Sustainable Development in Post-Pandemic Africa

Effective Strategies for Resource Mobilization

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Chapter 4

Enhancing Gender-Responsive Financing in Africa

A Sustainable Development Perspective

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4 Enhancing Gender-Responsive Financing in Africa

A Sustainable Development Perspective

Akolisa Ufodike and Susanna Ally

4.1 Introduction

The informal sector is the backbone of the African economy, accounting for over 70% of employment (UN, 2020). This sector is characterized by high representation of women, low-income wages, low productivity, and poor working conditions that represent informality on the continent. A key feature of such an informal economy is the overrepresentation of micro-, small-, and medium-sized enterprises (MSMEs), with women as the predominant actors. Yet in spite of the importance of women in Africa's economy, the United Nations (UN, 2020, 2021) noted that women and girls have experienced an increase in inequality and a reversal of the progress made toward improving the social, economic, political, and health status over the last decade. This poses a challenge in realizing one of the UN's Sustainable Development Goals (SDGs) of achieving gender equality and women's empowerment: SDG 5. These challenges are further exacerbated in developing countries, including those within Africa. Ngozi Okonjo-Iweala, Director-General of the World Trade Organization, stated: "Investing in women is smart economics, and investing in girls, catching them upstream, is even smarter economics" (Mlambo-Ngcuka and Silva de Alwis, 2019). Additionally, in detailing the immediate and long-term policy shifts required for a post-pandemic global society, the UN emphasized the need to "target women and girls in all efforts to address the socio-economic impact of COVID-19" (United Nations, 2020). Thus, policymakers on the African continent must scale up interventions capable of improving well-being of women and girls.

Prior to the introduction of the SDGs, in 2000, the UN adopted the Millennium Development Goals (MDGs) as the basis for measuring development progress. While the SDGs build upon the MDGs, the SDGs are more universal, comprehensive, and interlinked, aiming to fill the MDGs' gaps and accomplish what the latter could not. By establishing 17 SDGs, the UN aims to promote more cross-sectional work between its development goals, while expanding on key areas identified in the original MDGs. One of the MDGs – MDG 3, aimed to achieve equity and fair representation for women. Conversely, the SDGs are all interconnected and collectively play a role in

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achieving gender equality and women's empowerment worldwide. The position adopted by the signatories to the SDGs is that women must play a central role in the pursuit of these ambitious goals.

This study aims to identify the challenges in achieving gender equality and women's empowerment (with a particular focus on women entrepreneurs) in the context of a more inclusive and effective financial system for women's participation in the economy. To be effective, approaches aimed at furthering the SDGs must keep in mind the interconnectedness between them. Beyond the goals of gender equality and reduced inequality, our analysis focuses on specific economic goals, such as reducing poverty (MDG 1), improving health (MDG 5), and increasing the availability of decent work and quality education (MDG 2). The present study achieves this goal by examining the challenges faced by women entrepreneurs, exploring the benefits for women and society when these barriers are eliminated, and identifying the best practices for empowering women entrepreneurs and African women in general. This chapter also highlights the importance of the private sector in promoting the key finance tools given to investors (e.g., micro- and macro-credit and finance intuitions), who are often better equipped than most African governments to deal with gender bias. This is mainly due to African governments' shifting priorities and the volatile political landscape in which they operate.

This chapter provides key insights into the barriers faced by women entrepreneurs, women's contribution in society despite these barriers, and how to best create an equitable and sustainable environment for women. Accordingly, we propose the following hypothesis: in a post-COVID-19 world, African societies that focus on empowering women and achieving gender equality by addressing the challenges experienced by women entrepreneurs will enjoy long-term benefits.

The remainder of this chapter is organized as follows. First, we present our methodology and a discussion of our research approach. Next, we present the analysis and discuss our findings, which include an evaluation of the current landscape for women empowerment, barriers faced by women entrepreneurs, benefits of women empowerment, and best practices for empowerment. The last section concludes our chapter.

4.2 Methodology and Research Approach

This study achieves its objectives by reviewing studies on the empowerment of women through entrepreneurial opportunities to create a more equal society within the African context. Our analysis is initially focused on two African Continental Free Trade Area (AfCFTA) signatory countries, Ghana and Nigeria, and subsequently incorporates information from other African countries. Additionally, we analyze studies conducted during the past two years (during the COVID-19 pandemic) to ensure relevance in the current global landscape. These studies explore access to finance as a key factor in determining the prosperity of both women and society at large, particularly in the context of gender-based bias. Given women's increased involvement in MSMEs in Africa, our findings can be reasonably extrapolated when discussing the broader goal of gender equality and women's empowerment in other developing economies with similar institutional and structural dynamics.

