

**EXPLORING THE CIRCUMSTANCES OF WOMEN INVOLVED
IN MICROFINANCE IN GABORONE, BOTSWANA**

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of
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by
ERIN MCNEILLY

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ABSTRACT

EXPLORING THE CIRCUMSTANCES OF WOMEN INVOLVED IN MICROFINANCE IN GABORONE, BOTSWANA

Erin McNeilly
University of Guelph 2008

Advisors
Dr. R. Sylvain & Dr. A. Hovorka

Botswana is one of Africa's success stories of economic development. This study examines the circumstances and experiences of women involved with Women's Finance House, a microcredit lending project in Gaborone, Botswana. It is an exploratory study based on three months of fieldwork from May to August 2007.

Microfinance has been widely employed as a useful development strategy to improve women's economic wellbeing. In Botswana, microfinance has gained popularity in order to diversify the economy, which is currently dominated by diamond mining and beef exports. It is also important for encouraging a self-reliant population in Botswana. In addition, microfinance is a tool for empowerment through which women can meet practical and strategic gendered needs.

Botswana women face opportunities and obstacles to income-generating activities in Gaborone. Gender inequality, inaccessibility to resources, and the crisis of HIV/AIDS impede women entrepreneurs' income earning potential. In concluding this research, the difficulty in differentiating between practical and strategic gendered needs is discussed. In addition, whether or not the microcredit project meets the needs of Botswana women is explored. The role of microfinance as a development approach to empower women in Botswana through capacity building is also examined.

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I dedicate this research project to my family.

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Chapter One

1.0 Introduction

Botswana is one of Africa's success stories of development. Since independence, the country has benefited from political stability, sound economic management, and prudent financial policies, unlike any other African country. Development is multifaceted and is interpreted differently in certain contexts. For the purpose of this study, development pertains to growth of the economy. Economic development is measured in terms of increased employment opportunities, rises in income, and the improvement of human development indicators such as improvements in human quality of life, healthcare, education, choice, and environmental sustainability. Economic development traditionally means developing the economy; however, economic development does not always guarantee human development. Export levels may rise and import levels may fall, improving a country's balance-of-payments and overall economic development. While big corporations benefit from this economic development, the result for the average person is often dramatic increases in the cost of food. Consequently, improvements to macroeconomic indicators do not always translate into improvements to human wellbeing, the enhancement of capabilities, or empowerment. Economic development can actually cause poverty.

Poverty is twofold: income poverty refers to a lack of income required for basic food and non-food needs (e.g., clothing and housing) whereas human poverty refers to capability deprivation (e.g., access to education and lack of opportunities in the job market). Combating income poverty means achieving practical needs of individuals.

These practical needs are straightforward to identify because they are tangible deficiencies in living standards. Alternatively, contending with human poverty means acquiring strategic needs of individuals. Strategic needs are more difficult to identify because they are imbedded within existing structures. While Botswana is recognized as a success in economic development, individuals within the country still possess practical and strategic needs.

Botswana has one of the highest rates of per capita income growth in the world and yet women's contributions and achievements remain largely invisible. Women tend to hold marginal positions in the formal labour market and are often employed on an irregular basis. In the informal market, women constitute the primary labour force working as seamstresses; collecting firewood; selling food, goods and clothing in the market; and cooking food. Many of these activities remain unnoticed, are often unpaid and unrecognized, and their contributions are not reflected in the country's GDP. Their work is invisible largely because it is unmonitored by tax collectors and government authorities and in the context of households and family-run enterprises, women work is undervalued as domestic duties rather than productive work. One key to bringing to light women's contributions is to reveal the experiences, opportunities, and constraints of entrepreneurship and microfinance initiatives for women in Botswana. This study will focus on the role of entrepreneurship in Southern African development and the role that women play in this area of the economy as vehicles of development. Women are most likely to be disadvantaged and discriminated against; hence gender-blind development initiatives rarely benefit women in the same way as men and many times women experience the negative impacts. Studies that focus on Botswana's entrepreneurial

activities are scarce and while research that takes a gender sensitive or gender aware approach, known as Women in Development (WID) or Gender and Development (GAD), are recognized for improving women's wellbeing in development strategies, there are minimal studies on Batswana women entrepreneurial activities.

Entrepreneurship is an essential component of economic development processes. David Fick says, "entrepreneurs are the engine that get the economic trains moving" (2001). Accordingly, past studies have examined the role of entrepreneurship in economic development; however, much of this research has stemmed from Europe and other Western societies and has not specifically focused on African entrepreneurship (Fick 2001; Spring and McDade 1998). Many researchers and development agencies are increasingly promoting entrepreneurial activities to diversify economic activity and encourage people to engage in income-generating activities that may improve their circumstances (ILO as cited in Van der Wees and Romijn 1995). Some researchers argue African economic development cannot occur without entrepreneurial activity (Spring and McDade 1998). Entrepreneurship is crucial to economic development because this form of employment caters to poor and disadvantaged populations (ILO 2000 as cited in Duncombe and Heeks 2002). This income-generating initiative has the most direct relationship to poverty alleviation of all enterprise types (Duncombe and Heeks 2002).

Women already play a significant role in directly fueling economic development and microfinance initiatives are capitalizing on women's existing strategies and roles. This is evident in how African women play a key role in food supply to inhabitants of large cities (Aspaas 1998; Horn 1998; Horn 1994; Kiteme 1992; Robertson 1997; Spring 2002; Perez et al 2002). Additionally, women are largely represented the trading market

and provide the connection between production and consumption (Perez et al 2002). Microfinance has been widely accepted and applied in Third World development strategies since the 1970s. It can contribute to empowering women through encouraging their economic activities by providing financial support such as small loans (microcredit) and savings. This approach stems from WID in that it assumes increased economic participation of women can empower them to ultimately achieve gender equality. But microfinancing has complex effects on the empowerment of women (Kabeer 2001). Microcredit programs have made a significant contribution to the economic wellbeing of women and the achievement of gender equality. At the same time women may face additional difficulties such as increased workload or added discrimination in the home and economy (Spring 2002).

This thesis examines a microfinance project, Women's Finance House Botswana, and women's entrepreneurial experiences with receiving loans and running small businesses. This exploratory case study is an example of development practices using economic activities that may contribute to women's empowerment. Theoretically, this study is grounded in feminist thought. A conceptual framework developed by Molyneux (1985) and Moser (1993) will be used to examine the opportunities and constraints of micro-financed women entrepreneurs in Botswana. Women's gender needs can be differentiated as practical gender needs and strategic gender needs. Practical needs are necessary for women to fulfill their gender role whereas strategic needs are critical for women to improve their social position and gain gender equality. The differences between these two gender needs will be discussed further in Chapter Two in order to contextualize women's empowerment.

1.1 Problem/Rationale

Many economic studies describe Botswana as one of Africa's leading lights (Acemoglu 2001; Siphambwe 2000; Tsie 1996). Yet women's contributions to the productive economy remain virtually invisible. Women's work is continuously overlooked and underappreciated for a number of reasons. First, the traditional concept of 'work' involves remuneration and continuous, full-time activity in the formal market structure. Many women's micro and small business activities are not considered work under this definition. Second, the cultural definitions of the gender division of labour often lead to women themselves underestimating the value of their economic contribution and economic wellbeing. Third, the standard definitions of 'workplace' and 'working period' consistently result in inadequate identifications of women's work. Women involved in micro or small enterprises that are home-based and performed simultaneously with domestic responsibilities are not counted in censuses as economic activity contributors (Van der Wees and Romjin 1995).

This study aims to address a gap in research, which is that women's experiences with microcredit in Southern African countries are by and large not well documented. This is alarming in view of the significant numbers of women involved in these activities. There is limited awareness that women's interests and needs have been bypassed as evident in scholars' unawareness that the industrialization process has essentially bypassed women's interests and needs (Van der Wees and Romjin 1995). In addition, scholars are critiqued for having inadequate understanding of the scope and economic significance of women's productive activities and a general underestimation of the value of women's labour in developing country contexts (Van der Wees and Romijn 1995).

This study makes a contribution to the literature on Botswana women's experiences with microcredit by exploring and examining the experiences of women entrepreneurs in Gaborone, Botswana.

Before focusing on the role of women in entrepreneurship, it is necessary to consider the geographical context and historical background of within which Botswana women operate. Botswana, a former British colony achieved independence in 1966 and was at that point rated one of the 10 poorest countries in the world, described as “weak, externally oriented and underdeveloped” (Molebatsi 1996). Being landlocked, lacking in infrastructure, skilled labour, and an educated population, few indicators pointed to potential for successful economic development. However, during the post-independence period, Botswana transformed into a fast growing economy. From 1966 to 1990, GDP per capita averaged 8.4 per cent per annum, making Botswana the fastest growing economy in the world (Hope 2002; Freeman and Lindauer 1999 as cited in Siphambe 2000). During the 1990s, GDP was more modest at approximately 3 per cent per annum (BIDPA 2004). Still, Botswana is one of only a few African economies to be classified as upper middle income by the United Nations and the World Bank (Siphambe 2000). The country moved from severe poverty to being the wealthiest nation in the Southern African region (Siphambe 2000).

