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PRODUCTIVITY OF ENTERPRISES OWNED BY WOMEN LOAN- BENEFICIARIES AND NON-LOAN BENEFICIARIES IN IMO STATE, NIGERIA: A COMPARATIVE ANALYSIS

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ABSTRACT: *This study was conducted to investigate the comparative analysis of the productivity of enterprises owned by women loan-beneficiaries and non-loan beneficiaries in Imo State, Nigeria. A representative sample was selected through a multi-stage sampling technique. Data were collected through the use of two sets of structured questionnaire and analyzed using descriptive statistics and total factor productivity. A total of 151 (comprising of 80 loan beneficiaries and 71 non-beneficiaries) respondents were selected for the study. The results showed that the enterprise with the highest total factor productivity is the most productive and that access to credit enables loan beneficiaries in the procurement and purchase of inputs, tools and equipment needed to improve their businesses. Increment in funds invested in the business enterprises of these women entrepreneurs alongside reduced cost of expenses could boost the possible expansion of their enterprises.*

KEYWORDS: Comparative analysis, women, total factor productivity, Imo State.

INTRODUCTION

The role of women entrepreneurs in national development is becoming widely recognized in both developing and developed countries (Kuratko and Welsch, 1994). New research on women entrepreneurs showed their indispensable roles as farm managers and workers all over the world (Eze, 2006). Female entrepreneurs have been identified by Organization for Economic Cooperation and Development (OECD, 1997) as a major force for innovation, job creation and economic growth. In Nigeria, financing of entrepreneurial ventures is very important, as sources of finance open to entrepreneurs are many but not efficient due to bureaucracies in application, disbursement, collateral, high and exploitative interest rates needed for credit.

Akabueze (2002) stated that it would seem reasonable to expect that small businesses would grow and flourish, but the rate of business failure continues to increase because of the obstacles affecting business performance which include: lack of financial resources, lack of management experience, poor location, laws and regulations, general economic conditions, as well as critical factors such as poor infrastructure, corruption, low demand for products and services and poverty. Despite the inherent problems associated with the growth of small scale businesses, women entrepreneurs are increasingly venturing into ownership of small-scale enterprises either on their own or in partnership with male entrepreneurs (ILO, 2005). This has been made possible primarily because of ease of entry, limited access to other enterprises and lack of employment opportunities in formal sector of the economy. Also given the growth of entrepreneurship among women, understanding the social and economic factors influencing their success performance is of critical importance for

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poverty reduction. Most studies on developing economies show that the smallest firms are the least efficient, and there is evidence that both small and large firms are relatively inefficient compared to medium scale firms (Little *et al., 1987*). This directly imparts on the profits made by micro, small and medium enterprises. Entrepreneurship encourages self-employment and this has been found to have an impact in productivity growth (Chang, 2011).

Micro, small and medium enterprises sector employs about 70% of the nation's industrial sector labour force, yet it only accounts for 10 to 15% of the total industrial output while utilizing only about 30% of its installed capacity (Kadiri, 2012). Ijere (1998) believed that with the acquisition of credit, an entrepreneur can seek a better combination of resources to attain a more efficient use, discover new and cheaper products, and help in reaping economies of scale. These will help to increase income and profitability of the business which will subsequently create employment opportunities, reduce hunger and food insecurity in the economy. The entrepreneurial sector is a large and growing component of many economies, enhancing its performance will generate significant gains for the nation as a whole. No matter what an entrepreneur does, improving productivity is a significant way of ensuring success. In today's competitive business environment, doing more with fewer resources is a vital ingredient for survival. It is against this background that the study: examines the socio-economic characteristics of women loan beneficiaries and non-loan beneficiaries, compare the productivity of the enterprises owned by women loan beneficiaries and non-loan beneficiaries, and the problems women entrepreneurs encounter in the study area.

MATERIALS AND METHODS

The study was conducted in Imo state. The State was selected for this study because it has a high number of women entrepreneurs at the small and medium scale level. A representative sample was selected through a multi-stage sampling technique. The list of all the registered and approved Microfinance banks in Imo State was compiled with the help of the Central Bank of Nigeria Development Finance Office Owerri. From the compiled list of 45 Microfinance banks, proportionate sampling technique was employed in the random selection of 15 Microfinance banks from the 3Agricultural zones in the state. A list comprising of borrowers and non- borrowers was obtained from the bank credit officers of the 15 Microfinance banks. From the compiled list of beneficiaries and non-beneficiaries, a sampling frame of 225 and 180 was obtained respectively. From each of the selected institutions, 12 women entrepreneurs were selected for the study. This brings the total sample size to 180 women entrepreneurs. The non-loan beneficiaries were selected from those who were unable to access credit from the Microfinance banks. A list of borrowers from these Microfinance banks was obtained from the banks credit managers for further use. A total of 151 (comprising of 80 loan beneficiaries and 71 non-beneficiaries) valid and returned questionnaire were used for analysis in the study.