The analysis of these studies is complemented by a review of various global reports and assessments to examine the best practices, opportunities, and benefits associated with women's empowerment via entrepreneurship and financial opportunities. By adopting this approach, we provide a comprehensive analysis of African women entrepreneurs and their potential role in achieving the SDGs. Our analysis' main limitation is that some of the reviewed publications are dated; however, this limitation is mitigated by the fact that our findings show that the best practices presented in these publications are still applicable decades later (UN, 2021).

Our analysis of field-relevant literature primarily focuses on the experiences of women entrepreneurs within the African context to elucidate the barriers and challenges they face. First, three studies were analyzed: two from Ghana and one from Nigeria. This provided us with perspectives from both rural and urban contexts, which highlighted the differences in the experiences of urban and rural dwellers. These three case studies are among the few empirical studies that identify the challenges experienced by women entrepreneurs in Africa between 2019 and 2021, within the context of the COVID-19 pandemic and its concomitant restrictions. Prior studies focused on the amelioration of the status of women were incorporated into our analysis of the relevant benefits and/or best practices within the context of women's empowerment. Ghana and Nigeria (both signatories of the AfCFTA) were selected because they have comparable macroeconomic environments (Nigeria's GDP per capita in 2020 was USD 2,097 and Ghana's was USD 2,328 [World Bank, 2021b]) where women face structural impediments similar to those in other AfCFTA-signatory countries. Although both countries' population sizes vary considerably (Nigeria has over 200 million people and Ghana 30 million), they are both anglophone Commonwealth countries with a similar percentage of women involved in the workforce.

The first two Ghanaian studies, (S1) and (S2), were from 2019, and the third study (S3) was conducted in Nigeria in 2020. The methodologies used in these three studies included interviews and focus groups (Table 4.1).

S1 explored the challenges faced by women business owners in the Lower Manya Krobo municipality in eastern Ghana. S2 examined the disbursement of microcredit from the Sinapi aba Trust in Ghana; it focused on small collateral-free loans to borrowers who ordinarily would not have access to credit. S3 examined 130 women entrepreneurs in the Ungogo and Fagge local government regions of the Kano state in northwestern Nigeria. Additionally, we reviewed the literature on the benefits of empowering women. This includes the 2011 flagship report of the Food and Agriculture Organization (FAO) and the study by Quisumbing et al. (2014) on women in agriculture. These publications show that women farmers are at the nexus of entrepreneurial

Table 4.1 Participants' Characteristics in the Studies from Ghana and Nigeria

Study	*S1 (Boateng and Polu, 2019)*	*S2 (Kusi et al., 2019)*	*S3 (Tijani et al., 2020)*
Number of participants	50	60	130
Gender	30 women and 20 men	Women	Women
Age distribution (years)	20–30: 6 31–40: 13 41–50: 15 51–60: 9 60 and above: 7	20–29: 6 30–39: 28 40–49: 12 50–59: 8 60 and above: 6	20–30: 31 31–40: 45 41–50: 10 51–60: 10 60 and above: 4

activities in their respective locales. They provide valuable insights for closing the gender gap across disciplines, industries, and contexts in Africa.

Finally, through our analysis of the best practices and opportunities for empowering women entrepreneurs, we examined Kumar and Quisumbing's (2015) research on reform programs implemented in Africa, namely, the revised Ethiopian Family Code of 2000 and the Ethiopian Community-based Land Registration reform of 2003. We also examined a study by Nwoye (2007) who investigated the status of women entrepreneurship in Nigeria. We complement these studies with insights gleaned from research from other regions (e.g., Hallward-Driemeier and Hasan, 2012).

4.3 Analysis and Discussion

4.3.1 The Current Landscape of Women's Empowerment in Africa

Within many African societies, women are primarily responsible for household management tasks such as raising, caring for, and educating children, as well as budgeting and upkeep of the household. However, they are increasingly becoming part of the workforce. Accordingly, women are constantly juggling many priorities and must be strategic in their thinking; therefore, it is appropriate to see them as natural system-level thinkers with the ability to prioritize financial needs vis-à-vis societal obligations. Unfortunately, the poverty indices of various African countries estimate that women are overrepresented among the poor (Boateng and Poku, 2019; Madein, 2020). Similar findings have been reported in Nigeria, Congo, Tanzania, Ethiopia, and Madagascar (World Bank, 2021a).

