micro, low growth, low profit areas, where competition is intense, e.g food vending, tailoring, batik making, etc. The start-up capital required is low, making it easier to start a business in these sectors (ILO “Tanzanian Women: Entrepreneurs going for Growth”, 2003).

‘Gender Entrepreneurships and Competitiveness in Africa’ (Bardasi et al, 2008) suggests that barriers to entry present greater obstacles for women than for men. Women generally lack the capital, and often the expertise to set up larger scale businesses. Many micro businesses only provide a hand to mouth existence and the various barriers to growth trap women to a low economic level from which they are unable to break free.

Many women have been socialised into doing certain types of activities since their childhood, which is then reflected in their choice of business activities (UDEC – ‘Jobs, Gender and Small Enterprises in Africa’, 2002). Unfortunately, such activities also tend to be the least profitable.

EFG’s baseline survey results

The majority of the businesses which had been set up by the interviewed respondents (68.5% in total) were established between 2000 and 2004. 13.1% of respondents started their businesses between 1995 and 1999. Only one business was set up in 2008.

From 1985 onwards, Tanzania shifted from ‘African socialism’ towards a free-market economy. In addition, Tanzania’s policy traditionally focused on large businesses and it was only in the late 1990s that policy formulation took into consideration smaller businesses (UDEC – ‘Jobs, Gender and Small Enterprises in Africa’, 2002). These two factors may in part explain why most of the respondents started their businesses in the period between 2000 and 2004.

The vast majority of interviewed respondents are operating small level enterprises (83.6%), with those operating medium level enterprises only making up 16.4% of those respondents interviewed.

62.5% of respondents are involved in trading, 28.1% in services delivery and 9.4% in manufacturing. The types of business that respondents are engaged in includes sale of clothing, sale of food

(known as “mama liche” in Kiswahili) (6.9%), sale of fried meat (fish, chicken etc.) (6.2%), catering (6.2%), running beauty salons (6.2%), running mini-markets (known as “genge” in Kiswahili) (6.2%), and running hotels/restaurants (5.4%). Other types of business activities mentioned by the respondents included tailoring, selling of charcoal/wood, juice, water, vegetables, rearing livestock, canning of peanuts and fruit, hairdressing, selling soap on the streets, selling telephone accessories, and working in pharmacies.

As the survey results show, women tend to operate businesses that are connected with their traditional roles, for example, food processing, textiles and clothing.

Most of the respondents are running their businesses individually (86.3%), with 13.7% running their businesses jointly with another person. With regard to the respondents engaged in jointly owned businesses, the majority were in partnership with other women. In jointly owned businesses, the percentage of the respondent’s share ranged from 10% to 50%, with no respondent owning the majority share. Only a small percentage of the respondents had never been married (26.2%) with the remainder being married, divorced or widowed. Some of the respondents indicated that they preferred to own and operate their businesses individually rather than collectively with other women. The main reason for this was that such women did not think that they could rely on other women to honour business commitments and loan repayments should the partnership succeed in accessing credit.

Previous research (‘Gender Entrepreneurships and Competitiveness in Africa’ (Bardasi et al, 2008) has suggested that female entrepreneurs are more likely than their male counterparts to be engaged in family enterprises. The research also suggests that such women are generally younger and are less likely to be married. However, this is not supported by the results of this survey where the majority of women are running businesses on their own and it is the minority whom have never been married.



Business structures: Business premises

Publicly available research/data

Securing formal business premises is a difficulty faced by all entrepreneurs in Tanzania. Due to household responsibilities, women often choose to operate businesses from home ('Tanzania: Lessons in Building Linkages for Competitive and Responsible Entrepreneurship', Tamara, 2006).

A review conducted into African medium sized enterprises has found that 45% of micro and small enterprises ran by female entrepreneurs were home-based compared to 19% for male-led enterprises (USAID 1995).

A home-based business allows a female entrepreneur to combine her business with household responsibilities (such as childcare), but such business has limited growth potential, as it is difficult to interact directly with clients and the entrepreneur's focus is distracted by household demands.

Rents are high in Dar es Salaam and affordable business space is scarce. The ILO 2000 study (state of the art review of the Tanzanian informal sector – an unpublished research project) revealed that as much as 60% of businesses in the informal sector in Tanzania operated on the streets.

There is a lack of surveyed land in Tanzania and the process of gaining title to land is time-consuming and fraught with delay, corruption and bureaucracy. Even a profitable business may not be able to secure legal premises due to the many barriers that exist. The lack of road names and numbers creates further problems for entrepreneurs who need their businesses to be visible and easily locatable by their clients and suppliers.

EFG's baseline survey results

57.7% of respondents have a permanent business location, of which 53.1% have legal ownership of their business premises, while the remainder rented premises.

This means that 42.3% of the interviewed respondents (just under half) lacked a permanent business location.

The majority of respondents (38.5%) pay a monthly rent of below 50,000 Tshillings. 13.1% of respondents pay between 50,000-100,000 Tshillings per month. Only two respondents (1.5%) could afford to pay rent ranging from 300,000-500,000 Tshillings per month.



Operating the business: Business registration and start-up

Publicly available research/data

According to a World Bank 'Doing Business' report in 2009, Tanzania has been ranked 109 out of 175 countries for the ease of starting a business. The cost of starting a business in Tanzania has been calculated by the World Bank as 91.6% of income per capita.

A diagnostic study undertaken by MKURABITA has shown that approximately 98% of all businesses in Tanzania operate extra legally due to the legal and administrative obstacles to incorporation, registration, and business operation.

In Tanzania, the legal framework for business set-up is governed by three areas of law, namely company legislation, business names registration and business licensing legislation (World Bank – 'Gender and Economic Growth in Tanzania: Creating Opportunities for Women', 2007). Most of this legislation is only available in English, thereby creating a barrier to interpretation and application considering that most Tanzanians speak Swahili.