Data were analysed using descriptive statistics as well as Total factor productivity index. The TFP index is expressed as:

$$TFP = VOP/ VIE \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \text{ eqtn(1)}$$

Where TFP = Total Factor Productivity

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VOP = Value of Output Produced in Naira

VIE = Value of Inputs employed in Naira

RESULTS AND DISCUSSION

Table 1. Socio-economic characteristics of loan beneficiaries and non-loan beneficiaries in the study area.

	Loan Beneficiaries		Non- loan Beneficiaries		Pooled	
	Frequency	%	Frequency	%	Frequency	%
Age (Years)						
25-34	13	16.25	19	26.77	32	21.19
35-44	37	46.25	35	49.29	72	47.68
45-54	27	33.75	16	22.54	43	28.48
55-64	3	3.75	1	1.41	4	2.65
Mean	**41.6**		**39.4**	**40.7**		
Educational attainment						
0 (no formal education)	1	1.25	0	0	1	0.66
1-6	12	15	7	9.86	19	12.58
7-12	40	50	38	53.52	78	51.66
13-18	27	33.75	26	36.62	53	35.10
Mean	**10.5**		**11.1**		**10.7**	
Household size						
1 - 3	11	13.75	10	14.08	21	13.91
4 - 6	65	81.25	58	81.69	123	81.45
7 - 9	4	5	3	4.23	7	4.63
Mean	**5**		**5**		**5**	
Marital Status						
Single	19	23.75	16	22.53	35	23.17
Married	61	76.25	55	77.46	116	76.82
Business Experience						
1-5	8	10	9	12.67	17	11.26
6-10	23	33.75	21	29.57	44	29.14
11-15	35	38.75	29	40.84	64	42.38
16-20	14	17.5	12	16.90	26	17.22
Mean	**12**		**11**		**11.5**	

Source: Field Survey Data, 2015

Table 1 showed that the mean age of both beneficiaries and non-beneficiaries fell within the productive age range of 42 and 39 years respectively. This indicates that respondents were middle

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aged entrepreneurs who are still physically active, vibrant, dynamic and are more likely to adopt innovations better and faster than their older counterparts (Ohajianya *et al*., 2010). The mean age from the pooled data was 40.7years which is an indication that the respondents sampled were predominantly middle aged. This age group is known to be energetic and strong and therefore expected to save and/ or borrow for investment than the old while the old depend mostly on their past savings and accumulated wealth (Ajagbe, 2012). The result shows that majority of the women are moderately educated, this is evident in their pooled mean levels of education of 10.7 years. According to Orebiyi (2000) education is an investment in human capital which is able to raise the skill of man, narrow his information gaps and increase his allocative abilities thereby leading to more productive performance. The mean household size was 5 persons which implies that women entrepreneurs spend a modest amount on feeding, clothing, hospital bills etc. Hence, by implication, they have a reasonable family labour that could help in their enterprise (Henri-Ukoha *et. al*., 2012). The Table also showed that 23.17% of the respondents were single which implies that business is not solely for the married, it is also a source of employment to the increasing population of unemployed youths since the white collar jobs are limited (Ben-chendo *et.al.* 2013). The result also supports the idea that married people have more responsibilities hence their increased need for coping strategies to financial security obligations in their households (Ikwuakam, 2013). The table further shows that the respondents were reasonably experienced. This is indicated in their mean years of experience which was found to be 12 years for loan beneficiaries and 11 years for non-loan beneficiaries. This implies that the respondents are well experienced and can therefore understand the need for credit. This could be due to the fact that their long years of experience in entrepreneurship may have exposed them to the benefits of using credit.