Much of Botswana's economic victory is attributed to the exploitation of large diamond deposits discovered after independence (Hovorka 2004; Siphambe 2000). The mineral-led economy has afforded Botswana economic security and has laid a foundation for prolific economic development (Krüger 1994). In 1981, diamond trade accounted for 40 per cent of Botswana's total exports but in 1989 this figure had rapidly risen to a

significantly larger 80 per cent (Botswana's High Commission 2006). The country's diamond exports peaked in 1991 at a substantial \$1.4 billion US and have since declined slightly (Mogotsi 2002). However, diamonds continue to be an integral component of the country's output and revenue and are distinguishable as the most important source of national income. Botswana has emerged as the world's largest producer of diamonds, accounting for 29 per cent of world production, even surpassing Russian Federation production (Hope 1998). Diamonds contribute to 33 per cent of Botswana's GNP, 65 per cent of the state income, and 75 per cent of exports (Stone and McCall 2006).

Botswana faces challenges in diversification because the country is in close proximity to South Africa, a country possessing much of the same resources, a larger labour force, a larger domestic market, and seaports. Dependence on the diamond industry has made the economy vulnerable to South African capital and price controls (Hovorka 2004). As a result of the specialization of the economic sphere, development in other sectors such as manufacturing is limited (Good and Hughes 2002) and employment opportunities are restricted to civil service and parastatals (Hovorka 2004). Because of these restrictions, Botswana's government has pushed for entrepreneurship. Botswana's government has promoted local business development in an effort to become more economically independent, diverse, and self-sufficient (Hovorka 2004). Entrepreneurship is a key part of the government's strategy to enhance economic standings. Some researchers and development agencies have increasingly promoted micro and small enterprises (MSEs) as a strategic approach to fostering economic development. This approach results from the inability of the formal sector to create sufficient jobs from the persistent severe shortages of capital, managerial resources and skilled labour and also

from the realization that MSEs are by far the largest source of non-agricultural employment. MSEs also provide a productive opportunity for entrepreneurs and contribute to the dispersion of economic activity throughout the country (ILO 1986 as cited in Van der Wees and Romijn 1995). Economic development cannot occur without entrepreneurial activity (Spring and McDade 1998). While the government recognizes MSEs in the informal sector as a great opportunity for economic development and employment opportunities, those who participate in informal sector activities may simply consider MSEs as a survival strategy.

Women are pivotal to economic development. Both Batswana and those involved in development initiatives around the world recognize the importance of women involved in entrepreneurial activities (Awori 1995; Berger 1995; Burra et al 2005; Dessing 1990; Grameen Bank 2007; Mayoux 2005; Osirim 1996; Spring 2002; World Bank 2000). Entrepreneurs are those who have characteristics pertaining to innovation, coordination, learning-by-doing, and risk-taking (Spring and McDade 1998). A (woman) entrepreneur may be defined as “one who is able to observe the environment, identify opportunities to improve it, marshal resources and implement action to maximize those opportunities” (Van der Wees and Romjin 1995:44). Entrepreneurship is an income generating initiative that allows considerable flexibility, which is especially beneficial for women who bear the greatest burden of caregiving that traditionally prevents them from maintaining formal employment. While entrepreneurship is key for women’s personal prosperity, women are also vital to entrepreneurial activity because they pursue varied interests and contribute to diversifying the economy.

Women's varied interests are reflected in the nature of local business and entrepreneurial activities. Entrepreneurial activity common in Southern Africa is in the provision of food, in which women have long played central roles as farmers and traders. Their economic contributions lie at the root of urbanization despite their exclusion from centers of power (Sheldon 1996). Selling vegetables, for example, does not require permanent facilities, large amounts of capital, or formal network contracts (House-Midamba 1995). Another activity is manufacturing, where women are heavily involved in cottage industry textile manufacturing (McCormick 1996). Wholesale and retail trade, selling charcoal, and brewing beer are also examples of entrepreneurial activities primarily taken on by women. While beer brewing provides women with the flexibility of working in the same room as watching their children, this activity is illegal and women are sometimes arrested for doing this (House-Midamba 1995). These examples of income-generating activities illustrate the opportunities for women in small scale and local business economies; however, in the mainstream economy women are often left out. In terms of entrepreneurship, women do not differ from men in their drive and desire for economic independence and personal self-fulfillment that business ownership brings. However, the catch is that it tends to be more difficult for women than for men to pursue entrepreneurship (Taylor in Van der Wees and Romijn 1995).

The labour market in Botswana is heavily biased towards men. The studies carried out in Botswana on gender inequality have shown that women receive significantly lower wages than men and this is primarily due to the sex-based segregation of occupations (Brown 1983; Siphambwe and Thokweng-Bakwena 2001). Female employees in the labour market are, on average, better educated than their male

counterparts, yet they earn much less and suffer economically in relation to men (Siphambe and Thokweng-Bakwena 2001). If women are offered the choice and opportunity to work outside the home, they are relegated to jobs that men do not wish to perform. Because it is difficult for women to first earn an income, and second to earn an income that is comparable to men's, women are increasingly economically dependent on male household members (including husbands, fathers, and brothers). In many Botswana households, migrant labour, in the mines, for example, offers the greatest opportunity for household income generation. As a result, men migrate and women are expected to take on the responsibility of maintaining the household in their absence.

Women are expected to manage household responsibilities, regardless of whether or not the man lives at home. Because women are deemed responsible for the domestic duties of the household, their options for earning an income are limited. Though women perform vital economic and social functions (such as growing crops, raising children, caring for the ill and elderly, and maintaining small stock), these activities offer few financial rewards (Brown 1983). Women are able to contribute relatively little to a household's economic security and as a result their bargaining power is diminished. In an effort to generate income in a male-dominated economy, many women in Botswana find employment in traditionally female jobs in the informal sector. Large numbers of women work as domestics. In these jobs, women face unequal access to wealth, unfair division of labour, and unequal power relations to men. Entrepreneurial activities address some of the constraints women face in engaging in the economy by allowing flexible schedules and attend to diverse interests of women. The economy benefits as a whole from entrepreneurial activity because it increases economic independence. Accordingly,

the government of Botswana is pushing an agenda for local business development with recognition for women as key players in economic prosperity.

Women are “de facto social entrepreneurs” (Shibata and Schwart 2007). Rather than focusing on accumulating gross profit, women’s objectives are geared more towards servicing their immediate communities. Thus, women are targeted for microcredit projects. Microcredit involves the distribution of small loans aimed at improving the lives of clients and their families and/or sustaining small-scale economic activities (La Torre and Vento 2006). Stemming from microcredit is microfinance, developed from the notion that development gains momentum with the widening of services such as credit products, savings, insurance services, structured finance, and technical assistance (La Torre and Vento 2006). Traditionally, microcredit and microfinance are associated with programs that benefit clients in developing countries.

The successes of microcredit programs are often attributed to the practice of lending exclusively to women. Women have demonstrated greater achievement in repaying their loans more faithfully than men (Ruben 2007). In addition, women are considered more likely than men to make the most of their loans to improve their businesses and overall wellbeing. Men tend to spend excessively on themselves while women are more likely to spend on improving the family’s standard of living, health and education, and on household needs (Ruben 2007). Because a high percentage of the world’s poor are children, the needs of children are better met if their mothers and caregivers are assisted (Elson in Ruben 2007).

In addition to meeting practical gender needs, giving loans exclusively to women in developing countries also aids in the process of empowerment, meeting strategic

gender needs. Beyond poverty alleviation, microcredit programs address social inequity and gender injustice. Some studies confirm that women involved in microcredit are empowered by increasing their ability to control family finances and assets and become engaged in the community (Hashemi et al in Ruben 2007). The problem is that these studies are significantly underrepresented in the literature. The links between microcredit and empowerment are complex and require further consideration.

Documented experiences on the topic of women in microcredit activities are effectively nonexistent. The exceptions include India, the Philippines, and a select few Latin American countries (Van der Wees and Romijn 1995). Much research has been carried out and published on women and entrepreneurship in developed countries, notably in the United Kingdom and the United States. It is difficult to conduct research that measures the impact of microcredit on the household verses the economy, particularly because for women entrepreneurs in developing countries, “it is common to find a blending of household and business expenditures in daily practice that makes it difficult to isolate the effects of credit on their enterprise” (Berger 1995:211). Yet it is increasingly important to find ways to access this information. Women entrepreneurs form a numerically important segment of society and identifying and addressing their particular problems, hindrances, and opportunities are crucial for promoting and developing their businesses. Women are most vulnerable to the effects of unemployment and underemployment and as a result face intensified poverty that force large numbers of them to pursue survival strategies in the informal sector, namely in self-employment and microcredit activities (Van der Wees and Romijn 1995).

Microcredit schemes are not universally applicable. Different local conditions and policy environments require unique projects that take into consideration these factors. Success in microcredit is derived from flexible institutions, creative thinking, and participation by the beneficiaries (Dessing 1990). As Dessing argues, “the learning-by-doing process, in which various models are tried out and mixed, is not useless reinventing of the wheel but a necessary adaptation to local circumstances” (1990:53). Low-income urban Batswana women entrepreneurs have specific needs that must be addressed by tailored microcredit schemes.