The gender inequality challenges faced by African women are further exacerbated by the perpetuity of oppressive relations (Ufodike, 2017), which stem from discriminatory social institutions that limit women's agency. According to the Organisation for Economic Co-operation and Development (OECD, 2019), the "underlying drivers of gender inequalities, [and] discriminatory social institutions perpetuate gender gaps in development areas, such as education, employment and health, and hinder progress toward rights-based social transformation that benefits both women and men" (para. 1). In other words, gender inequality is an obstacle to societal development. This further reinforces the case for closing the gender gap.

In countries such as Nigeria and Ghana, women make up roughly half of the population and about 40–45% of the labor force (National Bureau of Statistics, 2020). According to a recent UN (2020) report, 70% of women in developing countries are employed in the informal sector; this means only about 30% are formally employed with access to decent income, job security, and development opportunities to become managers or CEOs. In Ghana, for example, approximately 80% of small businesses belong to the informal sector and most are owned by women (Boateng and Poku, 2019). In Nigeria, 53% of MSMEs are owned by women, while an estimated 60 million employees (84% of the entire workforce) work in MSMEs (National Bureau of Statistics, 2019).

Notably, three African countries have the highest proportion of women business owners: Uganda, Botswana, and Ghana at 39.6%, 38.5%, and 36.5%, respectively (Mastercard, 2021b). Yet in a global index of women entrepreneurs, no African country appears on the list of the top 20 economies favorable for women entrepreneurs (Mastercard, 2021a). This gap is particularly relevant because in Africa, women are key players, both as owners and employees, within MSMEs (International Finance Corporation, 2021). Several of these women-led businesses are within the informal sector, as many women sell food and produce, or work as hairdressers and dressmakers.

4.3.2 Barriers for Women Entrepreneurs

In Africa, women entrepreneurs face several barriers in the context of their restricted access to the economy due to societal norms. These barriers include poor access to markets, information, technology, and loans (Madein, 2020; Tijani et al., 2020). For example, in both Nigeria and Ghana, financial institutions have certain requirements that women find difficult to meet, such as providing financial collaterals (e.g., buildings or other properties) for loans. This forces them to seek alternatives to commercial banks, including loans from families and friends, moneylenders, and self-help groups. These alternatives are not always desirable, as they come with their own sets of conditions or high-interest rates. Thus, microfinance, as a wide net of financial tools and services, has become a reasonable alternative for credits, loans, and savings (Madein, 2020). However, even within the microfinance world, women entrepreneurs continually face challenges that hinder their ability to excel.

4.3.2.1 Access to Startup Capital

According to a 2017 survey on MSMEs, personal savings ranked as the most common source of startup capital for micro-enterprises and SMEs, at 67.5% and 59.3%, respectively (National Bureau of Statistics, 2019) (Table 4.2).

Table 4.2 Source of Entrepreneurs' Startup Capital

Study	*S1 (Boateng and Polu, 2019)*	*S2 (Kusi et al., 2019)*	*S3 (Tijani et al., 2020)*
Self-funded	N/A	45	85
Family and friends	32 (27 W) (5 M)	6	17
Bank	6 (0 W) (6 M)	0	8
Credit	12 (3 W) (9 M)	2	0
Moneylenders	N/A	6	N/A

Note. W = women; M = men.

S1 found that 90% of the women had obtained their initial capital from their husbands or relatives, compared with only 25% of men. The authors noted that this was because these women were often rejected by commercial banks and microfinance institutions (MFIs). Almost half (45%) of men received their startup capital from MFIs, compared with only 10% of women. Moreover, no women received funding from banks, while 30% of men did. In S2, 75% of respondents used self-funded capital, 6.67% obtained their capital from a family member or spouse, and only 3.33% used a credit supplier. In S3, only 7.3% of the women received bank loans, while the startup capital for the remaining 92.8% was sourced from their own savings or family and friends. One of the participants in S3 mentioned not wanting to owe anyone money; she was very clear about not wanting to ever borrow money and would rather save money.

4.3.2.2 Need for Collateral

In all the reviewed studies, participants highlighted collateral requirements and high-interest rates as barriers to accessing loans from formal financial institutions. The need for collateral to secure credit affects women because they rarely own property, such as houses and plots of land, which is partly due to the male-focused inheritance systems prevalent among tribes in the region (Boateng and Poku, 2019). Women are further disadvantaged in building credit and buying property due to poor market demand and lack of capital and credit. This creates a negative and unsustainable cycle.

