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Breaking Barriers and Empowering Marginal Women Micro-Entrepreneurs
in Kampala Central Division, Uganda for Sustainable Economic Growth



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Breaking Barriers and Empowering Marginal Women Micro-Entrepreneurs in Kampala Central Division, Uganda for Sustainable Economic Growth: A Narrative Inquiry

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ABSTRACT

Purpose: This study examined urban barriers that hinder women’s micro enterprises both in starting and growing businesses in Kampala Central Division for empowerment and to examine suggestions to address the urban barriers that hinder women’s access and usage of the urban spaces for micro enterprises.

Methodology: The study utilized Lefebvre’s spatial Triad model of space theory and the Empowerment theory. The study employed a parallel mixed design that allowed the use of the survey and case study designs with several research methods that included questionnaire, observation, key informant interviews, literature review discussions, and cases. Key information was collected from five Kampala Capital City Authority (KCCA) officials and five local council leaders, who were purposively selected and 140 women entrepreneurs that participated in a survey through purposive and snowball sampling.

Findings: The study discovered, flaws and challenges that limited women from accessing the urban space to sell their items, which affected the empowerment process. The women cited limited start-up capital, high operational dues, stiff competition from other traders, difficulty in accessing the patriarchal urban space and increase in women’s workload which reduced productivity, among other challenges.

Unique Contribution to Theory, Policy and Practice: This study provides an understanding on how poor women navigate urban barriers for micro entrepreneurship in a bid to get empowered. Urban enterprise has been promoted as an important poverty alleviation tool especially amongst women who constitute the majority of the poor. The findings will be used by policy makers to design better strategies of reaching out to the poor most especially women who constitute the majority.

Keywords: *Urbanization, Women Entrepreneurs, Empowerment, Agency, Microenterprise, Patriarchy*

INTRODUCTION

Uganda's national unemployment rate is 9.2%, while the unemployment rate for youth aged 18-30 is 13.3% (UBOS, 2021). This condition has forced many vulnerable communities into micro businesses composed of 50.2% male and 49.8% female business enterprises that are characterised by the sale of food at roadside stalls, traders' markets, and verandas hawking clothes and food stuffs from place to place, while others brew and sell alcohol (UNDP, 2019). This is a clear testimony that if self-employment is improved, unemployment and poverty will reduce (Gumisiriza, 2022).

To that end, the urban population in Kampala, has almost doubled from 1.94 million in 2010 to 3.14 in 2019, 3.30 in 2020, a 5.22 percentage growth rate from 2019 (UBOS, 2019). The women micro entrepreneurs in Kampala participate in trading and services which operate in traders' markets, homes, small rented rooms, semi-permanent wooden structures, roadside booths, hawking from one place to another and street vending, to mention but a few (Esaku, 2021). Moreover, many women micro entrepreneurs are operating from their homes or non-permanent premises, which are not covered by the Census of Business Establishments (Bidandi & Williams, 2017).

Therefore, urban space is not an infinite entity, but is rather contested between different individuals, groups, and entities for ownership and/or use (Basemera, 2021). However, lack of proper planning for the urban population growth and limited working space mean that most of the urban poor especially women, live in appalling conditions (The World Bank, 2019). This condition can curtail the growth of women enterprises and transformation of gender power relations, agency, and gender equality which ultimately affects the empowerment process for urban women micro entrepreneurs in one way or the other (Kabeer, 2017). To that effect, most small businesses in Uganda fail within their early stages of operation mainly due to limited working space, undercapitalization and / or lack of proper management and business skills (UBOS, 2021).

Moreover, it is not clear how urban women negotiate their time use both at home and in urban places. What is required is to find ways of empowering women to earn a good return from their investments, be able to make decisions and operate sustainable formal business ventures. The empowerment also should extend to women negotiating with patriarchal husbands who deter them from going to the public sphere and ownership of factors of production. This therefore underscores the need to better understand how urban women micro entrepreneurs are coping as regards empowerment in emerging economies like Uganda, using Kampala as a case study.