In general, microcredit schemes have socioeconomic benefits for women. In addition to alleviating poverty and stabilizing or generating additional income, these projects improve women’s wellbeing and status within the household (Ruben 2007). Impeding the success of microcredit initiatives are several limitations of current programs. Entrepreneurship and related development programs tend to focus on the vertical expansion of individual enterprises rather than contextualizing growth within a dependable business community (Dessing 1990). Research has shown that thriving business communities are a major aspect of successful growth (Dessing 1990). In addition, discussion on entrepreneurship is limited to abstract ideas about programs and does not adequately address technical questions of training materials and courses (Dessing 1990). Where programs do consider practical help for entrepreneurs, bookkeeping is often emphasized while marketing is neglected.

Entrepreneurs in developing countries face numerous challenges. They essentially must “learn from scratch” how to operate in an economic environment and integrate a new social organization of work (Dessing 1990). Supportive networks are of

the utmost importance but such relationships take time to develop. It is not surprising then that many enterprises fail, with about a 50 per cent turnover in five years recorded in Sub-Saharan Africa (Dessing 1990). Microcredit is often heralded as an essential component for poverty alleviation and overall economic development in developing countries. While microcredit has demonstrated to be successful for overall poverty alleviation in many cases, it cannot be ignored that in several women involved in entrepreneurial activities funded by microcredit are still living in immense poverty. There is research on the economic advantages of microcredit for women; however, there is limited research specific to Botswana women. In addition, there is little research on identifying the burdens Botswana women must cope with and how microcredit schemes neglect to identify and address these issues. Consequently, women are limited in their ability to take full advantage of credit opportunities. This is not to say microcredit programs are inadequate or ineffective, instead, the limitations may be inherently contextual. This study seeks to reveal women entrepreneurs' interests and needs in Gaborone, to highlight the economic significance of women's productive activities, and to emphasize the value of women's labour in Botswana. In addition, this research aims to identify the contextual situation in which women entrepreneurs operate and to recognize and measure entrepreneurship as a tool of empowerment. Researching women's microcredit experiences in Gaborone, Botswana will add to the lacking literature on this topic.

1.2 Objectives

The main objective of this study is to explore opportunities and obstacles to

women entrepreneurs' microcredit income generating activities in Gaborone, Botswana.

In order to achieve this objective, the study will:

- (1) Describe the type and character of women's entrepreneurial activities funded by Women's Finance House;
- (2) Document women's microcredit activity experiences in Gaborone;
- (3) Identify opportunities for success and/or obstacles impeding growth, sustainability, and success of women's entrepreneurial activities;
- (4) Identify support mechanisms that could assist women entrepreneurs in mitigating the obstacles to microcredit income generating initiatives; and
- (5) Recognize and measure the role of entrepreneurship in women's empowerment.

1.3 Thesis Organization

This thesis is divided into seven chapters. Chapter One provides an overview of the research problem and outlines the research objectives. Chapter Two provides a literature review, in order to identify gaps in research and literature, and outlines the conceptual framework used in this research. Chapter Three provides a methodological overview including details on study site, research design, data collection and data analysis. Chapter Four details women's microcredit circumstances in Gaborone based on the results of the case study interviews. Chapter Five identifies opportunities and obstacles that inhibit women meeting practical and strategic gendered needs including microcredit in the context of the HIV/AIDS epidemic, accessibility and inaccessibility of resources for women entrepreneurs, and the impact of gender inequality in Botswana's

economy. Chapter Six provides an analysis and discussion on the complex links between women, microcredit and empowerment. In addition, Chapter Six discusses the complexities in measuring the success of microcredit as an empowering tool. Chapter Seven outlines theoretical and practical contributions and limitations, provides recommendations and discusses further research opportunities.

Chapter Two

Context and Conceptual Framework

2.0 Introduction

The purpose of Chapter Two is to show that the extensive literature surrounding women's entrepreneurship reveals a lack of sociological studies of women in developing countries involved in self-owned enterprises. This chapter provides the rationale for research that documents and analyzes experiences of small-scale women entrepreneurs in Gaborone, Botswana. It examines an interdisciplinary body of literature including contributions from economics, gender studies, geography, international development studies, and sociology. It addresses a practical need to understand obstacles that women entrepreneurs face in their efforts to achieve greater socioeconomic security.

This chapter is divided into seven sections. The first section offers a brief overview of the informal sector in developing countries to contextualize Botswana women in the market economy. Section two characterizes the type of research found in microcredit literature. Following this background, three challenges to women's entrepreneurship are revealed: gender inequality, resource accessibility, and HIV/AIDS in Botswana. Section three addresses the challenge of gender inequality focusing on the gendered nature of entrepreneurship and explaining the importance of a gendered perspective in the study of microcredit and local business development in Botswana. The fourth section describes women's accessibility limitations with respect to issues of education and financial support in Botswana. The fifth section contextualizes Botswana's economy within the current HIV/AIDS epidemic with a specific focus on

women. The sixth section describes women's practical and gender needs. Further, it explains the conceptual framework guiding this research. This practical and strategic needs lens is used to understand women's circumstances with microfinance. Finally, section seven details the link between microcredit and empowerment, suggesting the concept of capacity building is crucial for women to enhance their overall wellbeing.

2.1 Informal Sector

Women are over-represented in the informal sector. The informal economy is defined as “a sector consisting of small-scale economic activities characterized essentially by unregulated markets, low capital inputs, intensive labour, self-employed workers with the possibility of the help of unpaid family members and a few hired workers” (Kapunda and Mmolawa 2007:6; Moser 1994). Simply, the informal sector is established for the purpose of persons creating their own employment and generating income. Small-scale activities and enterprises are typically operated by persons working alone or with the help of unpaid family members (Berger 1995; Kapunda and Mmolawa 2007). The central concept of the informal sector is further refined by the International Labour Organization (ILO) within the framework of the World Employment Program. The informal sector is comprised of characteristics like “easy entry for new enterprises, reliance on indigenous resources, family ownership, small-scale operations, unregulated and competitive markets, labour intensive technology and informal acquired skills of workers” (Narayana et al 2007:2).

The development of the informal sector in different regions of sub-Saharan Africa was shaped in part by the colonial legacy of each particular country. In some areas

settlers dominated an economy and in others the colony relied on revenue from cheap migrant labour. The outcome was scattered markets resulting in post-independence informal economies flourishing everywhere (Narayana et al 2007). Consequently, Southern Africa (compared to other parts of Africa) had inadequate conditions for the development of full-fledged informal economies. In contrast, during the post-independence era, West Africa obtained sophisticated craft industries and market economies generally not found in Southern Africa due to this region's conjuncture of traditional socioeconomic systems and colonialism (Narayana et al 2007). There is lacking research and data on the history of informal sectors in sub-Saharan Africa. However, as Chen puts forth, "available statistics indicate that the informal economy in sub-Saharan Africa constitutes about 78 per cent of non-agricultural employment, 61 per cent of urban employment, and 93 per cent of new jobs" (in Narayana et al 2007:18).

Women are concentrated in the informal sector because of the male dominated exclusivity of the formal sector, as is the case in Botswana. Stable employment opportunities in the formal sector are scarce for women; the informal sector is considered a last remaining option. Consequently, a majority of women's entrepreneurial activities fall into micro and small-scale enterprise categories. This has the effect of disempowering women because they are typically excluded from aspects of the formal sector such as trade union representation. Moreover, women also lack employment benefits like social security, housing benefits, or severance pay (Tallontire et al 2005).

Education factors are strongly related to the informal sector for two main reasons. First, many people in African countries with low educational status tend to opt for informal and self-employment. This is comparable to what Kuhn et al (1983:3) calls

“employment of last resort”. After failing to acquire paid employment, involvement in the informal sector is considered the only remaining option. Secondly, both men and women entrepreneurs with higher levels of formal education and greater experience in business are more likely to pursue larger projects than those with lower formal education (Kapunda and Mmolawa 2007).

The role of the informal sector is important for employment creation and poverty alleviation in Botswana. Informal economic activities in Botswana are dominated by retail trade (48 per cent), followed by real estate (23 per cent), and manufacturing (17 per cent) (Narayana et al 2007). Restaurant and shebeen (bar operating out of a home) ownership, poultry farming, public transport, metal fabrication, financial intermediation, repair of household goods, hairdressing, and hawking (carrying around goods for sale) are other informal activities in Botswana. Compared to other countries in the sub-Saharan region, Botswana’s informal sector per centage of Gross Domestic Product (GDP) is relatively small (see table 2-1).

Table 2-1: Size of informal sector in 11 African countries including Botswana

Country	Informal economy as a per centage of GDP
Benin	27.3
Botswana	1.4
Burkina Faso	24.5
Chad	31.0
Ghana	31.4
Kenya	18.4
Mozambique	38.9
Niger	37.6
Senegal	33.0
Tanzania	21.5
Zambia	14.7

Source: Govt. of Botswana, CSO, Informal Sector Survey-1999/2000, ILO 2002 (Narayana et al 2007)

There are a number of reasons for the poor performance of the informal sector in Botswana. An informal sector survey conducted in 2000 identified lack of management skills, lack of physical markets, lack of credit facilities and capital equipment, transport problems, lack of raw materials, and lack of operating premises as some of the obstacles to informal economic development (Narayana et al 2007). In response, the Government of Botswana has implemented various programs including the Botswana Enterprise Development Unit (1974), the Rural Industrial Office Cadre Program (1982), Business Advisory Services (1982), the Financial Assistance Policy (1982), the Reserved Activity Policy (1982), Integrated Field Services (1987), Local Procurement Program (1997) and Citizen Entrepreneurial Development Agency in 2001 (Narayana et al 2007). The Financial Assistance Policy (FAP) was the beginning of the government's push for

entrepreneurial development and consisted of a capital grant for start up or expansion of certain economic projects. In 2001 FAP was replaced by the Citizen Entrepreneurial Development Agency (CEDA). These evolving programs address some impediments to developing a mature informal sector yet more study and improvements are necessary.