According to the World Bank's 'Doing Business' database, it takes an average of 35 days to fulfil all legal requirements for business entry. The particular kind of licence that needs to be obtained by an entrepreneur in Tanzania is not straightforward as there is a sector-specific business licence system where 54 major types of business activity require a different kind of licence. The process is confusing and time-consuming, and women (who are time-poor) are even more likely to be deterred by the process.

Complying with all the necessary procedures and formalities regulating businesses require unjustified costs of almost US\$180,000 over the 50-year life of a successful business (ILD, 2005).

Furthermore, the existing legal framework was developed for large-scale businesses and does not reflect the realities of smaller businesses (UDEEC – 'Jobs, Gender and Small Enterprises in Africa', 2002). Policies that dealt with small businesses were only introduced in the late 1990s. According to the ILO in 2001, if current policies and regulations were enforced on smaller businesses, many would have to shut down.

EFG's baseline survey results

79.3% of the interviewed respondents do not have a licence for their business. Only 23% of the respondents were considering applying for a licence. Those interested in applying intended to do so between 2008 and 2010.

The high number of respondents who do not hold a licence for their business reflects the difficulties of obtaining a licence. Further, the low numbers of those intending to apply for a licence indicate that most respondents think that the difficulties of obtaining a licence outweigh the benefits.

7.8% of respondents reported having to make an unofficial payment in order to obtain their licences and 10.2% had trouble obtaining a licence. These results appear to suggest that bribes and other difficulties are not major hurdles. However, given the small number of respondents who hold licences, this statistics do not provide a comprehensive view of licensing issues. It could be said that if obtaining a licence were a straightforward matter, more respondents would hold them, or be seriously considering obtaining one.

Most of the businesses undertaken by interviewed respondents are not registered with any government agency. Only 19.2% of businesses managed by respondents were reported as registered. Only 26.2% of respondents expressed an intention to register their business.

Several factors were mentioned by respondents as stumbling blocks to registering a business, including, for example, a business being too small due to low capital (13.1%), lack of business skills (11.5%), ignorance of business related laws (2.3%), business location being unacceptable (0.8%), and fear (0.8%). The majority of the respondents (68.4%) did not provide reasons for not registering their businesses.

One factor, which may deter respondents from registering their business, is ignorance of registration procedures, as 66.8% of respondents stated that they were unaware of the legal procedures related to business registration.

Legal requirements taken by respondents to affect their registration included collecting introduction letters from local government officials or ten cell leaders, providing proof of the existence of physical business premises, payment of tax, signing of contracts and payment of required fees. The requirement to provide proof of physical premises, coupled with the difficulties of obtaining such premises (as discussed above) poses a significant barrier preventing female entrepreneurs from registering their business.

For the few respondents who managed to register their business, the registration process reportedly took between 2 to 30 days.

47.7% of respondents said that prior consent from their husbands is not necessary if they want to register a business. This means that the majority either believe that consent is required, or do not know what the applicable law is. It could be suggested therefore, that traditions such as requiring a male family member’s consent can hinder some women from formalising their businesses.

Table 1 - Formalisation of business

Is your business registered with a government agency?	Is your business licensed with a government agency?			
		Yes	No	Total
Yes		92.0%	1.9%	19.2%
No		4.0%	94.3%	76.9%
Don't know		4.0%	3.8%	3.9%
Total		100.0%	100.0%	100.0%

Table 2 - Willingness to formalise business

Do you intend to register your business?	Do you intend to apply for a business licence?				
		Yes	No	Don't know	Total
	Yes	74.2%	9.6%	15.4%	26.2%
	No	19.3%	74.0%	42.3%	54.6%
	Don't know	6.5%	16.4%	42.3%	19.2%
Total	100.0%	100.0%	100.0%	100.0%	

Both of the above tables show the relationship between business registration and licensing. A respondent who holds a licence is almost certainly operating a registered business. The converse is also true – if a respondent’s business is not registered, they are unlikely to hold a licence.

Useful reform is on the way. Tanzania has created the Business Environment Strengthening in Tanzania (BEST) programme in order to improve the environment for business and to help strengthen key business associations. BEST is also currently promoting the integration of engendered impact analysis in law and policy procedures through widespread capacity building and is incorporating gender specific objectives in monitoring and evaluation plans and in project indicators and outcomes.

In addition, the MKURABITA Program is aimed at strengthening land-related dispute resolution and decision-making. It will also monitor access to land and workspace by women, support the inclusion of women on land titles and improve data on property issues, which women are facing.

EFG’s survey results have demonstrated that there is a high level of uncertainty and lack of knowledge among respondents about business formalisation procedures and requirements. The legal reforms outlined, although encouraging, will only have a positive impact if they are publicised and explained to the vast majority of entrepreneurs who operate extralegally.



Operating the business: Cash flow

EFG's baseline survey results

As the pie charts below indicate, the value of sales and profits is low for the majority of businesses. 79.2% of respondents have total sales of less than Tsh 50,000/- per day. When operating costs are taken into account, profits are very low: 87.7% of businesses have profits of below Tsh 50,000/- per day.