It is also believed that urbanisation provides space for women to make choices, and action, influence women's micro enterprises, increase women's agency and empower them. Uganda's National Development Plan III (NDP III, 2020/2021-2024/25) and Vision 2040 prioritize the empowerment of women and gender equality as a means to inclusive growth and social development (Republic of Uganda, 2021). This agenda aims to increase household incomes and

improve the quality of life of Ugandans through sustainable industrialisation for inclusive growth, employment and sustainable wealth creation. This is line with sustainable development goal (SDG) 8.3b which aimed at promoting development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encouraging the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services (UNDP, 2019). This study, thus examined barriers that hinder women’s micro enterprises both in starting and growing businesses in the urban space of Kampala urban spaces and most importantly, to examine suggestions to address the urban barriers that hinder women’s micro-enterprises.

Statement of the problem

Urbanization presents numerous challenges to women including lack of access to finance (start-up capital); limited space for micro entrepreneurship; vulnerability to various crimes like theft, rape, prostitution; lack of the necessary skills; and vulnerability that emanates from weaker inheritance rights. Similarly, chronic unemployment in Uganda has forced many vulnerable urban women to join the informal sector and many are running micro businesses. These are often operated in both gazetted and un-gazetted areas ranging from roadside stalls, marketplaces, verandas of shopping malls, road pavements, as well as hawking from place to place and sometimes in “cat and mouse” interfaces with the urban authorities who generally tend to view those micro business activities as unsightly. Generally, how the urban women navigate the urban space is not well understood.

Given the women’s continuing economic and social marginalisation, literature pays little attention to how marginalised groups such as women do obtain urban spaces amidst the restrictions from the urban authorities (spatial tactics). Particularly, there is incomplete understanding of how women negotiate and manoeuvre the barriers that impede and limit their access to urban spaces. These areas have received less attention from scholars. Thus, there are enormous knowledge gaps that must be filled. It is for that reason that this study undertakes to investigate how urban women micro entrepreneurs seek empowerment within the patriarchal urban space in Kampala Central Division.

Literature review

Barriers to urban entrepreneurship

Barriers refer to circumstances or obstacles that keep people or things apart or prevent progress (Yu at al., 2021). Women in less developed countries face many more barriers to formal economic participation than those in developed countries and the situation is even worse in sub-Saharan African countries where the financial sectors are male oriented (King et al., 2020).

A number of studies, in East Africa, have recently provided gender-based evidence of both performance and under-performance of firms owned by women in terms of both sales and assets, and profits (Esaku, 2020). Notably, businesses operated by women differ in terms of size as well

as survival probabilities from enterprises owned by men (Yadav & Unni, 2016). Most women-owned enterprises in East Africa are too small to benefit from formalization alone (The UN, 2020). This is so because women in East Africa are disproportionately self-employed in informal enterprises, thus increasing their vulnerability and reducing their access to finance and services (The UN Women, 2020). Kent et al. (2022), believes that this funding gap represents a major market failure and prevents women from attaining higher levels of entrepreneurial achievement. This problem is further compounded by women entrepreneurs, mostly those in developing countries, lack the ability to save, and networks which are sources of credit and market information (Bonnet et al., 2018).

Recent studies and figures indicate similar patterns of men outpacing women in a number of ventures, even as women seem to absorb a disproportionately large share of employment cuts and suffer from less access to job opportunities in the private sector (Balachandra et al., 2019). In Rwanda, many women did not know registration procedures and overestimated the cost of registering (Esaku, 2020). Street vending and other small-scale trade make up a large proportion of women's informal enterprise in Africa. In Kenya, 63% of street vendors are women (ibid). In Tanzania, women own 60.2% of MSMEs with no employees other than the owner, and only 14% of those with five employees or more (Mori 2014). In Uganda women's enterprises are more likely to have no employees than male owned businesses (Mugabe 2014). To that effect, there is overwhelming evidence that supports under-capitalization as the greatest barrier among women entrepreneurs in developing countries (Maheshwari et al., 2022). According to Zalata et al., (2019), specific finance problems for women entrepreneurs include: lack of collateral, no credit record, assets registered in husband's name and women's inability to qualify for loans. This is due to stringent criteria applied by banks, and lack of business and management experience (Esaku, 2020).