A primary function of the informal sector is to combat unemployment. In a 1996 labour force survey in Botswana, unemployment was estimated at 21.5 per cent. An additional study in 2003 estimated the unemployment rate at 23.4 per cent (Kapunda and Mmolawa 2007). Informal sector activities are adopted to try and solve problems of unemployment and poverty. Botswana's National Development Plan 5 (NDP5) formally addressed the role of self-employment and informal employment:

In the long run higher incomes for Botswana will depend on the availability of more productive work for Botswana. This means that not only formal employment must be expanded, but also that new opportunities for non-formal employment and self-employment must be provided. (Republic of Botswana, NDP5: 1980:67 as cited in Kapunda and Mmolawa 2007).

Currently, unemployment problems and poverty incidence are still at high levels, particularly among women. The national vision of Botswana is to eradicate absolute poverty and attain full employment by the year 2016 (Kapunda and Mmolawa 2007). In order for this to be realized, there is a great need to find a solution to the problem. Microcredit schemes that effectively assist women in self-employment and self-reliance can play a significant role in whatever plan is devised. Since women in Botswana are concentrated in the informal sector, understanding the characteristics of the market economy is necessary for recognizing women's opportunities and constraints in microcredit activities.

2.2 Microcredit and Current Socioeconomic Development Thought

Microcredit was created to assist the 'poorest of the poor'. The concept rests on the belief that the poor have skills that remain un-utilized or under-utilized. The poor are not living in poverty because of a lack of skills, rather the poor are a creation of the institutions and policies that surround them (La Torre and Vento 2006). Microcredit schemes are characterized by relatively small loans with a fairly short repayment period. The microcredit philosophy considers charity an inappropriate answer to poverty alleviation because it creates dependency and inhibits individual initiative to climb out of poverty. Instead, microcredit encourages individuals to be creative and self-reliant in order to combat most poverty. A component of the majority of microcredit programs is group lending, which assemble borrowers in groups of about three to five members mutually taking responsibility for each other's loans. This feature reduces the cost of lending to very small enterprises by bundling together small loans into a larger unit and provides borrowers with a support mechanism for each other that encourages participation in credit activity (Berger 1995).

There are essentially two approaches to microcredit: Financial Service Approach, "a method of diversifying the offer of financial services to financial excluded individuals" and Poverty Lending approach, "an instrument to support the development of the poorest sectors of the population" (La Torre and Vento 2006:69). Women are major beneficiaries of microcredit and are often targeted because women are one of the most vulnerable socioeconomic populations. Women's experiences with microfinance are more aligned with the Poverty Lending Approach.

In addition to these two approaches, two main strategies support microenterprises; they are loosely described as top-down and bottom-up. The top-down approach is an indirect strategy that aims to improve the business environment through facilitating price sets, government regulations and policies, and by building up infrastructure (Dessing 1990). In contrast, the bottom-up approach (considered more direct) seeks to support microenterprises by mobilizing resources with active participation of beneficiaries (Dessing 1990). Both strategies are important for successful microenterprises and finding a balance between the two complementing approaches tends to be a goal of microfinance developers.

Microcredit programs for women are typically designed to meet practical gender needs rather than strategic ones. Practical needs are met through income generation or increased earnings. The processes of microfinance or microcredit programs do not directly affect structures within households, nor do they attempt to change hierarchies within the household (Deshmukh-Ranadive 2005). In addition, another major issue in the design of microcredit programs is whether the project should adhere to existing sexual divisions of labour and “attempt to increase the efficiency and status of ‘women’s work’, or alter the existing division of labour” (Berger 1995:209).

The short-term prospects of following the existing sexual division of labour mean that many women are reached by focusing on traditional women’s occupations (e.g., sewing and selling) in which numerous women are already active. In the long run, it may be difficult to get women involved in new activities, yet it will be crucial for significant improvement of economic situations. Changes in the sexual division of labour “could be exploited for the benefit of women by strategically oriented training programs and by

opening up financial services to women” (Berger 1995:210). Microcredit initiatives require holistic approaches to target both practical and strategic gender needs.

Definitions of women entrepreneurs are plenty. For the purpose of this research, women who operate informal sector micro or small enterprises as their main occupation other than their home responsibilities constitute full-time women entrepreneurs (Awori 1995). This category is composed of women who either directly produce and market their goods or operate service and manufacturing activities. Past researchers have explored the topic of women entrepreneurs in relation to men entrepreneurs. They ask, “are women less entrepreneurial? Is their entrepreneurial talent different from that of men? Should they adopt skills men have? Should entrepreneurship development for women be promoted, and if so, how? Should this require a women-specific approach and methodology?” (Van der Wees and Romjin 1995:41-42). The importance of exploring responses to these questions is twofold: women’s interests and needs are identified in relation to men’s interests and a gendered perspective allows the identification of women-specific issues.

This research is premised on the importance of having a women-specific approach and methodology. In addition to facing the same problems of any entrepreneur, women face additional factors with negative impacts:

The underestimation of women’s economic role; gender-role stereotyping; lack of confidence in women’s entrepreneurial and managerial capabilities; limited access to vocational training, particularly for ‘nontraditional,’ high-productivity and well-paid employment and self-employment opportunities; attitudes of bank personnel and perceptions of the types of businesses owned by women; limited access to information networks; legal barriers in establishing businesses and obtaining credit; economic and technological factors that may increase the rate of labour-force participation but that relegate women to low productivity sectors; and institutional barriers limiting access to support services

provided by assistance programs. (Van der Wees and Romijn 1995:68-69).

This study specifically explores the experiences of Botswana women entrepreneurs involved in microcredit schemes because of their unique challenges exclusive to gender. In addition, it identifies several competing challenges including the over-arching problem of gender inequality in households and in the economic labour force, which feeds into issues of resource accessibility. Furthermore, women struggle to operate within the context of the serious HIV/AIDS crisis Botswana faces. The interplay of these challenges creates limitations for women entrepreneurs that must be addressed in order for success in enterprise endeavours.

2.3 Gendered Entrepreneurship

Entrepreneurship is most certainly gendered. Differences exist between men and women entrepreneurs based on different access to critical resources as well as the domestic division of labour (Aspaas 1998; Konczacki 1999; Robertson 1998; Spring 2002). Gendered power structures existing within the economy subordinate and devalue women's capabilities. Women's activities are viewed as marginal and their earning role is considered temporary and only supplemental to family income. Labour markets are such that it is assumed women employees are secondary earners and can rely on the earnings of men. This produces a tendency in African countries to attach a much lower value to activities dominated by women and much higher value to male dominated activities (Snyder 2000). Often when women participate in the labour force their extended entitlements are weakened since this is viewed as stepping outside of acceptable and normal roles for women (Elson 1999). Women's contributions have been regarded

as merely welfare service rather than respected economic endeavours (Snyder 2000). It is necessary to analyze gender in the context of local business development to capture the complex set of processes linked to power relations within the Botswana economy. This will inform women's current spaces and potential spaces for better income generation and economic independence. Currently however, women entrepreneurs in developing countries remain undervalued and the topic remains under-researched (Van der Wees and Romijn 1995).

Despite the invisible nature of women's work, women are fundamental in developing the growth economy. African women in small-scale and informal business sectors play a key role by supplying most of the food to the inhabitants of large cities and are thus crucial to economic development (Aspaas 1998; Horn 1998; Horn 1994; Kiteme 1992; Perez et al 2002; Robertson 1998; Spring 2002). Women are both food producers and traders, providing an important link between production and consumption (Perez et al 2002). However, these contributions remain largely unnoticed. The vast majority of women's economic activity in general is undervalued (Elson 1999; Snyder 2000). The gender and work relationship is profoundly divergent in Southern Africa so it is necessary to analyze women's contributions to the economy, which includes invisible work. Economists generally recognize activities that make a living as market-oriented in the productive economy. Unpaid, unmarketed caring activities are also critical for the functioning of the 'productive economy' since they reproduce the labour force that works in the productive economy (Dessing 1990; Elson 1999). These activities are not market-oriented but are considered part of the reproductive economy. Market economies operate on the basis that the burdens of the reproductive economy will be, and should be, borne

by women (Elson 1999). Women are ultimately responsible for the survival of the family and are vital to poverty alleviation because they spend considerably more proportionate income on family consumption than men (Dessing 1990). Therefore, women's contributions to both the reproductive and productive economies need to be adequately recognized.