Productivity of Women Entrepreneurs' Enterprises

Table 2 shows the productivity of loan beneficiaries

Table 2: Estimation of the total factor productivity of women entrepreneurs' enterprises for loan beneficiaries

Enterprises	Value of Output (₦)	Value of Inputs (₦)	TFP
Crop Production	7,154,100	1,068,300	6.697
Poultry Production	96,167,250	25,624,400	3.753
Clothing & textile	23,208,000	2,027,640	11.446
Hair Dressing	12,092,400	2,521,920	4.795
Confectionaries	8,010,000	3,103,140	2.581

Source: Field Survey Data, 2015

Table 2. shows the total factor productivity measures of women entrepreneur's enterprises for loan beneficiaries. It showed that clothing and textile (11.446) has the highest total factor productivity while confectionaries (2.581) have the lowest total factor productivity. This is an indication that women entrepreneurs in clothing and textile enterprise were the most productive compared to other enterprises. As indicated earlier, the higher the total factor productivity, the more productive the enterprise is and the different enterprise types have been ranked simply on the basis of magnitude.

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This is consistent with the findings of Emenyonu et *al.* (2013) that the enterprise with the highest total factor productivity is the most productive.

Productivity of Non-Loan Beneficiaries

Table 3 shows the productivity measures for non-loan beneficiaries. Estimation of the total factor productivity of women enterprises for non-loan beneficiaries.

Table 3: Estimation of the total factor productivity of women entrepreneurs' enterprises for non-loan beneficiaries

Enterprises	Value of Output (₦)	Value of Inputs (₦)	TFP
Crop Production	1,793,000	422,400	4.245
Poultry Production	23,928,000	6,616,400	3.616
Clothing & textile	6,102,800	694,020	8.793
Hair Dressing	5,850,600	1,122,380	5.213
Confectionaries	3,228,000	962,400	3.354

Source: Field Survey Data, 2015

Table 3. shows the estimation of the total factor productivity of women entrepreneurs' enterprises for non-loan beneficiaries. The result showed that clothing and textile (8.793) has the highest total factor productivity, and the least productive enterprise is confectionaries (3.354). This indicates that women entrepreneurs in clothing and textile enterprise are more productive compared with other enterprises. The higher the total factor productivity, the more productive the enterprise is. This is consistent with the findings of Emenyonu et *al.* (2013).

Productivity Performance of Women Entrepreneurs' Enterprises

Table 4 shows the productivity performance of women entrepreneurs' enterprises

Table 4: Productivity performance of loan and non-loan beneficiaries

Enterprises	TFP (Beneficiaries)	TFP (Non-Loan Beneficiaries)
Crop Production	6.697	4.245
Poultry Production	3.753	3.616
Clothing & textile	11.446	8.793
Hair Dressing	4.795	5.213
Confectionaries	2.581	3.354

Source: Field Survey Data, 2015

Table 4 shows the productivity performance of loan and non-loan beneficiaries. This is an indication that access to credit enables loan beneficiaries in the procurement and purchase of inputs, tools and equipment needed to improve their businesses (Ugbajah and Orji 2006). On the other hand loan beneficiaries in hair dressing and confectionaries enterprises have lower productivity compared to their non-loan beneficiaries, this implies that the majority of the beneficiaries in the area used the loans either in settling debts, repairing and replacing worn outs,

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settling family/personal issues, or in settling other business issues that have long run productive effects (Tundui *et al.* 2013)

Problems and Constraints Faced by Women Entrepreneurs

Table 5 presents the percentage and frequency distribution of respondents based on the identified problems

Table 5: Percentage and frequency distribution of respondents based on the identified problems

Identified Problems	Frequency	Percentage (%)
Inadequate fund	87	57.6
Epileptic power supply	50	33.11
Instability in prices	38	25.2
Lack of training	42	27.82
Family obligation	10	6.62
Attracting customers	48	31.78
Health problems	35	23.18
Other problems	22	14.57

Source: Field Survey Data, 2015

From Table 5 over 57% of the respondents mentioned inadequate fund, 33.11% mentioned epileptic power supply and 31.78% mentioned attracting customers. If the number of persons who mentioned each problem is used as a measure of its importance, this implies that inadequate funding is the most pressing problem of the respondents. This result is in agreement with the findings of (Utomi, 1997: Ekpenyong, 1997). Other problems women entrepreneurs face include instability in prices, lack of training, health problems etc.

CONCLUSION AND RECOMMENDATION

The enterprise with the highest total factor productivity is the most productive. Moreso, access to credit enables loan beneficiaries in the procurement and purchase of inputs, tools and equipment needed to improve their businesses. Increment in funds invested in the business enterprises of these women entrepreneurs alongside reduced cost of expenses could boost the possible expansion of their enterprises.

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