In S2, 83.37% of the respondents agreed that access to microcredit had a positive impact on their businesses, family income, and education, even though 80% felt that the interest rate for credit was too high. These positive effects are primarily demonstrated through increased profits, stock sales, family upkeep, and support for their children's education. Regarding financial institutions' requirement of collateral, in S3, 95.3% of participants viewed access to finance as an obstacle to their business growth and startup. To counter some of these challenges, women collaborated to form associations, which can offer a range of financial services that are not readily available or accessible in the formal sector (Adenugba and Helen, 2014; Tijani et al., 2020). Another participant noted the use of Adashe and Asusu moneylenders (similar to the rotating credit and savings association system), who primarily comprise shop owners or salespeople, as an alternative to formal banking institutions. Under the Adashe system, women form a group to which they all contribute. An elected leader guides the group in determining how the money will be distributed among its members.

4.3.2.3 Lack of Education

According to Nigeria's National Bureau of Statistics (2020), men have an average of 6.6 years of total education, while women have 5.6 years of total education on average. Men having more years of education was consistent in both rural and urban environments (National Bureau of Statistics, 2020). Furthermore, "30 and 22 percent of males and females above 25 years of age report having Senior-Secondary level of education as [their] highest educational qualification" (National Bureau of Statistics, 2020, p.13). Cultural practices and lower levels of education have also been highlighted as challenges for women entrepreneurs' business growth and access to financing. With limited formal education, these challenges are exacerbated by a lack of access to technology and related skill development; in an increasingly digital world, Internet access and computer skills are basic requirements for starting a business (Taiwo et al., 2016).

63.3% (or 19 out of 30) of the women in S1 had formal education, making up 46.7% of the basic education group, while less than 20% had secondary education, and none had tertiary education. Among male respondents, 80% had formal education and 10% had tertiary education. Conversely, only 35% of the participants in S2 had formal education, with 21.6% completing middle and junior secondary school, while only 3.3% completed commercial and vocational studies. Of the S3 participants, 77.2% had formal education, with 36.4% having completed secondary education and 13.7% having completed education beyond the secondary level.

4.3.2.4 Bias and Perception

Women are typically the primary caregivers in African homes, which often results in role conflicts due to the competing demands experienced by women

Table 4.3 Level of Education

Study	*S1 (Boateng and Polu, 2019)*	*S2 (Kusi et al., 2019)*	*S3 (Tijani et al., 2020)*
Primary/middle education	22 (14 W) (8 M)	13	30
Secondary education	11 (5 W) (6 M)	2	40
Tertiary education (vocational)	2 (0 W) (2 M)	0	15
Polytechnic/university education	N/A	0	0
No education	11 (8 W) (3 M)	45	25

Note. W = women; M = men.

entrepreneurs (Taiwo et al., 2016). These conflicts affect women entrepreneurs' achievement and satisfaction. Nigerian women often cite the need for achievement and self-sufficiency as key motivators for engaging in entrepreneurial activities (Tijani, 2020). Some of the participants in the reviewed studies noted a bias in banks' treatment of women. They also reported frequent negative experiences in their interactions with the banks and often heard discouraging stories from other women or community members. In S3, interviews conducted with representatives of MFIs indicated that the criteria for loans were focused on "savings deposited by customers, the value of their collateral and the purpose of the loan" (Boateng and Poku, 2019, p. 11). Other important criteria included the lack of codified business strategies, proper expense and business plans, and insufficient data on clients as the reasons why women were not given loans.

Lastly, a society's cultural perceptions about women (independent of any clear data indicators and women's levels of success) create a barrier. Men are naturally perceived to be better at business and management, while women are seen as better suited for household responsibilities. However, Naegels et al. (2018) found that the term *entrepreneur* is perceived to be an acceptable title or profession for both men and women as opposed to being a role that is only suitable to men. In addition, research shows that financial institutions prefer women investors, as they are more cautious with their loans and have a better repayment rate than men (Kipnis, 2013). Studies have also shown that women tend to be more creditworthy than men because they have a better repayment record, work harder, and have an entrepreneurial spirit (Hulme, 1991; Kipnis, 2013; Fofana et al., 2015). The majority of the women in S3 (59.1%) were the sole proprietors of their business, while the other 41% hired personnel through services and wholesale business.