Figure 1 - Total sales on a normal day (Tshillings)

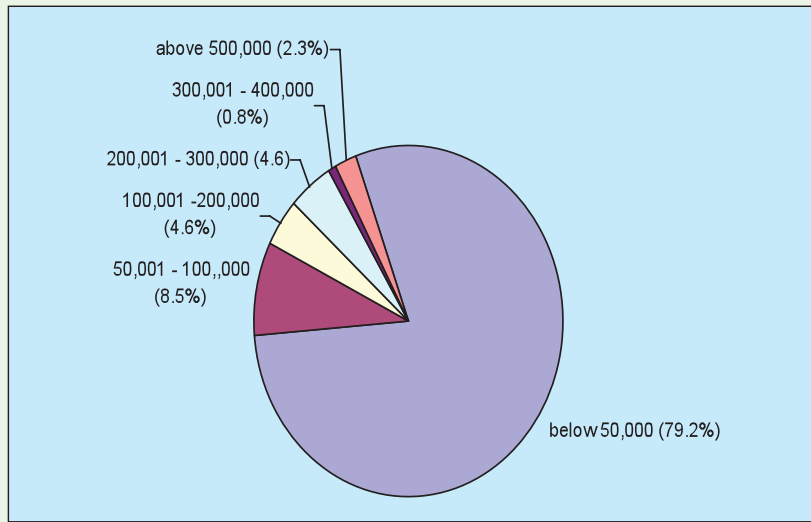
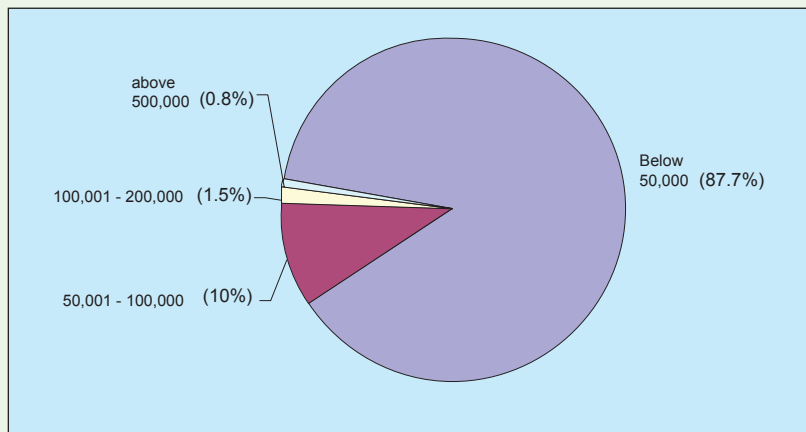


Figure 2 - Total operating profits on a normal business day (Tshillings)



Operating the business: Taxation

Publicly available research/data

In a World Bank 2004 Investment Climate Assessment, formal enterprises of all types rated complex tax regimes and high tax rates as among the greatest obstacles to doing business in Tanzania.

According to a World Bank ‘Doing Business’ report in 2009, Tanzania has been ranked 109 out of 175 countries for the ease of paying tax.

It has been suggested that some women think that tax officials deliberately harass them and overstate the level of tax payment required in order to extort bribes (ILO, 2003).

Female entrepreneurs also face the risk of their tools or business equipment being confiscated by tax officials. Such confiscation can have a severe financial impact on the ability of an entrepreneur to continue her business (Tanzanian Women: Entrepreneurs going for Growth, 2003).

EFG’s baseline survey results

Only 40.8% of the respondents pay some form of tax in respect of their businesses. When queried about the type of tax being paid, the majority of the respondents believed it to be small business tax, although they were not sure about which organisation collected this tax. The majority, 55.4% of respondents, do not pay taxes for their businesses. This is probably due to a lack of awareness about taxation, or due to the fact that the majority of businesses operate extralegally in Tanzania. It is not unexpected that respondents who indicated that they did not intend to register their businesses were also the ones who were not paying taxes for their businesses (72.7%).

It is not surprising that such a low percentage of respondents pay tax, as the Tanzanian tax regime is characterised by high and multiple taxes with complex procedures. The survey results also demonstrate that there is a high level of confusion surrounding tax payments. This level of confusion leaves women, in particular, vulnerable.

Table 3 – Business registration and taxation

Do you pay taxes for your business?	Do you intend to register your business?					
		Yes	No	Don't know	Not applicable	Total
Yes		41.2	23.7	48	87.4	40.8
No		55.9	72.7	48	6.3	55.4
Don't know		2.9	3.6	4	6.3	3.8
Total		100	100	100	100	100

Operating the business: Employment of additional workers

Publicly available research/data

A study by the African Development Bank and the ILO in 2004 revealed that in Ethiopia, Kenya, and Tanzania, micro-enterprises with less than ten employees make up 99% of all micro, small and medium sized enterprises.

There is a general understanding that most micro-enterprises are run by the owner, who may employ an occasional assistant.

It is thought that due to rigid labour laws, small and medium enterprises tend to hire and maintain staff only on an informal basis (UDEC – ‘Jobs, Gender and Small Enterprises in Africa’, 2002).

EFG’s baseline survey results

More than half of the respondents (56.3%) do not employ any additional workers. 18% of the businesses surveyed have only 2 employees, while 11.7% employ only one person. One respondent (with the highest number of employees in the survey) employs 8 people in her business.

Out of the 56 respondents who have engaged the services of additional workers, only 20 have any kind of formal contract with their workers. The majority of respondents (84.6%) professed to be ignorant of labour laws such as the newly enacted Employment and Labour Relations Act of 2004. This may explain why so few of the respondents have formal contracts with their workers. However, it appears that financial restraints are the most likely reasons for the lack of a formal workforce rather than legal restraints, as the majority of respondents were not even aware of basic labour law requirements.

Operating the business: Social security

Publicly available research/data

In Tanzania, all businesses must register workers for social security purposes under the National Social Security Fund Act and obtain insurance under the Workmen’s Compensation Act.

EFG’s baseline survey results

Most of the respondents (96.2%) had no knowledge of social security requirements. Only a few respondents (3.1%) mentioned procedures and requirements for joining social security schemes.

None of the respondents, except two, has registered membership in a pension or social security scheme. The majority of respondents did not join social security schemes due to a lack of awareness of, and understanding of the relevance of joining them.