Whereas savings are needed to protect income, act as a security for loans, and could be re-invested in the business, it has been found to have positive impact on the performance of women entrepreneurs (Bloemen-Bekx et al., 2019). On the other hand, persistent lack of capital and ability to save greatly frustrate women's entrepreneurial growth in most developing countries (Jaim, 2021).

Women's propensity for entrepreneurial growth is further limited by fewer inheritance rights, either by law or resulting from other obstacles that prevent women from realizing their economic potential (Moser, 2020). Women's limited ability to inherit business enterprises and their insecure rights to own or occupy land affect their ability to invest and contribute to Uganda's economic growth (UN, 2019). Such cultural practices not only influence gender dimensions of poverty but also create an imbalance between men and women and affect entrepreneurship (Esaku, 2020).

While many mothers become successful business-owners, the difficulties of balancing their family responsibilities with their business obligations cannot be overemphasized (King et al., 2020). This situation is compounded by societal expectations in developing countries where a woman's

primary role is to act as a wife and mother (Yadav & Unni, 2016). Such traditional practices restrict women to their maternal role and other family-bound tasks (Bonnet et al., 2019). The combination of under-capitalization and family obligations conspire to limit women's chances for growth (Babiker et al., 2017). Women lack the time for networking and education, leading to a lack of managerial skills (Maheshwari et al., 2022). Literature also supports the notion that women entrepreneurs, mostly in developing countries, face the problem of absence of capacity-building vehicles such as education as well as skills training and development which affect their success as entrepreneurs in the urban informal economy (Asgary et al., 2020).

There is also evidence to suggest that gender stereotypes often prove to be the greatest barrier for women entrepreneurs (Khan et al., 2021). Overall negative attitudes towards businesses owned by women particularly men's attitudes limit the overall performance of female-owned enterprises (Gumisiriza, 2021). Such kinds of gender stereotypes are seen as a significant obstacle to growth facing women entrepreneurs, especially for women in male-dominated sectors of business (Bonnet et al., 2019). Entrepreneurship is often perceived by the public as stereotypically masculine, a factor that works against women's credibility as business owners (Babiker, 2017). According to Terjesen (2017), such types of gender-related discrimination are often occasioned by socio-cultural factors which pose hindrances to women's entrepreneurial activity.

In Uganda, as several studies have shown, women micro entrepreneurs mostly operate in a hostile environment which is not suitable for business purposes (Esaku, 2021). Women, particularly in urban areas, are more affected because of their illiteracy, low levels of awareness and organization, degree of powerlessness or lack of political representation, deprivation, rigid social customs, religious constraints, and injustice by their counterparts (Lee et al., 2020). There is also compelling evidence to suggest that enterprises owned by women are subject to significantly more bribery extortion and harassment, than enterprises owned by men (Moser, 2020).

Bidandi and Williams, (2017), who studied women entrepreneurs in Uganda, noted that the contemporary story of female entrepreneurs in Uganda was also the story of the country's experience of recovery from civil war and its legacy of death, destruction, and fear. In explaining the rise in women's entrepreneurship, Uganda's case was unique because a veritable explosion of Ugandan-African entrepreneurship was born out of the need to survive amidst chaos" (Gumisiriza, 2021). Coupled with that challenge, was lack of business and management skills (Moser, 2020). Moser (2020), adds that businesses owned by female entrepreneurs were found to have lower growth and profit potential because they are concentrated in markets with poor demand and poor management.

METHODOLOGY

Using a parallel mixed design the study was carried out in Kampala district which is found in Central Uganda. Data was collected through qualitative interviews such as observation, key informant interviews, literature review discussions, and cases and quantitative survey using a

questionnaire. Key information was collected from Kampala Capital City Authority (KCCA) documents through documentary review, and five women leaders, who were purposively selected and 140 women entrepreneurs that participated in a survey through purposive and snowball sampling. The study adopted both quantitative and qualitative methods, which offered a more detailed understanding of the experiences of women micro entrepreneurs in regard to empowerment. The data collected were analyzed quantitatively and qualitatively for in-depth understanding of how access and use of urban spaces by women micro-entrepreneurs empowered or did not empower women.