4.3.2.5 Poor Infrastructure and Regulatory Environment

In Africa, the challenges described above are aggravated by countries' poor infrastructure, their lack of proper support, and an inadequate policy and regulatory environment. Moreover, several countries lack an adequate power supply and the necessary management and training facilities to ensure successful sustainable businesses. The high cost of doing business in these countries and the fact that most women are employed in the informal sector make it difficult for women's long-term success (Taiwo et al., 2016; Madein, 2020; Tijani, 2020). In addition, the types of business activities women entrepreneurs engage in affect their ability to receive large-scale returns on their investments. This has been further exacerbated by the COVID-19 pandemic. The International Finance Corporation (2021) highlights the substantial impact of the pandemic on MSMEs in sub-Saharan Africa arguing that "the pandemic has had a disproportionate effect on women and girls" (p. 31). Particularly, women's businesses have been more deeply affected due to their business sector (informal vs. formal) and their relatively smaller size and instability, compared with men-owned businesses.

4.3.3 Benefits of the Empowerment of Women

The OECD's Social Institutions and Gender Inequality Index measures discrimination against women by social institutions, which affects them at all stages of their lives. Discrimination limits women's "access to justice, rights, and empowerment opportunities and [undermines] their agency and decision-making authority over their life choices" (OECD, 2019 para. 1.). This institutional discrimination may comprise restricted resources and assets, discriminatory family codes, restricted physical integrity, and restricted civil liberties.

This section examines the benefits of overcoming the aforementioned barriers and how they interconnect with social institutions. There are numerous benefits to empowering women economically, including improving productivity, efficiency, and outcomes for future generations, and these could also lead to the creation of a more representative decision-making process in societies worldwide (Kumar and Quisumbing, 2015). These benefits intersect in the same way that SDGs do – investment in one area leads to change in another. In addition, women tend to utilize their income for the benefit of the household and invest in children and health, whereas men tend to use less of their earnings on the household (Seguino, 2017). Therefore, increased access to funding for women will lead to improved household incomes, greater societal benefits, and better educational and health outcomes (Fofana et al., 2015; Madein, 2020). This investment alone touches on at least five or six SDGs.

4.3.3.1 Improved Outcomes for the Next Generation

There is a traditional saying among the Ohafia, an Igbo tribe in Nigeria, "Ulue nne mmadu azugbusay'afia," which translates to "the condition of one's mother's house is a major determinant of the success or failure of one's life ventures" (Ene-Obong et al, 2017, p. 1). Empowering women's economic decision-making results in better outcomes for their children, including improvements in healthcare, nutrition, education, general care, and grooming. These findings are supported by studies not just from Africa but also from Asia and Latin America (Nwoye, 2007, Seguino, 2017). Moreover, the FAO (2011) states that "increased control over income gives women a stronger bargaining position over economic decisions regarding consumption, investment and production" (p. 43). As mentioned earlier, women invest more in their families, particularly their children; they usually focus on children's health, education, clothing, and nutrition. Given that children are the most vulnerable members of society, many social safety net programs are geared specifically toward women as primary caregivers (FAO, 2011). A study from Malawi (Hazarika and Guha-Khasnobis, 2008) found that increasing women's access to credit improved children's food security. The socio-economic determinants of health are well documented in the literature, but they may also constitute health-related determinants of economic well-being. Living longer (and healthier) allows women the opportunities to be more likely to reach their potential. Simultaneously, being healthy makes women more likely to achieve their economic potential. This, in turn, leads to greater investments in the health and wellness of children.

4.3.3.2 Productivity

Women are overrepresented in unpaid production, especially in agriculture. Agriculture is the predominant production activity in rural Africa. Women participate in farming activities, while simultaneously tending to several other responsibilities, such as childcare and household upkeep. This results in multiple tradeoffs in decision-making. Thus, investing in policies and technologies that support women in agriculture can lead to increased productivity because it enables them to focus on one area (FAO, 2011).

In Burkina Faso, production of women farmers is between 20% and 40% lower (depending on the crop) than that of male farmers (Udry et al., 1995). This view is supported by Bindlish et al. (1993) who found that women farmers in Burkina Faso produced a 15% lower output than men. However, Udry et al. (1995) argued that all they needed was advice, rather than improved inputs, to increase their yields as this variance was explained by their use of lower productive inputs. Therefore, it is reasonable to assume that improving women farmers' input could increase their overall output by up to 20% (Udry et al., 1995). In Ethiopia, women-headed households produced between 35% (Tiruneh et al., 2001) and 50% less (Holden et al., 2001) than women's farms. However, these differences were explained by lower inputs in women's labor and lower access to draught animal power. Studies from Ghana (Goldstein and Udry, 2008), Kenya (Saito et al., 1994; Alene et al., 2008), Malawi (Gilbert et al., 2002), Nigeria (Oladeebo and Fajuyigbe, 2007; Adeleke et al., 2008), Cameroon (Kumase et al., 2010), Benin (Kinkingninhoun-Mêdagbé et al., 2010), Ivory Coast (Adesina and Djato, 1997), and Zimbabwe (Horrell and Krishnan, 2007) support these findings. Specifically, the cost of improving women's productivity is notional, compared with its benefits. Women face significantly more hurdles that affect their productivity, compared with men. For female agricultural entrepreneurs, improving productivity also has the effect of improving food security. While focusing on agriculture and the improvement of productivity, these studies have implications across other industrial sectors. The World Bank (2018) argues that "to accelerate and sustain an inclusive growth momentum, [African] policy makers must continue to focus on investments that foster human capital, reduce resource misallocation and boost productivity" (para. 1). This assertion is as true today as it was then. Given that women make up roughly half of the African workforce, boosting women's productivity will have a significant impact on the continent's productivity.