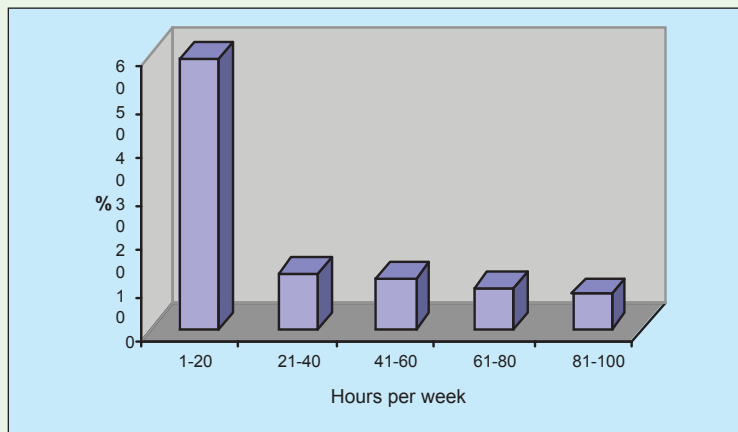
Operating the business: Hours spent working

EFG’s baseline survey results

As the bar graph below shows, over 60% of women surveyed spend less than 21 hours per week working for their business. The highest amount of time that some respondents spend working for their businesses is between 81 to 100 hours per week (6.9%).

The working hours reported by the respondents appear relatively low. This could be due to the hours of domestic work often demanded from women in a household and because female entrepreneurs often run second or even third businesses to make ends meet.

Chart: Showing number of working hours spent by women



Operating the business: Networking and associations

Publicly available research/data

Previous research backs up the view that female entrepreneur associations are unpublicised and are often weak and uncoordinated. However, there is evidence which suggests that if associations can be organised effectively, the results can bring great benefits to female entrepreneurs.

One such case is Tanzania Women Miners Association (TAWOMA) which has more than 300 members. Through advocacy, TAWOMA members have been able to acquire legal title to their land and attract foreign investors.

If female entrepreneurs were given better access to associations and are able to take an active role in moulding these to their needs, then perhaps the TAWOMA success story can be emulated so that more women are empowered.

EFG's baseline survey results

The majority of respondents surveyed are not part of, or aware of any business related networks applicable to them. Only 4.6% of respondents were aware of any such networks, and no respondents took part in any such networks. The survey revealed that none of the existing female business associations interacted with the respondents.



Assets and credit: Ownership of/rights over movable assets

Publicly available research/data

Although movable assets are often used as collateral in developed economies, this is not the case in Tanzania. By international standards, Tanzania has a complicated, outdated, and non-transparent legal framework relating to the use of non-land assets as loan collateral (World Bank – ‘Gender and Economic Growth in Tanzania: Creating Opportunities for Women’, 2007). By way of example, pledging a car can take 297 days on the mainland but is not possible at all on Zanzibar (ILD Report, 2005).

EFG’s baseline survey results

The findings of the survey indicated that most of the movable assets in a female entrepreneur’s household are owned by the woman herself (42.2%), as compared to only 5.5% owned solely by a husband. 41.4% of the respondents own movable assets jointly with other household members. In other words, 46.9% do not own movable assets of their own. About 11% of the respondents had no response. When asked whether they have authority to use such movable assets as collateral for securing credit, the majority of the respondents (71.5%) answered in the affirmative that they did have authority.

The results above would suggest that in theory the respondents have a source of collateral in movable assets. However, in practice pledging movable property in Tanzania is a long process and in some cases cannot be done at all.

Pursuant to the Law of Marriage Act, Cap 29, revised edition of 2002, a woman has the same rights as her husband over movable assets. Where the asset is solely owned, the spouse’s permission is not required to use the asset as collateral; where the asset is jointly owned, all the owners have to consent to the asset being used as collateral. On being asked whether a wife has the same rights as a husband over movable assets, only 40.8% said yes. When asked whether one can mortgage movable assets without the permission of the other spouse, 58.5% respondents said the husband could not, while 45.4% said a woman could not do the same without the permission of her husband. Only 6.9% said a woman could mortgage assets without the permission of her husband as compared to 6.2% who said a husband could not. The remaining respondents were unclear on the position. Further, 10.8% of the respondents reported that they had lost their right to assets at some point in their lives.

40.8% of respondents said that they have the same rights over movable assets as their husband; 30% responded that they do not have equal rights. Of those questioned, 2.3% said they do not know, and 26.9% responded that the question was not applicable to them. These results indicate that most women are unclear on their legal rights and entitlement to assets, as only 40.8% of the respondents said that they have the same rights as their husband over movable assets.

In relation to the assets of a household, 45.7% of the respondents stated that their names are listed in the ownership records of such assets, while 45% responded that their names are not listed. The remaining respondents did not know whether their names were listed or not. When questioned on why a respondent's name was not listed in the ownership records, the majority of the respondents (83.9%) could not provide an answer. The few who were able to provide a reason mentioned that they own too minimal an amount of property for it to be registered (4.6%); that the property belongs to their husband (4.6%); that the patriarchy system was the cause (3.1%); that the property is jointly owned through inheritance (1.5%); that they did not think there was a need to register the property (0.8%); and that the property is registered in their children's names (0.8%). Unless a woman has her name recorded in the asset ownership records, she is vulnerable to losing such asset, particularly if patriarchal views, which tend not to recognise a woman's right to asset ownership, are imposed.

Table 4 - Is your name listed in the ownership record of assets?