FINDINGS AND DISCUSSIONS

	RESPONSES	PERCENTAGE
High-handedness from enforcement officers	83	29.0%
Limited start-up capital	54	18.9%
Few customers	41	14.3%
Lack of space/high rent	25	8.7%
Stiff competition/many people business	22	7.7%
High cost of commodities from source traders	20	7.0%
None	9	3.1%
High operational dues (empooza)/high taxes	8	2.8%
Long distance from home/Transport costs/poor road network/traffic jam	8	2.8%
Corruption high fees from the local leaders	7	2.4%
Others specify	5	1.7%
Limited supply of commodities from source	3	1.0%
Not applicable/Donot know	1	0.3%
Total	286	100.0%

Note: Multiple response table. Percentages and totals are based on responses

Challenges faced in the infancy stages of the business

As indicated in the contents of the table above, with regard to the main challenges that respondents faced at the start of their various businesses, the high-handedness from the KCCA enforcement officers, accounted for 29% of the total responses. The respondents retorted that their micro businesses would thrive if it was not for the high-handedness from the KCCA enforcement officers which is followed by confiscation of the traders' merchandise.

Regarding this challenge, a respondent found it quite hard to operate her business in Kampala. Asked how she managed to run her small business, a 45-year old woman said,

The main challenge is that we do not have a permanent space from where we work. Wherever we try to go, we are evicted. Many of our colleagues left business. KCCA can take you to prison while you are selling in town at any time (Joy, not real names).

Other issues mentioned included limited start-up capital and bribery (extortion), which were the same issues reported by Bressan et al (2023), who asserted that there was also compelling evidence to suggest that enterprises owned by women were subject to significantly more bribery, extortion and harassment, than enterprises owned by men. Contrary to this, Moser (2020), showed that some of the key drivers of the informal economy include the tax rate, enforcement, and inflation rate.

Additionally, 54 percent of the respondents asserted that due to limited start-up capital, the small businesses were not sufficient enough to take care of their family needs such as food, rent, and school fees for their children, and other related school costs. As such some of them had resorted to sex 'for survival' as a way of making ends meet. To that end, such women realize that their lack of status and welfare, relative to men is not due to their lack of ability, organization or effort. This finding corroborates Bressan et al (2023) who refers to such tendencies as the emotional state of disempowerment that involves lack of realization of their relative capacity arising from discriminatory practices, patriarchal tendencies and rules which give priority access to men.

Putting all of this and much more into consideration, Ho and Man, (2022) reaches the conclusion that real social change can only be brought about if the space we live in allows us the freedom to create, appropriate and play with, adding that power over space is power over life. Unfortunately, it is generally known that unlike men, women face more challenges in starting, managing and growing their enterprises as they are more likely to be impeded by a lack of the necessary capacities, skills and resources (Bressan et al, 2023, Kabeer, 2017).

Transport system and the road network.

An effective, affordable, and inclusive transport system is the engine for the development of any city (The World Bank, 2020). However, despite the efforts taken up by the government of Uganda and Kampala Capital City Authority to ensure their improvement, the existing tarmacked roads have potholes and most roads within the city are inaccessible when it rains, or vey dusty during

the dry seasons. The situation with the transport system has not only contributed to wastage of time due to traffic jams, but also negatively affected business growth as it makes it hard for some women to access or be exposed to potential markets, and it increases the cost of doing business in the city.

Whereas some women's homes were located about ten kilometres from the city centre, the cost of transport was a significant barrier to market access. On the other hand, some women who did not live far or lived within the central business, preferred walking from their areas of operation to their homes and vice versa. By avoiding the use of taxis, the women attested to saving the little earnings from their businesses.

Asked how she was managing her business amidst the increase in transport costs, a 20-year old Olivia had this to say,

In order to minimise the costs of spending money from my small business, I walk half the journey, from Ganda to Kasubi, then board from Kasubi to town and vice versa. Although it is tiring, I feel relieved to save a little money to retain my business. Transport alone if I do not calculate well, can sink all my business. (Olivia, October 2022).