Women are continuously excluded in the labour economy. Economists tend to approach labour markets as neutral arenas in which buyers and sellers interact (Elson 1999). However, markets are not neutral, rather they are made up of institutions which can be described as "bearers of gender" (Elson 1999:611). This is to say that there exist social stereotypes about what is "men's work" and what is "women's work". These stereotypes are not matters of individual partiality, but are inscribed in social institutions (Elson 1999). In rural areas of Southern African societies, women are the economic pillars of tradition and carry out up to 70 per cent of all the work (often the most strenuous tasks) (Dessing 1990). Southern African market economies are structured by practices, perceptions, norms, and networks that are distinctly gendered (Elson 1999). Labour markets fail to acknowledge the contributions of the reproductive economy and as a result women are either excluded from the productive economy or bear the burden of gendered divisions of labour within this economy. In South Africa, Botswana's neighbouring country, because of the gender division of labour, women are locked in traditional female roles, such as hawking, food processing, petty street trade, commercial sex work, home-based trade in alcohol and entertainment (Dessing 1990; Mahadea 2001). Generally, women's productive activities involve knitting, sewing, and crafts, which require few skills, little training, and low start-up capital, whereas men tend to

concentrate on more remunerative activities (Elson and Pearson 1997 as cited in Mahadea 2001). Men tend to take over activities that were traditionally women-specific when the work becomes mechanized or lucrative (Dessing 1990). Women are forced into smaller, less profitable trades, mainly located in the informal sector.

Women entrepreneurs also experience conflicting demands. On the one hand, their micro-enterprises are often their only means of survival, and as such, a great deal of time and effort is invested to making them successful. On the other hand, domestic responsibilities (husbands, children, and homes) require an equal amount of time and effort. It is common for women to assume most of the work in the home and give time to their families' needs without outside help (Awori 1995). Because of women's devotion to the home and family, some interpret this as a lack of attention given to business matters (Awori 1995). Women entrepreneurs' dual roles can be overwhelming and leave them at a disadvantage compared to men involved in self-owned business endeavours.

2.4 Access to Resources

Inadequate access to resources ultimately stems from gender inequality. Many microcredit programs target women because of this discrepancy. The primary objectives of microcredit lenders are threefold: to assist groups excluded from mainstream economic life (women, refugees, minorities, and the disabled) in setting up self-owned businesses in traditional trades; to assist micro-entrepreneurs in being more proficient in their current traditional activities; and to assist micro-entrepreneurs in graduating to the formal sector or set up a new small enterprise (Dessing 1990). The services provided by lenders are integral to women entrepreneurial success in terms of resource accessibility.

Women pursue entrepreneurship as a way of actively creating opportunities for themselves and overcoming obstacles stemming from gender equality. By recognizing and alleviating these obstacles, women may achieve greater entrepreneurial success.

Limited access to resources such as education and financial services continues to impede women's abilities to reach potential. Lack of education plays a key role in undermining recognition of women's work. As a result of a long history of patriarchy, women with little or no formal education have few marketable skills. This leads women to micro-enterprises in an attempt to economically contribute to the family (Osirim 1996). Lack of education hinders the success of these initiatives however (Ntseane 2000). Many poor women have difficulty completing complicated application forms and financial statements required by banks and other credit lenders (Berger 1995). One study found that of Botswana's entrepreneurs, 39 per cent have no formal education and an additional 53 per cent attended only primary school (Ntseane 2000). However, Osirim's study found that 50 per cent of the interviewees in Zimbabwe received informal education through local women's clubs and organizations. Micro and small enterprises make social contributions to development through self-improvement, enabling individuals (often poor women) to gain experience and confidence and to enhance their skills (Duncombe and Heeks 2002).

Access to financial services is also a gender-biased issue in Southern Africa (Ntseane 2000). Botswana based studies show that the vast majority of women have very limited access to the country's financial services (Bolnick 1992 as cited in Ntseane 2000). Married women do not qualify for loans from commercial banks unless husbands authorize the bank to process the loans (Ntseane 2000). With male migration to South

Africa, most women have no choice but to go into the informal business sector in order to economically contribute to household income (Ntseane 2000). Furthermore, funding assistance for women's social and economic development is obsolete. Funding for women is stereotypically aimed at sectors such as literacy, health, and fertility programs. While these initiatives require continued financial support, women would also benefit from funding directed towards enterprise training and investment in small enterprises (Shibata and Schware 2007). This type of financial backing is currently primarily reserved for male endeavours.

Micro-entrepreneurs have particular assistance needs. These needs are differentiated in three categories: (1) strategic issues; (2) administrative issues; and (3) operations and technical issues (Dessing 1990). In terms of strategic issues, micro-entrepreneurs require guidance on entrepreneurship, access to government relations, investment opportunities, access to better premises for businesses, development of negotiating skills, and advice on developing a self-assessment of needs. Administrative issues pertain to writing up contracts, sustaining financial management (including under highly inflationary conditions), maintaining administrative management, keeping sound records, direction on continuing personal management (being up to date with information on workplace standards), and assistance with credit matters (including accessing formal credit). Operations and technical issues involve support with marketing, sales, production (including trouble shooting), quality control (access to information on product standards), inventory control, customer relations, and technology (selection and use of new equipment) (Dessing 1990). With both particular and diverse needs of micro-entrepreneurs, access to tangible and intangible resources is imperative for successful

enterprises. Compared to their male counterparts, women are often limited in their access to such resources.

2.5 Botswana's HIV/AIDS Crisis in Relation to Women Entrepreneurs

Having both one of the highest HIV/AIDS prevalence rates in the world and also one of the highest rates of per capita income growth, Botswana's opportunities and constraints for socioeconomic success are left in question. One key to understanding this phenomenon lies in contextualizing Botswana's local business development within the HIV/AIDS epidemic. More specifically, it is important to study women's experiences with microfinance in the context of HIV/AIDS given potential implications arising from this particular scenario.

Women remain the engines of local business development and therefore it is important to understand how the HIV/AIDS epidemic will impact particularly women entrepreneurs. There is little understanding of how HIV/AIDS will affect entrepreneurs, namely women, despite devastating statistics of the consequences to Botswana's business development. It is necessary to focus on women and their significant relationship to HIV/AIDS because women make up 57 per cent of people living with HIV in sub-Saharan Africa (World Bank 2006). Furthermore, three quarters of young people infected are females aged 15 to 24 (World Bank 2006). The social effects of HIV/AIDS often hit women and girls hardest because the burden of caregiving rests on them (World Bank 2006). It is common for women and girls to drop out of work or school to provide this function (Grant and Palmiere 2003; Bollinger and Stover 1999; Gaffeo 2003).

Despite the material difficulties that ensue with having an HIV-infected household member, caregiving usually takes priority over work in sub-Saharan Africa (Rajaraman et al 2006). Caregiving encompasses a host of responsibilities and sacrifice on women's behalf. First, women's workload and undertaking is increased. Second, women sacrifice food and other basic essentials to give priority to their dependents. Third, women give up work opportunities to provide care. A component of caregiving is the expectation that women are to be selfless in their actions. Women caregivers are prevented from acknowledging caring for others as a burden in fear of being labeled selfish or uncaring (Phaladze and Tlou 2006). As a result of women's selflessness, it is common for women overseeing food preparation and distribution in the household to routinely sacrifice their portions for the benefit of their children. A lack of nutrition for women leads to a weakened immune system and increased susceptibility to contracting the HIV virus.

Women's economic wellbeing is also undermined by caregiving responsibilities. Caregivers frequently take extended leave or give up their jobs to care for sick family members (Rajaraman et al 2006). Moreover, caregivers sacrifice their financial independence to meet their social obligations as unpaid caregivers (Phaladze and Tlou 2006). Men do not face such costs. Caregiving reduces women's income earning capacity and makes them more economically dependent on other sources, such as men's provision (Phaladze and Tlou 2006).

Micro and small businesses provide flexibility for women entrepreneurs. Research shows that flexibility in leave and working schedules is of great benefit to AIDS-affected employees (Rajaraman et al 2006). In addition, understanding employers

in granting paid leave for ill health and caregiving is especially advantageous (Rajaraman et al 2006). Entrepreneurship provides flexibility in choice of employment and is a viable option for income earners affected by HIV/AIDS. Loans in the informal sector are generally given without much paperwork or bureaucracy and have low or non-existent interest rates (Grant and Palmiere 2003). However, loans from urban traders and moneylenders have been known to have interest rates in excess of an extortionate 100 per cent (Grant and Palmiere 2003). Both entrepreneurship and formal loans are evident in Botswana's local business sector. As entrepreneurship is considered a flexible choice of employment, the question remains then, is there an increase in entrepreneurs because of an increase in AIDS?

To better understand the impact of HIV/AIDS on income generating individuals, it is essential to consider the effects on household income. The vast majority of the literature on HIV/AIDS impacts in sub-Saharan Africa focuses on household income and the dynamics between working, caregiving, and household finances (Bollinger and Stover 1999; Greener et al 2000; Rajaraman et al 2006). Studies specific to Botswana map the effects of HIV/AIDS on household income. Several variables contribute to economic hardship. First, the medical needs of HIV-infected individuals can result in frequent unpaid leave from work and sometimes job loss. Second, there are considerable funeral costs of feeding large numbers of people for many days and direct costs for the casket and ceremony. Third, Antiretroviral treatment is unaffordable for a large majority. Finally, AIDS deaths result in both short-term and lasting economic insecurity for the household (Rajaraman et al 2006; Greener et al 2000; Bollinger and Stover 1999). The rising illness and mortality rates in Botswana due to HIV/AIDS will cause incomes of

affected households to fall and consequently poverty and income inequality will rise, leading to a poverty trap (Greener et al 2000; Gaffeo 2003). Comprehending how individuals and households are impacted by HIV/AIDS lends an understanding to entry points into entrepreneurship and local business development and how women entrepreneurs are affected by the epidemic.