	Marital status					Total
		Never married	Married/living together	Separated/divorced	Widowed	
Is your name listed in the ownership of the assets?	Yes	6.2%	21.7%	13.2%	4.7%	45.7%
	No	14.7%	24.8%	3.1%	2.3%	45.0%
	Don't know	4.7%	2.3%	1.6%	0.8%	9.3%
Total		25.6%	48.8%	17.8%	7.8%	100%

Table 5 - Reasons for not being registered in the ownership records of movable assets

S/n	Reasons for not being registered	Frequency	Percent
1.0	Owned by husband	6	4.6
2.0	No need to register	1	0.8
3.0	Not enough property	6	4.6
4.0	Registered in children's name	1	0.8
5.0	Patriarchy system	4	3.1
6.0	Inherited problem	2	1.5
7.0	Don't know	15	11.5
8.0	No answer	35	26.9
9.0	Not applicable	60	46.2
Total		130	100

Assets and credit: Ownership of/rights over land

Publicly available research/data

Low levels of formalised land ownership are typical in Tanzania. According to the ILD Report (2005), 89% of all properties in Tanzania are held extralegally. The process of securing formal land title is costly and difficult and is one of the main reasons why most of Tanzania’s land ownership remains extralegal.

Under Tanzanian law, both spouses must be registered as owners of a piece of land, which cannot be mortgaged without the consent of both parties.

Recent legal reforms have done much to improve the legal position of women with regard to land rights, for example, the right of a woman to acquire land is embedded in the National Land Policy, the Law of Marriage Acts and the Land Act of 1999. The Village Land Act invalidates customary laws which discriminate against women, as it recognises a right of a wife to obtain land on her husband’s death or their divorce. However, customary views often still prevail and deny women land that under statutory law should legally be theirs.

EFG’s baseline survey results

Land ownership by the women in household is a problem of all respondents only 9.2% of respondents owned land individually and 10% owned land jointly with spouse and or other household members. However, 23.8% of respondents reported that other household members owned the land. It is clear that ownership of land by women, either individually or jointly is low.

47.7% of respondents believed they could not transfer or use land as collateral without their husband’s permission. 5.4% said that they could transfer land without their husband’s permission. The issue was not applicable to 39.2% and 7.7% of the respondents had no response.

Table 6 – Owner of land

Who is the owner of the land?					
Marital status	Individually	Jointly	Household members	Not applicable	Total
Never married	1.6	0.8	4.6	19.2	26.2
Married/living together	2.4	9.2	16.9	20	48.5
separated/divorced	3.8	0	0.8	13.1	17.7
Widowed	1.5	0	1.5	4.6	7.6
Total	9.3	10	23.8	56.9	100

When the question was posed as to whether a wife could apply for land without the permission of her husband, only 10% of the respondents thought that a wife could, while 43.1% said a wife would have to seek prior consent from her husband. The question was deemed not applicable by 46.9% of the respondents. From the above survey statistics, it appears that women are still unsure of their rights over matrimonial assets.

The size of land owned by respondents ranged between 1/20 acre to 10 acres, of which the highest percentage (9.2%) of respondents own 2 acres, followed by 7.7% which own one quarter of an acre. These results show that the majority of respondents own small plots of land.

Table 7 – Size of land owned

Size of land owned (in acres)	Percentage of respondents (%)
0.2	0.8
0.25	7.7
0.5	3.8
1	6.2
1.5	1.5
2	9.2
2.5	0.8
3	3.1
4	0.8
5	2.3
6	0.8
10	0.8
Total	37.8
No answer given or do not have land	62.2

3.6% out of the respondents who own land have developed their land in some way while the rest have not. Only 28.3% of the respondents' land has registered title. The same percentage of respondents believed their land to be licensed. The difficult and lengthy land registration process is a likely reason as to why few respondents have been able or willing to develop their land, and why so few possess registered title.

Assets and credit:

Access to credit and collateral issues

Publicly available research/data

According to the World Bank's Doing Business database, sub-saharan Africa is considered to be the toughest place to get credit in the world. In addition, women are limited to informal sources of capital as discriminatory customary law makes accessing formal finance difficult.

EFG's baseline survey results

The majority of respondents have never used land as collateral for credit; only a tiny percent (4.6%), have done so.

Those who own land but who did not think that they had the right to transfer or to use it as collateral cited the following reasons: in order to build peace and harmony in their families (18.5%), because the land belongs to the husband (3.8%), because they have to negotiate with a partner to use the asset as collateral (1.5%), because the patriarchy system does not allow women to transfer or use land 0.7 %, and because the property is registered in their children's names (0.8%). 74.7% of the respondents did not know or did not offer any reasons.

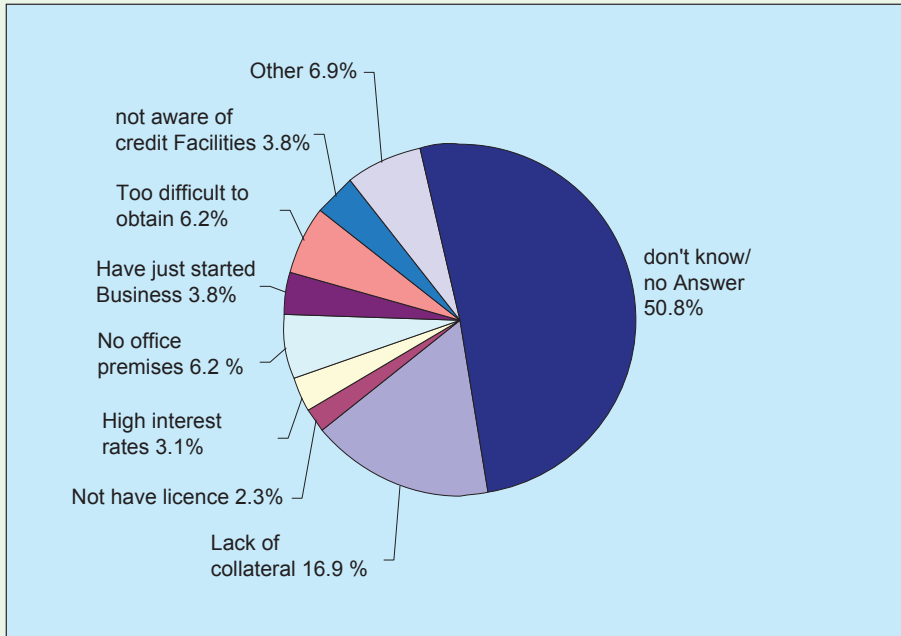
Only 34.2% of respondents had ever accessed some form of credit. Respondents who had been able to access credit utilised the services of the following: Akiba Commercial Bank, Black Foundation, Community Development Bank, FINCA, NSSF SACCOS, the President Fund, Pride, SACCOS, SEDA and Upendo Group. According to the survey, most of the respondents who have accessed credit used the credit services available from Pride (11.5%) and Community Development Bank (10.8%).