Similarly, asked what compelled her to walk to and from work daily, a 51-year old said,

Unlike in the past, business nowadays is not good at all. Despite the distance from my place of residence to this area, I make sure I start walking to this place as early as possible. Thereafter, I leave town early enough in order to arrive home before sunset. This helps me to cut costs as much as possible besides taking care of my three grandchildren. (Mariam, October 2022).

Thirdly and relatedly, there was a significant acute shortage of commercial space for micro enterprises in the city as indicated above. This finding confirms what Bullough et al., (2022) study says that, women thus experience a historic difficulty in their relationship with the city and within urban spaces.

Acts of discrimination, patriarchy and sexual exploitation

More women micro entrepreneurs reported being victims of discrimination and sexual harassment by both male counterparts and prospective customers, who called the women 'prostitutes'. Another participant expressed the desire to be treated like a human being in Kampala rather than a victim on the streets. This corroborates the earlier findings by Fuchs (2018), assertion that women become victims of urban discrimination, since their exclusion from the gendered space of the city, where they are allowed only as graceful decorations, force them into a form of aphasia. Such types of gender-related discrimination are often occasioned by socio-cultural factors which pose hindrances to women's entrepreneurial activity thus affecting the empowerment process (Liu and Wu, 2022).

Doering and Wry (2022) write, women's relationship to the city is conditioned in three ways, as they are seen as an object of desire, a body for sale and a form of public exhibition.

CONCLUSIONS AND RECOMMENDATIONS

With regards to the objective of the study, the findings have indicated that women entrepreneurs encountered high handedness of Kampala Capital City Authority (KCCA) enforcement officers that confiscated their property, limited start-up-capital, discrimination and sexual harassment by both male counterparts and prospective customers, who called the women 'prostitutes'. The interviews revealed that marginality and resistance, suffering and claimed control, interpellation, and re-construction of own identities were simultaneously present in the urban spaces of Kampala. Hence on grounds of these findings, this study concludes that financial empowerment among women micro-entrepreneurs in Kampala City, Central Division, is undermined by KCCA actions. Similarly, findings from the study revealed that women cultural barriers impede financial empowerment among women micro-entrepreneurs. On the basis of the conclusions, the study provides two recommendations. First of all the local government of Kampala Capital City Authority should collaborate with other stakeholders such as Non-Governmental Organizations and financial institutions to strengthen capacity of women in business financial management. Secondly, further efforts should be made to outlaw customary/patriarchal tendencies such as discrimination and sexual harassment by both male counterparts and prospective customers.

Unique contribution of the study to theory, policy and practice.

Goal number one of the international Sustainable Development Goals (SDGs) is to end poverty by 2030, while goal number five is to achieve gender equality and empower women and girls (UN, 2015). The National Urban Policy (NUP) goal is "To promote liveable urban areas that are organized, inclusive, productive and sustainable". Urban enterprise has thus been promoted as an important poverty alleviation tool especially amongst women who constitute the majority of the poor. This study, thus examined barriers that hinder women's micro enterprises both in starting and growing businesses in the urban space of Kampala urban spaces and most importantly, to examine suggestions to address the urban barriers that hinder women's micro-enterprises.

The study will help development practitioners, Civil Society Organizations (CSOs), Non-Government Organizations (NGOs) and Community Based Organizations (CBOs) to more fully understand women's experiences and the entire process of accessing and using of patriarchal urban spaces. It will also be of use in policy formulation and decision-making by the National Urban Policy (NUP) on improving opportunities for women's participation in economic development. Additionally, the study will provide information on a comparative basis with regard to women micro entrepreneurs who had access as well as those who did not have access to urban spaces.

Based on the findings, the policy makers will then be able to design better strategies of reaching out to the poor most especially women who constitute the majority.

Additional information

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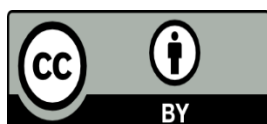
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