4.3.3.3 Poverty Alleviation

Kofi Annan, the former UN Secretary-General, described micro-credit in 2005 as:

> a critical antipoverty tool—a wise investment in human capital. When the poorest, especially women, receive credit, they become economic actors with power. Power to improve not only their own lives but, in a widening circle of impact, the lives of their families, their communities, and their nation.
>
> (para. 2)

Today, we are seeing the benefits of women's empowerment and the rise of MFIs led by women for women. Several OECD countries have implemented initiatives (led by the private sector) to close the gender gap. Companies such as The51 in Canada and Ellevest in the United States provide a variety of services for women, such as investment, training, access to capital markets, knowledge sharing, and startup funds. Within Africa, microfinance can be used as an effective and sustainable strategy for poverty reduction (Taiwo et al., 2016; Kusi et al., 2019). The thesis of this belief is that when women are given access to microcredit tools, they are able to invest in their future and lift themselves out of poverty, which has a positive effect on their households and society at large.

4.3.4 Best Practices and Opportunities for the Empowerment of Women Entrepreneurs

As was previously mentioned, the barriers identified in this study (e.g., a lack of access to capital, high-interest rates, and collateral requirements) are consistent with those identified in other studies. These barriers are further exacerbated due to women's lower access to education, gender bias, a lack of support, and an unfavorable regulatory environment. Our analysis highlights the benefits of empowering women, including increased productivity, improved outcomes for future generations, and poverty reduction. This section focuses on the best practices that correspond closely with the Ghanaian and Nigerian studies examined above.

4.3.4.1 Data Gathering

In order to make informed decisions, it is important to have the necessary data on hand. African women have been challenging gender stereotypes and contributing to African economies for several years. However, their contribution often goes unnoticed and/or unacknowledged. Thus, it is necessary to examine existing data while simultaneously creating new criteria and parameters to describe the roles that women entrepreneurs and women in general play in their societies.

Data analysis can benefit governments, people, and businesses by allowing them to make informed decisions in complex processes. Financial institutions, such as Opportunity International Savings and Loan (OISL), an MFI in Ghana, carefully analyze disaggregated data from clients and past projects to improve their future program designs. This enables companies like OISL to take into account the information gathered (and the lessons learned) while also improving the finance system for their clients, including women. Utilizing data in this way can be the first step in developing new gender-focused projects (Kipnis, 2013). OISL engages with stakeholders to develop their projects, an exchange that provides the company with impactful data. For instance, in Cambodia, a land titling project conducted a social assessment to obtain key insights into the relationship between gender inequality and land ownership; they were able to use their findings to create a program in which 78% of new land titles included both the husband and wife's names (FAO, 2011). The OISL incorporates gender-sensitive sales techniques into its programs' outreach efforts; for men, outreach focused on making a business case for getting a loan, while for women the focus was on the benefits of financial and business management on their goals. They found that women responded more favorably when these strategies were utilized. For financial institutions, it is beneficial to include gender awareness training to successfully support women-owned businesses (Kipnis, 2013).

4.3.4.2 Increased Education and Awareness

Increased education among the general population presents various benefits to society. Therefore, it is important to note women's demand for increased access to education and financial literacy training, especially for women interested or engaged in entrepreneurship (Naegels et al., 2018; Madein, 2020). Both are necessary but do not have to occur concurrently. The data show that households with higher levels of education are more likely to prioritize educating the next generation and that women with a higher chance of obtaining better jobs are more likely to prioritize education for their children (FAO, 2011).

Governments must provide incentives to encourage the enrollment of girls in secondary schools and higher education. By providing educational opportunities, women will have more employment opportunities. This could have a significant impact on other areas of society. According to the FAO's (2011) report, to increase their effectiveness, policy interventions should also target health and nutritional outcomes and programs for girls. Healthier and better-educated girls will ultimately lead to a more prosperous African society.