Only 33.1% of respondents knew of financial institutions that offered special credit lines for women. Only one respondent has accessed credit through the Financial Institutions women entrepreneurs' credit basket. 40.8% of respondents indicated that they were aware of credit programmes offered to female entrepreneurs by the Tanzanian government, although only 3.1% of respondents had received credit through these government channels.

Although there are a growing number of micro-finance institutions offering their services in Tanzania, they are still relatively small in number and offer small sums which often require weekly repayment (which adds an additional time burden). Few respondents were aware of specialist financial services offered to women.

As for those respondents who have not accessed any form of credit, 27.7% of them were in need of such services but could not access credit due to various reasons, including lack of security/collateral for a loan, prohibitively high interest rates, lack of business licence, lack of reliable office space, and scarcity of appropriate loan facilities. The pie chart below shows some of the barriers preventing female entrepreneurs from accessing credit facilities in diagrammatic form.

Figure 3 – Problems which hinder access to credit



Common forms of conditions requested by financial institutions were group membership, property and land collateral. Out of the 44 respondents who were able to access credit, 25 reported that credit history was a criterion for accessing credit while 13 reported that consent from the spouse was a requirement.

Non micro-finance institutions require a level of formality that many small businesses are unable to comply with. This is reflected in the responses outlined above.

It is estimated that only 5% of women and 11% of men are banked in Tanzania (Financial Sector Deepening Trust, Tanzania 2007). The survey shows that more than half of the respondents (59.6%) had no bank account as compared with 40.4% who had opened one. While the number of respondents with bank accounts is higher than the national average, it is clear that a significant portion still do not have access to banking facilities.

In July 2009, Tanzania opened a bank especially for women; however, it is too early to see what impact this may have. Although there have been legal reforms to address the imbalance of women’s access to capital, in practice customary law and traditions prevail. Further, traditional forms of credit are often not available as land, which is the most acceptable form of collateral to financial institutions is often unregistered; many women are unable to satisfy registration requirements, as the costs of registration are often prohibitive for an applicant.

Awareness of rights: Policy awareness and advocacy

Publicly available research/data

Several policies have been formulated specifically to enhance the position of entrepreneurs in Tanzania. Such policies include the National Micro Finance Policy (2000), Small and Medium Enterprises (MSE) Policy 2002 (which focuses on, among other things, encouraging women's participation in business activities by identifying barriers and addressing them) and the SME Development Policy (2003-2013).

If female entrepreneurs could be encouraged and empowered to take part in advocacy, through capacity building and support from entrepreneurial associations, it could be ensured that these policies and future policies reflect the needs of female entrepreneurs and help in the elimination of gender barriers.

EFG's baseline survey results

The survey assessed the respondents' awareness of various key policies by asking whether they have heard of such policies. The highest percentage of respondents (97.7%) was aware of HIV/AIDS control policy, followed by 84.4% who were aware of Education policy, and 74.6% who were aware of Anti-Corruption policy. Only 29.9% of respondents were aware of the Rural Road policy.

The results above show the positive effect that the organised and targeted publication of HIV/AIDS policy has had. If the same principles used in the HIV/AIDS campaigns are used to disseminate information related to women's business rights, it is likely to have a strong and positive impact on the economic development and empowerment of female entrepreneurs.

The survey revealed that there is a severe lack of involvement on the part of respondents in policy formulation related to business. Only 1 out of 130 respondents had participated in policy formulation. None of the respondents has assisted non-governmental organisations with any policy related work.

The table below shows that dissemination of information via radio, television, service delivery, newspaper, and word of mouth are the most effective ways to provide information to female entrepreneurs about government policies, with radio being the most effective. This is also likely to be applicable to communicating with female entrepreneurs about, for example, new business initiatives, advocacy, and capacity building.

Table 8 – Understanding of government policies via knowledge sources

MAIN SOURCE	POLICIES										
	Local govt reform	Poverty reduc- tion	HIV/AIDS control	Anti cor- ruption	Privatisation	Education	Health	Water	Rural roads	Laws and order	Taxation
Radio	18.5	24.6	33.1	28.5	16.9	26.9	23.8	17.7	10.8	6.2	13.8
Newspaper	6.2	12.3	13.8	9.2	14.6	16.2	9.2	4.6	5.4	2.3	9.2
TV	6.2	14.6	16.9	18.5	15.4	8.5	13.8	13.8	5.4	4.5	6.2
Word of mouth	3.8	10.8	9.2	10	10.8	4.6	3.1	5.4	2.3	0.8	6.9
Service delivery	3.7	4.6	15.4	4.6	3.8	26.2	26.2	10	1.5	2.3	10
NGO/CBO	3.1	3.1	8.5	3.1	3.1	2.3	5.4	1.5	0.8	0.8	2.3
Other	0.8	2.3	0.8	0	0	0	2.4	3.2	1.5	0.8	3.1
Not applicable	55.4	27.7	2.3	24.6	35.4	14.5	13.8	42.3	70	81.5	47.7
Don't know	2.3	0	0	1.5	0	0.8	2.3	1.5	2.3	0.8	0.8
Total	100	100	100	100	100	100	100	100	100	100	100

Awareness of rights: Rights as a woman

Publicly available research/data

In Tanzania a number of policies are applicable to women’s rights: the Policy on Women and Gender Development in 2000; the National Development Vision 2025, also adopted in 2000 and is aimed at ensuring gender equality and the empowerment of women in all socio-economic and political relations and culture by 2025; and in 2001 the Commission for Human Rights and Good Governance was established to investigate allegations of human rights violations and to disseminate information on human rights, including women’s rights. Furthermore, a special gender desk dealing with public education and women’s rights was established within the Commission in 2004.