2.6 Practical and Strategic Gender Needs

Gender inequality is embedded within structures and uneven power relations. Studying development through a gender lens upholds equitable methods that take cultural, traditional, and gender stereotyping into account (Shibata and Schware 2007). Often the concept of ‘gender’ is confused with only improving the status and position of women rather than men. However, the gender component to development promotes the improvement of women’s socioeconomic status in relation to and alongside men’s participation. As Shibata and Schware argue, “it [gender] is not an either-or proposition” (2007:1). A woman-centered approach is essential to analyze women’s challenges and to address their problems in a fundamental way. Yet the position of women varies depending on contexts and situations relating to class, ethnicity, race, and age. Interests of women are diverse and sometimes contradictory. Maxine Molyneux states:

Because women are positioned within their societies through a variety of different means... the interests they have as a group are similarly shaped in complex and sometimes conflicting ways. It is therefore difficult, if not impossible, to generalize about the interests of women (1985:232).

Molyneux argues that these interests be called “gender interests” instead of “women’s interests” because women are not a homogenous social category always possessing the same interests. Furthermore, she differentiates between practical and strategic gender

interests. Practical gender interests stem from women's positioning within the gender division of labour (Molyneux 1985). Alternatively, strategic gender interests arise from women's subordinate position in society (Molyneux 1985).

Caroline Moser extends Molyneux's concept of practical and strategic gender interests by identifying practical and strategic gender *needs*. She identifies them as follows:

Practical gender needs are the needs women identify in their socially accepted roles in society... Practical gender needs are a response to immediate perceived necessity, identified within a specific context. They are practical in nature and often are concerned with inadequacies in living conditions such as water provision, health care, and employment (1993:40).

Strategic gender needs are the needs women identify because of their subordination to men in their society. Strategic gender needs vary according to particular contexts. They relate to gender division of labour, power and control and may include such issues as legal rights, domestic violence, equal wages and women's control over their bodies. Meeting strategic gender needs helps women to achieve greater equality. It also changes existing roles and therefore challenges women's subordinate position (1993:39).

Practical gender needs are related to women's social roles (e.g., wife and mother) and providing for these needs improves living conditions and overall wellbeing. In contrast, strategic gender needs are related to women's social position (e.g., women's subordination to men) and by addressing these needs, women can enhance their social position through challenges to existing division of gender roles. Women are more likely to recognize their practical gender needs while identifying strategic gender needs can be more difficult. Women themselves detect practical gender needs more easily because they are usually related to inadequate living conditions or situations.

Strategic gender needs necessitate structural transformation, which may provoke negative reactions from men whose power and privileges may be threatened with

structural change. Thus, it is more difficult for women to recognize or accept having strategic gender needs, particularly if a change could impose high costs that would fail to improve their current situation (Molyneux 1985; Young 1988). As such, many development initiatives are planned to meet practical gender needs since this method tends to be safer socially and politically.

In theory, practical and strategic gender needs are differentiated. However, in practice, the distinction between the two is blurred. It is problematic to isolate practical gender needs because struggles of daily survival and material needs can develop into strategic gender needs. Moser suggests the key to addressing gender subordination is to “utilize practical gender needs as the basis on which to build a secure support base, and a means through which more strategic needs may be reached” (1993:77). While not directly confronting gender inequality, there are instances of women’s struggles to meet practical needs resulting in outcomes of women’s empowerment. Botswana women may pursue microcredit-funded initiatives in order to meet practical needs such as food provision. Yet the process may lead to confronting strategic needs as well. Women can be empowered in learning new skills, increasing community involvement, working outside the home, and networking with other business owners and organizations. In order to understand women’s circumstances with microcredit it is important to identify obstacles impeding women’s ability to secure practical and strategic needs. Ultimately, meeting these needs is the route to empowerment.

2.7 Women's Empowerment and Capacity Building

The challenges women entrepreneurs face in achieving gender inequality within a gendered labour force, limited access to resources, and the devastating impacts of HIV/AIDS can be met in part with empowerment discourse. Discourse followed through with action and women's participation in their own development completes the circle.

Empowerment is currently the most frequently used term in the dialogue on development (Deshmukh-Ranadive 2005). It is a form of meeting strategic gender needs.

Empowerment is defined as having "the right to determine choices in life and to influence the direction of change through the ability to gain control over crucial material and non-material resources" (Moser 1993:75). The empowerment approach has emerged in the last decade "less from the research of First World women, and more from the emergent feminist writings and grassroots organization experience of Third World women" (Moser 1989:1815). Diane Elson asserts, "the best way to give substance to human rights is to... liberate entrepreneurial energy..." (2002:94). On the whole, this has been the mandate of Botswana's leaders; however, gender inequity in this process has left women subordinated. Entrepreneurship can contribute to women's empowerment.

Empowerment cannot be achieved through microcredit alone. However, acquiring earnings can give women a better position in the household and community, a clearer perception of her individuality and wellbeing, and a higher "perceived contribution" to the family's economic position (Sen 1990). These changes in women's positional social status begin the process of empowerment.

Entrepreneurship is a potential way in which women may realize their capabilities. It should be noted that empowering women does not mean they are to

become a homogenous group. On the contrary, solidarity requires “overlapping consensus among people who otherwise have very different comprehensive conceptions for the good” (Nussbaum 2002:22). Women’s empowerment means the ability to make choices and an opportunity for choosing from a myriad of available choices. Building women’s capacity and realizing women’s capabilities are interrelated. Nussbaum argues that the combination of central human functional capabilities are essential for a human existence: “life, bodily health and integrity, senses, imagination and thought, emotions, practical reason, affiliation, being able to live with other species, play, and control over one’s environment” (Rai 2002:54). Recognizing opportunities for capacity building and women’s capabilities is what links practical and strategic needs together.

The capabilities approach focuses on human potential. The premise of this approach is what a woman is able to do and to be. Nussbaum states that capabilities should be pursued for each and every person. She says that capabilities inform “an intuitive idea of a life that is worthy of the dignity of the human being” (Nussbaum 2002:23). Microcredit can contribute to women’s empowerment. At first glance, microcredit assists women in acquiring income to meet basic survival needs such as food and shelter. What is more, microcredit promotes increasing women’s bargaining power, women’s agency, and women’s involvement in decision making. Women can be empowered economically by increasing access to resources and assets. Another aspect of empowerment is women’s ability to make choices and to have the means to carry out the choices. Capacity building is informed by the capabilities approach and this philosophical framework is a tool for women’s empowerment in Botswana. The framework is discussed further in Chapter Six.

Despite the barriers for women entrepreneurs, research in Botswana shows that a small number of women have been able to develop income-generating initiatives that demonstrate successful economic growth (Ntseane 2000). While the literature demonstrates that some women are successful in entrepreneurship, to date there is no research detailing the process in terms of women's business experiences and factors that contributed to their success (Ntseane 2000; Van der Wees and Romijn 1995).

Entrepreneurship is the very vehicle that has the potential to liberate women from traditional employment for women or lack of employment altogether. It is therefore necessary to specifically examine entrepreneurship in the context of Botswana's local business economy. Entrepreneurship offers flexibility and plays a significant role in the development of an economy. Thus, fostering an African entrepreneurial class has become a national priority for some countries, like Kenya (Himbara 1998) as well as Botswana (Hovorka 2004). Entrepreneurship contributes to employment creation and income generation for poor and disadvantaged populations (ILO 2000 as cited in Duncombe and Heeks 2002). It creates jobs, increases household income, and improves quality of life (Spring and McDade 1998). MSEs are fundamental to the livelihoods of hundreds of millions of poor women and men in developing countries and they have the most focused link to alleviating poverty than any other economic initiative (Duncombe and Heeks 2002:62).

This literature review included bodies of work on microfinance and microcredit, entrepreneurship, Botswana's economy in the context of HIV/AIDS, practical and strategic gendered needs as a framework, and women's empowerment and capacity building through microcredit. Review findings point to gaps in the study of women's

microcredit and entrepreneurial experiences in Southern Africa, specifically Botswana. This research will help to fill a gap in women entrepreneurial studies, particularly focusing on the most vulnerable group: the 'poorest of the poor' women in Gaborone, Botswana. Women's micro and small enterprise endeavours are largely undervalued and overlooked in current research. By examining the experiences of women entrepreneurs in Gaborone and identifying potential hindrances to their income generating efforts, this research will be able to offer recommendations to policy makers and non-governmental organizations involved in microcredit lending programs.

Chapter Three

Methodology

3.0 Introduction

Chapter Three, organized in four sections, explains the methodology used in this research, including research design, study site, data collection and data analysis.

Research design (Section 3.1) gives an overview of the general approach to this study and study site. Section 3.2 explains where in Botswana the interviews took place, describes some basic characteristics of those locations and explains why this area was chosen. The data collection (Section 3.3) section outlines methods used and procedures followed to collect both primary and secondary data for this research. The primary data segment includes details on key informant selection and characteristics of key informants. Finally, Section 3.4 describes the approach taken to analyze the data and formulate findings.