To address financial literacy, training and skill acquisition programs and mentorship programs have proven useful. Training and guided information should address personal financial well-being, financial statements, and updated financial standards. This could educate women entrepreneurs regarding competent guarantors, credit bureau reports, and historical financial health

(Madein, 2020). In addition, financial institutions should provide continuous training and education for entrepreneurs in the informal sector, especially those with lower levels of education. Among the topics covered for training, record-keeping, risk management, financial education, and marketing products would be especially important (Boateng and Polu, 2019). Networking is also a useful way to increase awareness and knowledge-sharing. Additionally, simplifying the various application processes (bank account, loan, etc.) and adapting it to the applicant's environment, language, and literacy level could make it more accessible.

4.3.4.3 Addressing Bias and Perception

Leitch et al. (2018) explored whether financing agencies discriminated against women entrepreneurs or whether this was an issue of perception, and found that the role of perception can have damaging effects. This may be due to men being perceived as being better at business and women being victims of bias from financial institutions which could preclude them from applying for a loan. Such bias leads to making women becoming *discouraged borrowers* (Kon and Storey, 2003); individuals who would ordinarily qualify for financial assistance but abstain for applying for it out of fear. Naegels et al. (2018) explored the perceptions of Tanzanian women seeking financing from external sources; they found that women's perceptions of institutions were more impactful than the institutions themselves in driving their behavior and that both men and women have equal opportunities to register and use assets as collateral. Their findings support the need for greater awareness-building to counter deeply rooted stereotypical thinking (Naegels et al., 2018). Addressing women entrepreneurs' perceptions and raising awareness of the challenges they face could improve their experiences in seeking financing.

Another problematic perception in many African countries, which is not readily addressed in the literature, is the belief that incurring debt is bad (Tijani et al., 2020). Naegels et al. (2018) highlighted that the low use of formal loans is demand rather than supply driven. In countries that appear averse to formal loan programs, there is a need to address this perception. By doing so, entrepreneurs could access reliable loan options that do not rely on applicants' family or spouses. This could also reduce the risk of applicants taking on high interest rate loans through moneylenders. Naegels et al. (2018) note that "policy makers will not be able to promote the use of formal loans simply by enforcing gender equality or anti-discrimination laws. Instead, they need to focus on changing entrepreneurs' perceptions and educating them" (p. 208). Entrepreneurs often make negative assumptions before they have attempted to access funding. The discrepancy between the perceptions of applicants and those of MFI personnel demonstrates the need for better education and increased awareness regarding the requirements for successful loan applications.

4.3.4.4 The Design of Attainable and Innovative Financing Programs

The literature shows a need to address the high cost of capital and interest rates for MSMEs to enable more women to engage in entrepreneurship. As recommended in S2, financial institutions can develop innovative ways of assessing creditworthiness outside of collateral security. This includes cash flow, savings group history, mobile phone transaction history, or applicants' business performance record (FAO, 2011; Kipnis, 2013; Boateng and Poku, 2019; Kusi et al., 2019). Additionally, interest rates on loans must be reasonable to encourage repayments. Given that African women typically participate in the informal market with lower levels of return, it is necessary for loan agreements to reflect the types of work they engage in (Madein, 2020).

4.3.4.5 Legal Reforms and Regulatory Changes

Strengthening African countries' bureaucratic and regulatory environments is a key factor in supporting businesswomen as legal reforms have proven effective in encouraging entrepreneurship. While acknowledging that African countries are largely patriarchal, which implies women rarely own land they can offer as collateral, it is necessary to create a legal environment that (1) secures existing benefits for women and (2) strengthens the legal framework of financing (Nwoye, 2007; Hallward-Driemeier and Hasan, 2012). The FAO (2011) examined the best practices for closing the gap in land ownership for women in agriculture. The best practices for this purpose include enacting laws and regulations to end discrimination, recognizing the importance and power of customary land rights, educating officials and evaluating them on gender equality goals, educating women regarding land rights, ensuring that women's voices are heard, adjusting bureaucratic procedures, and gathering sex-disaggregated data for policy design and monitoring.