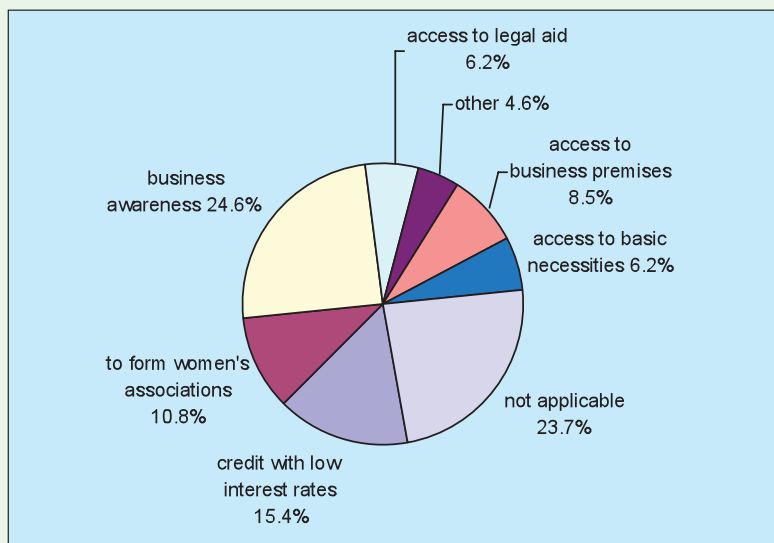
However, there is concern that some of these initiatives are not getting the publicity or funding that they need, for example, the Ministry of Community Development, Gender and Children’s Affairs is an under-resourced ministry making the realisation of some of the government’s objectives difficult.

EFG’s baseline survey results

Only 26.9% of respondents indicated that they knew what their rights were as a woman. Further, only 36.9% were aware of their business-related rights and just 25.4% professed to understand laws affecting their business endeavours. These results show that there is still a great need to improve awareness of women’s rights.

The respondents were asked to list the rights they were entitled to as a female entrepreneur. Their responses are summarised in the pie chart below.

Figure 4 – The rights a female entrepreneur is entitled to



Awareness of rights: Possession of legal documentation

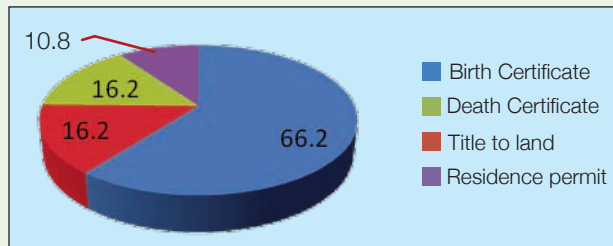
Publicly available research/data

Typically, women have not been recorded in the ownership documentation for assets. Although Tanzanian law has been reformed to uphold women’s entitlement to assets, there is evidence that prevailing patriarchal views prevent women from holding formal ownership documentation.

EFG’s baseline survey results

When the respondents were questioned on the type of legal documents they have in their possession, the majority of the respondents mentioned that they possessed birth certificates for all of their children (66.2%). The legal documents which the least number of respondents had in their custody were related to title to land (16.2%), death certificates (16.2%), and residential permits (10.8%).

Figure 5 – Women’s Possession of Legal Documents



Note: It adds up to more than 100 because some posses more than one document

The lack of possession of land title documents is explained by the fact that few women own land and thus do not have ownership title deeds. Indeed, women are often not included in the title documents to other assets, even when they have contributed to the acquisition of such assets. Lacking in documents confirming their legal entitlement, women are vulnerable should their spouses or family members pass away, as they may end up being denied possession/ownership of assets that are morally speaking theirs.

As many as 70% of the respondents have not written a will. The reason behind the lack of will writing is attributed to various factors including: it is still difficult to convince the husband to do so (14.6%), no thought has been given to writing one (11.5%), no valuable assets so far (6.2%), property is registered in children’s names (3.8%), and will writing is against religious rules (1.5%). Only one respondent replied that she was in the process of writing a will.

It appears from the above results that will writing is still a taboo as there are fears that writing about death could bring about early mortality. There are also concerns that early disclosure of preferences about who should inherit what may lead to familial conflict.

Awareness of rights: Access to legal aid and legal training

Publicly available research/data

Many female entrepreneurs suffer from poor levels of education and a lack of technical, and business management skills. This means that when they need to negotiate contracts or access the services offered by financial institutions, they are at a disadvantage and are often discouraged from attempting to do so.

It is also acknowledged that women are time-poor and therefore lack adequate time to attend training. This, coupled with a severe lack of training opportunities, particularly those targeted at the needs of female entrepreneurs hinders such women's development of their businesses.

The International Center for Research on Women has indicated that women also need non-financial services as well as financial ones – such as market information and access, management and financial training, peer networks and leadership skills. Equipped with these skills, female entrepreneurs would be able to better target economic opportunities previously out of their reach.

EFG's baseline survey results

87.6% of interviewed respondents reported that they did not have access to legal services when in need. 12.4% of respondents who were able to access legal aid accessed this through, among other means, ten cell leaders (4.6%) and local government leaders known as “mwenyekiti wa serikali ya mtaa” (7.8%). The majority of respondents indicated that they were unaware of the location at which such services were offered. Only 4.6% had participated in any kind of legal training.