3.1 Research Design

This study comes from a grounded theory approach. According to Auerbach and Silverstein, it “allows the researcher to admit that he [or she] may not know enough to pose a specific question, or know what the right question is until he [or she] has finished collecting and analyzing the data” (2003). Grounded theory encourages the researcher to look for issues that are open and unclear. It was the original intention of the researcher to begin with a hypothesis and find data and evidence to support it. The original hypothesis was: if HIV/AIDS is a significant national crisis in Botswana, then HIV/AIDS will have an impact on local business and more specifically, women entrepreneurs in Gaborone,

Botswana. However, the data collected did not sufficiently support the initial hypothesis and so began the process of developing a question from the data that was acquired. It should be noted that although the original proposal is, by and large, irrelevant to this study, the data collected is worthwhile and useful. This study is derived from the patterns and themes that emerged from this data set. Grounded theory allows a situation where the hypothesis is formed from the data rather than before the research began (Auerbach and Silverstein, 2003). This approach aids the researcher in learning about participants' lived experiences as women entrepreneurs, and thus it is relevant for this study.

The interview is an effective tool for learning how participants come to attach certain meanings to phenomena or events (Berg 2001). This technique is helpful to understand how and what women acknowledge as hindrances that undermine their income-generating initiatives. One-on-one guided interviews consisting of a mixture of open and closed ended questions are appropriate for topics of broad nature, such as entrepreneurship. Semi-structured interviews involve predetermined questions asked in a systematic order; however, the interviewer has the freedom to digress from the prepared questions and ask probing questions to derive deeper, richer information on a given topic. In addition, it is advisable to know the audience before conducting interviews (Berg 2001). Building rapport with participants upon arriving at the field-site proved to be of utmost importance for this study. It became quickly evident that an interpreter was required to allow participants to respond in their native language.

Interviews were necessary for this research in order to acquire data on life experiences of women entrepreneurs. This data collection method was chosen in order to gain insight into women's lives, experiences, and gain understanding of opinions,

perceptions, and attitudes regarding opportunities and constraints of microcredit initiatives within the context of Gaborone. Personal observations and text (e.g., NGO pamphlets or government articles) contribute to primary interview data by validating or discrediting interviewee claims. Information stemming from the combination of interviews, observations, and literature allowed for a triangulation of data from various sources.

As this research was undertaken in a cross-cultural context where women's involvement in the formal economy is overlooked on account of emphasis placed on women's role as reproducers, there were several issues to consider before entering the field. Ethical matters were of greatest importance and this research aimed to ensure that data collection was non-exploitative and would be of practical use to participants and organizations alike. This study is premised on the fundamental commitment to advancing human welfare, knowledge and understanding, and examining cultural dynamics. The research involved human participants in order to better comprehend and alleviate women's hardship in the economic ambit. It may benefit women interviewees through the satisfaction of contributing to society through research. In addition, the research will benefit future women who will be involved in entrepreneurship activities at Women's Finance House based on the possible inclusion of information derived from the research being incorporated into their widespread policies and programs.

The power imbalances between researcher and participants were acknowledged. Research relationship between the researcher and the researched is inherently hierarchical (England 1994). Therefore, positionality was a key point to consider in research design as the researcher and interviewees often differed with regards to language, culture,

nationality, ethnic origins, and race. It was essential to consider reflexivity in the research design and data analysis stages in order to be mindful of assumptions made by both the researcher and participants and how these assumptions implicate the research and findings. As Nightengale and Cromby argue, “reflexivity requires an awareness of the researcher’s contribution to the construction of meanings throughout the research process, and an acknowledgement of the impossibility of remaining ‘outside of’ one’s subject matter while conducting research” (1999:228). Reflexivity was maintained through conscious interpretation of responses and writing and analyzing with a self-awareness of positionality.

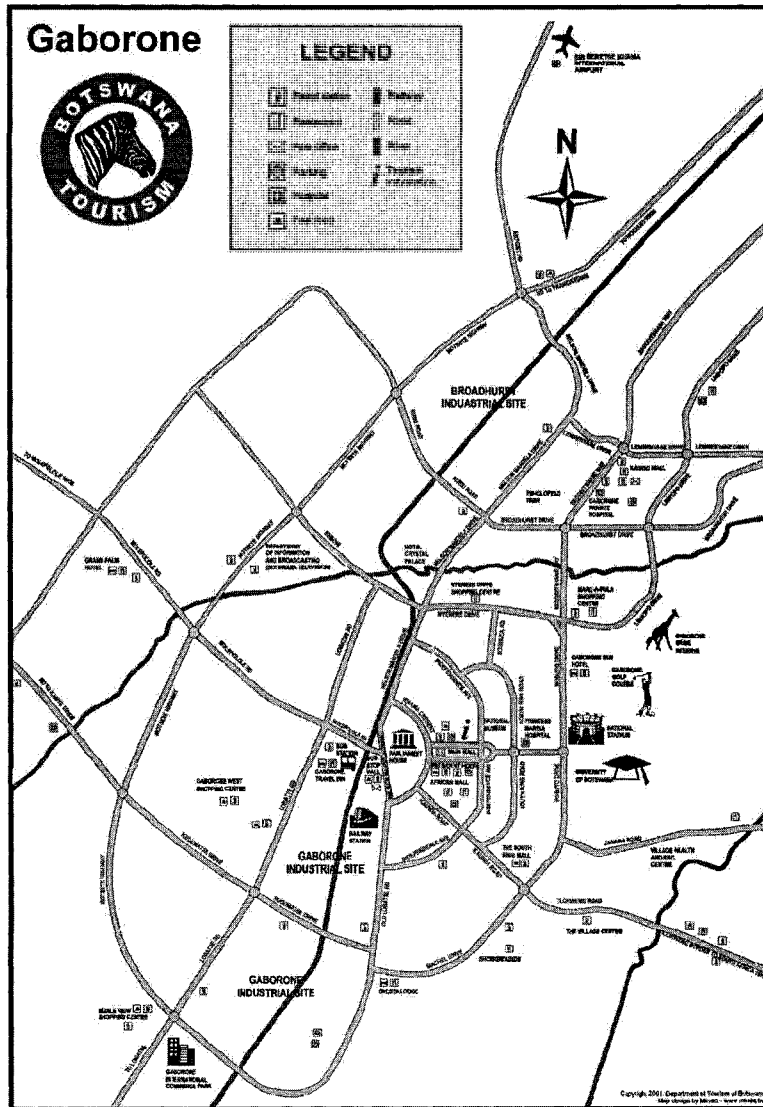
Fieldwork was necessary for this study for four main reasons; because (1) literature on Botswana in general lacks in accessibility without locating it first hand, (2) “there is a great deal of literature about women by women but there is not much academic feminist research ‘with’ and ‘for’ women” (Wolf 1996:3); similarly, sociologist Dorothy Smith believed that “the only way one can know a socially constructed world is to know it from within” (Smith 1987 in Wolf 1996:13), (3) it was important to dispel previous assumptions about life in Botswana based on the researcher’s previous experience in neighbouring sub-Saharan countries, (4) acquiring personal accounts and experiences through qualitative methods is a particularly compelling and unobtrusive way to study marginalized women.

3.2 Study Site

The research was conducted in the Greater Gaborone area (see figure 3-1) and its surrounding peri-urban areas including Mmpane, Mogoditshane and Tlokweng

(approximately 20 kilometers from the city center). Gaborone is Botswana's capital city, located nearly 25 kilometers from the South African border (see figure 3-2). The country's population is 1.6 million, 200,000 of which reside in Gaborone (CSO 2001; CIA 2006). More specifically, the study was organized around Women's Finance House, a non-governmental organization located in this city. This study site was chosen for a number of reasons. First, Women's Finance House offers microcredit funding for women's entrepreneurial activities. Second, under the auspices of Botswana's Women's Affairs Department, a research permit was granted to allow interviewee contacts with women engaged in entrepreneurial projects. Third, Gaborone is a site where the Government of Botswana promotes economic diversification and empowerment of individuals as a way of speeding up national economic development. A site immersed in local business development provided insight into the opportunities and constraints of entrepreneurship. Finally, as Botswana has high rates of population mobility, the city center of Gaborone provided a central location where many women entrepreneurs gather from Monday to Friday, increasing the accessibility of research participants.

Figure 3-1: City of Gaborone Map



Source: Government of Botswana Tourism website
http://www.botswana-tourism.gov.bw/maps/img/gaborone_map.gif

Figure 3-2: Map of Botswana in Relation to South Africa and the rest of the World



Source: <http://www.thecommonwealth.org>

3.3 Data Collection

Data collection took place between May and August 2007 and was comprised of secondary and primary sources. Phase One involved conducting secondary research and Phase Two primary research.

3.3.1 Phase One:

Establishing the context of women's entrepreneurship in Gaborone

Phase One began in Gaborone, Botswana in late May 2007 and involved three primary focal areas of secondary data collection. The first goal was to develop an understanding of national motivations and perceptions of local business development in Botswana by reading literature specific to this region inaccessible from Canada. This

was required as a crucial precursor to integration into Women's Finance House staff and loan recipients participating in the study. In order to achieve this goal, secondary research was undertaken at the government's Women's Affairs Department library, a resource center located within the women's organization called Emang Basadi and at the University of Botswana's library. Data was collected from documents including census data, academic papers, national newspapers, scholarly books, government studies and statistical yearbooks. The secondary data gathering period helped to set the stage for the primary research through the development of a knowledge base of information on women's entrepreneurship and microcredit lending in Botswana.