In 2010, Kenya's new constitution removed exemptions that allowed discrimination under customary laws in family and inheritance matters. Crucial actions like these may be reinforced over time (Hallward-Driemeier and Hasan, 2012). However, it is important to consider customs related to land rights in African countries because, even if women are granted legal rights, tradition may still have precedence when it comes to land rights. Therefore, it is imperative to fully understand said customs and to work alongside community leaders in land rights policymaking to ensure that women's rights are protected (Hallward-Driemeier and Hasan, 2012). Additionally, existing traditional land use rights for divorced and widowed women should be reviewed and strengthened (Taiwo et al., 2016). Moreover, it is important to ensure that women's voices are heard, in addition to educating them regarding land rights. In Mozambique, land legislation was integrated into literacy programs, which led to an increase in land rights awareness over time (FAO, 2011). Further, Tanzanian legislation established that three out of seven members of the village land councils responsible for settling land disputes must be women (Massay, 2021).

Enacting a law that allows two names to be recorded on a land registration form can be a simple but crucial step in ensuring that women are included in legal documents (FAO, 2011; Hallward-Driemeier and Hasan, 2012). Naegels et al. (2018) showed that formal institutions (e.g., banks, government, and regulatory agencies) influence entrepreneurs' cost–benefit analyses when deciding whether to start a business, instead of seeking traditional employment (Pathak et al., 2013). A stable regulatory environment and the strict enforcement of existing regulations could support sustainable entrepreneurship and promote systemic accountability and transparency (Hallward-Driemeier and Hasan, 2012). Such a regulatory environment could be strengthened by adapting existing laws and regulations to be more accessible to the population by translating them to different languages and ensuring that they are available in various formats.

4.3.4.6 Public Policy and Cooperation

In her assessment of women entrepreneurship in Nigeria, Nwoye (2007) noted the need for cooperation and attracting investors as a development tool. This requires a macro-economic environment that is attractive to foreign corporations and investors. Having access to the expertise of investors and/or development of finance institutions will assist women in gaining the necessary knowledge and skills to run their own businesses. This could enable them to develop a business plan, build capital, or share ideas and expertise. It could also provide them with access to mentorship, networking opportunities, and financial and economic training programs and activities through women's and nonprofit organizations. Seguino (2017) found that the Gender Equitable Local Development (GELD) program of the UN Women and UNCDF, which was implemented in five African countries – Mozambique, Rwanda, Senegal, Sierra Leone, and Tanzania - was effective. However, this was an external grant program and not the result of public policy. An employer of last resort or rural job guarantee programs (India), gender-responsive budgeting (Ecuador Nepal, Cambodia), and social spending programs (Brazil and Mexico) are all examples of gender-equitable policies and public spending initiatives that African governments can emulate (Seguino, 2017). Furthermore, African countries should implement policies to attract private and alternative financial institutions, to provide African women entrepreneurs with access to the financial support, financial literacy training, and capital they require.

4.4 Conclusions

This is an opportune time for reflection and action, as we are fast approaching the halfway mark of the 2030 target to achieve the SDGs of equity and fair representation for women. The fact that we are seven years into the 15-year schedule with little to show for it should bring a sense of urgency to all societies, particularly those in Africa, which stand to benefit significantly from women's empowerment.

We posit that although the SDGs and the prioritization of gender issues are laudable efforts, progress on women's empowerment in Africa remains unimpressive. It is evident that Africa taking its rightful place in the comity of nations depends on African women fulfilling their potential and contributing to Africa's productivity. A myriad of challenges continues to impede women, especially women entrepreneurs, from achieving their potential. However, there are numerous programs that have proven effective (both within Africa and in other continents) that could be implemented to help Africa make progress toward SDG 5.

In Africa, the economic barriers faced by women are amplified. However, various opportunities for alternative financing have proven to be useful in overcoming said barriers (Seguino, 2017). In a 2020 interview, Wamkele Mene, the Secretary-General of the AfCFTA Secretariat, stated that "women must benefit from the implementation of this agreement, otherwise it will have failed" (Ighobor, 2020, para. 3). In AfCFTA-signatory countries, government-led initiatives will be critical to allow private sector programs to have a meaningful impact in the network and to adequately include and benefit women. These countries, which are aspiring capitalist economies, have significant government oversight systems, which could allow them to implement a networked accountability framework (Ufodike et al., 2021) to ensure that all actors are held accountable for their deliverables. Our analysis has practical implications for policymakers, as it could provide them with a better understanding of the gender gap to implement effective programs to address it. Highlighting the importance of the private sector in promoting gender-responsive financing is both beneficial and relevant, as these institutions may be better equipped to deal with gender bias, compared with most African governments, which often have volatile and shifting priorities. African leaders and policymakers must act with a sense of urgency, as the 17 SDGs and their associated 169 targets are only a few years away.

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