Women find it hard to sustain tourism businesses in Ghana and Nigeria. Here's why

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Entrepreneurship can empower women economically, transform their lives socially and boost their contribution to their households. This is particularly important in sub-Saharan Africa, where unemployment rates are high and women are often excluded from the formal economy. Yet research shows that the proportion of women entrepreneurs who are successful is lower than the comparable figure for men. This is because of barriers to women reaching their potential.

Capital, family roles and stereotypes hinder women in business. Wikimedia Commons

We looked at how collaborative networks affected the ability of women to participate in tourism in Nigeria and Ghana. We also looked at what role policy could play in reducing the barriers to their success in the sector. We chose tourism because it is a relatively accessible route to entrepreneurship.

Ghana and Nigeria have established themselves as tourism destinations in West Africa. Numbers of tourists and income from tourism have been growing, and making an impact on Gross Domestic Product (GDP) and jobs. In Ghana tourism contributes
5.5% to GDP, and in Nigeria the contribution is 5% to GDP.

Gender inequality is apparent in tourism: males dominate managerial and supervisory positions and females usually have a lower status. The dominance also permeates the entire entrepreneurial landscape. In Ghana, about 53.6% of all businesses are owned by males and 46.4% by females. Similarly, in Nigeria, females own only about 40% of all businesses.

Although the 2018 Mastercard Index of Women's Entrepreneurship report suggests that women's activity in business is growing in Ghana and Nigeria, the businesses are often small in scale or don't survive.

The main barrier we identified was that women's efforts to build a business were often interrupted by family caring roles. Other barriers included workplace discrimination, stereotyping and promotion inequities.

Women are the most affected by the challenges of development. When business opportunities are created for them, they have more power to deal with those challenges and get closer to the Sustainable Development Goals. If policymakers understand the issues that confront women in business, they can craft policies and strategies that create a more enabling environment.

The problem

We set out to understand women's entrepreneurial experiences in tourism in Ghana and Nigeria, the two largest economies in West Africa. Nigeria is also the largest in Africa. The aim was to provide insights to inform practical interventions that could help women involved in tourism and hospitality-related businesses.

We surveyed 600 women entrepreneurs in Ghana – in Accra and Cape Coast – and in Lagos, Nigeria. We interviewed 40 of them to understand the challenges and constraints that affected their ability to engage in tourism. We also wanted to know what skills, support mechanisms and resources – both human and capital – they needed to enhance their success.

We captured a cross-section of women entrepreneurs who owned businesses of varying sizes. These ranged from micro to small and medium tourism enterprises. They operated in different sub-sectors including accommodation, food and beverages, catering, tour and travel agents, local transport and souvenirs.

The women identified access to capital as a major barrier. This was both at start-up and for expansion. They said they lacked collateral to secure funding from financial institutions. As a result, they relied on their personal savings, family and friends to start up or expand their business. This might explain the dominance of micro and small enterprises among the women we contacted.

They were also constrained by the fact that their businesses were small. This meant they couldn't make major inroads into markets. They didn't get much support from state agencies and industry associations in terms of mentoring, coaching and business registration. Cooperation and communication between different professional industry associations and government was limited.

Deep-rooted societal and cultural perceptions coupled with the competing demands of their household duties as women also represented a challenge. This was particularly true for those in the hotel and restaurant industries. In some instances, operating businesses in these sub-sectors resulted in stress and even the breakdown of marriages.

Next steps

The governments of Nigeria and Ghana, through their various agencies and departments, could take a number of initiatives to help women entrepreneurs.

For example, they should set up special business advisory and support units targeted at women entrepreneurs. These should focus on providing skills and entrepreneurial know-how such as business registration and legal advice.

Support services like this would go a long way to enhance women's capacity.

Financial institutions could also do more. For example, they could lower their demands on collateral for women entrepreneurs. This could be a part of special financial products and packages developed for women entrepreneurs only.

Women tourism entrepreneurs could form collaborative learning networks. Through these they could pull their resources together to produce collateral required to secure capital from the financial institutions and to enhance their capacity and capabilities. They should also take advantage of organisations that provide support. For example, women tourism entrepreneurs in Nigeria can take advantage of the US State Department led Academy for Women Entrepreneurs. Those in Ghana could make use of the Business Challenge Advocacy Fund sponsored by the Danish government, USAID, and the EU to build the capacity of the women entrepreneurs.

Finally, gender-based organisations and research institutions should lobby governments to introduce incentives for women entrepreneurs.

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