When asked about the type of training required by respondents, the majority requested courses relating to rights of female entrepreneurs (34.6%), entrepreneurship in general (22.3%), women's and human rights (10.8%), process for acquiring a licence (2.3%), and good governance (0.8%). Will writing and improving understanding of constitutional rights were also mentioned as topics respondents would like training on.

As indicated above an overwhelming number of respondents are not aware of many laws and regulations which are applicable to them. This is possibly because respondents could not access legal advice when necessary and very few had taken part in any legal training since starting their business.

Home life: General and household expenses

Publicly available research/data

Despite much good work that has been undertaken to improve the position of women in Tanzania, patriarchal attitudes still prevail, particularly in rural areas. There are deep-rooted stereotypes regarding gender roles and it is still the general assumption of many that a woman's primary role is to care for the family and carry out domestic chores. It is commonly accepted that many women experience a 'double' workday, while men are more generally able to relax outside of their working hours.

A time-use survey recently produced by the Tanzanian Bureau of Statistics, shows that women spend 23 hours longer than men in unpaid tasks such as water collection, food preparation and caring for family members. This unpaid burden restricts the time available for other activities - a female entrepreneur may not be able to devote the hours she would like to her business, thus limiting her capacity for expansion. For this reason, many female entrepreneurs are considered time poor. Such additional burdens may also reduce the amount of energy and enthusiasm that female entrepreneurs are able to reserve for their business endeavours.

According to various sources (Thomas (1990), Haddad and Hoddinott (1994), there is empirical evidence to show that any increase in income earned by a woman will increase household expenditure on items such as food and education.

According to The Africa Commission's Background Paper to the Conference on Women and Employment in Africa, Maputo, Mozambique, on 15 August 2008, improvements in women's employment and income, compared to an increase in a man's, tend to have a more positive impact on child nutrition, health, education and family welfare. Increased income is also a means of enhancing a woman's autonomy and participation in household decision-making.

EFG's baseline survey results

The survey revealed that married respondents are more likely to pay for household expenses than their husbands are. Household expenses included among other things, food, rent, children's school fees etc.

EFG's proposals:

1. Strengthen participation in female entrepreneur associations

As the results of the survey have highlighted, there is a lack of awareness in respect of female entrepreneur associations, and very little interaction between existing associations and such associations' potential members.

Existing associations need to concentrate on promoting themselves and the services that they can offer to members. Associations need to be coordinated so that they can form a network, thereby facilitating the sharing of information, services, training, and resources, which would lead ultimately to the strengthening of such associations. Stronger associations will be more effective at bringing about change at a regional and national level.

Properly organised and coordinated associations will be more effective in raising their members' voices and carrying out advocacy. Effective capacity building of members will allow female entrepreneurs to engage fully in the association, so that they build an association which truly caters for their needs.

2. Increase access to legal advice and education

The survey has revealed that the vast majority of respondents do not have access to legal advice when they need it. Although there is free legal advice available in Dar es Salaam and, to a lesser degree, other parts of Tanzania, none of the organisations focus on the legal aspects of business.

Female entrepreneurs are often prevented from developing their businesses due to lack of business law knowledge. This means that many businesses are not formalised and remain extralegal, making compliance with employment and labour standards impossible. Female entrepreneurs with informal businesses are more vulnerable as they face additional difficulties which prevent them from entering into valid contracts and accessing credit.

3. Increase business-related training

Through partnership with other business-related organisations, EFG intends to enhance women's understanding of their legal rights.

4. Empower female entrepreneurs to undertake advocacy

Only one of the respondents in this survey had participated in any kind of advocacy. Female entrepreneurs need to be empowered, through leadership training and by other means, to advocate on their own behalf and thereby ensure policies reflect their needs and to ensure that policies do not act as barriers to development.

Stronger associations and networks of associations will provide a collective voice for female entrepreneurs which will lead to more effective advocacy. Encouraging associations to form networks will also lead to such networked associations being able to have an impact on not only the national but also the international arena.

5. Improve knowledge of women's rights

The low level of respondents who professed to know their rights as a woman shows that there is a need for female entrepreneurs to have greater awareness of their rights and entitlements, as well as access to best practice models and guides to starting and running their own enterprises.

EFG aims to become a 'one-stop-shop' for women seeking advice on their rights and training to improve their understanding and capacity. EFG will both directly carry out training and put female entrepreneurs in touch with other organisations which offer the services that they require.

6. Facilitate land ownership

Discriminatory customary practices still prevent women from gaining title to land. Even if a female entrepreneur owns property, she is often prevented from making effective use of it, such as using it as collateral, since much of the land in Tanzania is unregistered and therefore not eligible for use as credit security. There is a need to continue to work towards eradicating discriminatory practices towards women with respect to land ownership and to increase awareness, particularly in rural areas, of the land reforms which uphold a woman's rights to land. Reform of the land registration system will also allow entrepreneurs to gain better access to business premises.

7. Improve ease of business set-up and running

Lack of formal business set up is a problem for both male and female entrepreneurs. The majority of the respondents had not registered their businesses and did not hold licences. Business registration and licence procedures, as well as tax requirements need to be reformed in respect of small and medium enterprises so that more of these businesses can enter the formal economy.

Note: Some these recommendations have also been repeatedly emphasised in various literatures and studies referred.

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Acronyms

EFG – Equality For Growth

ILD Report – Institute for Liberty and Democracy. 2005. “Program to Formalize the Assets of the Poor of Tanzania and Strengthen the Rule of Law: (MKURABITA) Final Diagnosis Report.” Institute for Liberty and Democracy, Lima

ILO – International Labour Organisation

MKURABITA – Program to Formalise the Assets of the Poor of Tanzania and Strengthen the Rule of Law

SACCOs – Savings and Credit Cooperative Organisations

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