The second goal related to Phase One was to establish contacts and develop networks with two of Botswana's most prominent advocates for women's liberties (Women's Affairs Department and Emang Basadi). This stage was necessary in order to select the most appropriate key informants with the greatest understanding of women involved in Gaborone's local economy.

Phase one resulted in the initiation of Objective Three (identify obstacles impeding growth, sustainability, and success of women's entrepreneurial activities) and Objective Four (identify support mechanisms that could assist women entrepreneurs in mitigating the obstacles to microcredit income generating initiatives).

3.3.2 Phase Two:

Socio-economic study of gendered entrepreneurship and microcredit lending in Gaborone

Phase Two began in early June with the first key informant interview followed by women entrepreneur interviews and ended in late August with subsequent key informant interviews. This phase was comprised of primary research, including phone conversations with potential key informants, guided case study interviews, participant observation of Women's Finance House bi-weekly client meetings, observation of a Women in Business Association (WIBA) meeting, and guided key informant interviews.

Women's Finance House was chosen intentionally based on past research and preceding negotiating by advisor, Dr. Alice Hovorka. Key factors in the selection process were: (1) location (2) type of organization (3) accessibility to the researcher (4) size and (5) availability of potential interviewees, data and organizational information. An initial key informant interviewee with the general manager of Women's Finance House commenced the relationship between researcher and organization. Due to a quick turnover of staff in this organization, it was necessary to complete a second key informant interview with another staff member, the regional field officer coordinator. This interviewee was chosen based on length of employment and organizational knowledge.

Finding a suitable translator for the completion of case study interviews was essential in the early steps of the fieldwork. With the help of Professor Hovorka, Neo Lapokane, a former University of Botswana student, was pursued. After an initial meeting to discuss the research and negotiate payment, Neo became part of the research process. Neo graduated from the University of Botswana in 2005 with a degree in Environmental Sciences. She showed a particular interest in this research because she had studied gender and development projects. Neo was also previously employed by

BIDPA (Botswana Institute for Development Policy Analysis) in a research position.

She assisted the researcher with case study interviews and proved to be significant asset for navigating transportation routes.

It was vital for successful case study interviews for the translator to acquire a greater understanding of the research. Prior to entering the field, the research objectives and procedures were reviewed with Neo. In addition, each question was discussed to relay the purpose of each question. Neo was also provided with an interview schedule and list of questions to review five days prior to the first case study interview. She expressed great interest and showed enthusiasm for the research project.

Although Neo was a key contributor in facilitating communication between researcher and interviewees, there were some difficulties in working with a translator. It was particularly difficult to capture every detail and nuance of participants' responses to the questions during the interviews because the translator had difficulty asking the interviewees to break for translation time. To overcome this problem, discussions between the researcher and translator occurred after each interview to extract and clarify meanings. Relying on Neo for translations made it difficult for the researcher to get to know interviewees personally and to have the freedom to discuss the research agenda without Neo's input. As such,

Gatekeepers... who control access to research settings, participants, and information, display similarities to sponsors. [They] may require details of the research topic, aims and methods, and try to influence or exert control over research data and findings and over the activities of the researcher. (Ellen 1984:140)

Neo tried to exert control over methods of transportation and issues of payment. In addition, it was difficult to alter the research agenda or make suggestions without Neo

becoming defensive. Finally, even though Neo attempted to translate accurate responses, it was inevitable that the translated information came through the interpretation and judgment of the translator. Translation cannot be completely free from the subjectivity of the translator. The subjective interpretation of responses would not have been avoidable even if the researcher had conducted the interviews. However, there are added risks that the original meaning of information can be somehow altered in the process of translation.

Primary research involved guided case study interviews with clients of Women's Finance House who received a loan from the organization prior to 2006. Participants were also required to have been running their business prior to 2006. Women's Finance House provided a comprehensive list of 73 clients in this category operating businesses within greater Gaborone or the peri-urban centers. A random sample was set up before interviewees were contacted by phone. An interview schedule was derived from the initial list of clients by counting 6 names from the top (labeling the first person #1) and then counting 12 names from that sixth name (labeling this person #2). This pattern was repeated over and over again until the list was filled with an interview order. Interviewees were then called in order based on the schedule. If there was no initial answer the next person on the list was contacted. Due to Botswana's high rates of transience it was necessary to start the list over again to reach the desired number of research participants available to be part of the study.

Participant observation during Women's Finance House client meetings was limited due to the fact they were held in Setswana. However, the organization's field officer did offer some translation and the researcher attempted to interpret nuances of behaviour and pose questions to the accompanying field officer. In addition, there were

some occasions where clients asked questions, creating an informal dialogue between researcher and clients of Women's Finance House pertaining to entrepreneurship and microcredit lending. In total, 10 meetings were attended between three sub-groups of clients. Observation of a Women in Business Association meeting was also limited because the prominent language was Setswana. However, there were several women in attendance at this meeting who were fluent in English therefore dialogue between researcher and women entrepreneurs was more accessible. The field notes from these observations and the experience of participating in microcredit information meetings serve to add further context to the interview data and are considered supplemental.

The selection of key informant interviewees was purposive rather than random because the goal was to include participants representing different mandates, initiatives, and sizes of organizations. Attempts were made to contact a total of 20 key informants associated with different organizations. Due to inaccurate contact information or inoperative organizations, only 13 of these key informants were interviewed from 8 different locations; Women's Finance House, Women's Affairs Department, Women In Business Association, Emang Basadi, Ministry of Health, Botswana Business Coalition on AIDS, National AIDS Coordinating Agency, and AIDS Services Management.

Women's Finance House is described in detail in the subsequent section, 3.3.3. Botswana's Women's Affairs Department is a government branch under the direction of Botswana's Department of Labour and Home Affairs. It seeks to promote the status of women within Botswana society by fully integrating women in the national development process. Women's Affairs Department entails guaranteeing the welfare and representation of Botswana women in educational, socioeconomic, cultural, legislative

and legal systems. Women In Business Association was formed in the early 1990s in response to the problem that women constitute 75 per cent of small and micro-businesses yet they had no forum to meet and share ideas unique to women. The organization's purpose is to network, disseminate information and to provide business training. Emang Basadi (meaning "stand up, women") came into existence in the mid 1980's in order to lobby against laws discriminating against women in Botswana. The organization identifies cultural, social, economic, political and legal barriers that negatively affect women's participation in different areas of development and accordingly seeks legislative change. These contacts pertained to topics of gender and business development.

In addition to addressing women in the context of Botswana's economy, it was also necessary to consider the country's HIV/AIDS situation and the potential impacts the disease has on women entrepreneurs. The Ministry of Health is a government sector with several subdivisions such as the Department of AIDS Prevention and Care. The ARV program coordinator from this department was interviewed in this study. Botswana Business Coalition on AIDS was established in 1994 in order to assess how the private sector could contribute to the national HIV/AIDS response. Over 800 private sector companies are involved in implementing HIV programs in workplace environments. The National AIDS Coordinating Agency was formed in 1999 to coordinate and facilitate the nation's response to the HIV/AIDS epidemic. This organization fills the need for establishing a monitoring and evaluation system to gain better understanding of HIV/AIDS interventions in the country. AIDS Services Management is a small-scale organization equipped with counselors who disseminate HIV/AIDS information onsite at business locations, offer HIV testing, and provide pre and post HIV status follow-up

psychotherapy.

Collecting data through one-on-one key informant interviews was of the utmost importance; however, organizational pamphlets and other printed text were acquired while on site to further supplement data obtained. Purposive sampling is useful for gaining an in-depth understanding of groups, in this case organizations who assist women involved in Gaborone's local business economy. The idea is that the chosen group represents the majority types of women entrepreneur assistant programs/organizations in some manner. This research does not aim to draw conclusions about the entire nature of Gaborone's local business economy based on this sample, but rather to explain some of the processes and procedures involved in microcredit projects and local business development with relation to women.

3.3.3 Case Study Description

Case study designs are suitable for situations involving a small number of cases with a large number of variables (de Vaus 2006). This approach was appropriate for this study to understand women entrepreneurs within the context of Gaborone's local business economy. Qualitative methods such as in-depth interviews and participant observation are employed for case studies to understand the meaning and complexity of human interaction and experiences. This is particularly true in feminist research. It allows the researcher to study complex gender and identity norms that the quantitative approach tends to overlook or stereotype (William 1991).

The case study chosen for this research was Women's Finance House Botswana, a national organization that deals with financial intermediary for micro and small

businesses specific to women. In addition, the organization targets gender issues, income generation/cooperatives, legal issues/human rights, and small business management. The site was chosen with the intent of studying women receiving microcredit loans to run their businesses.

Women's Finance House was formed by a group of 6 working women in 1989. These women were working in commercial banks, for the government, and in other areas of the formal sector. They were motivated to help women in situations of poverty and hardship at the household level. The initiative targeted women because most heads of families in Botswana were (and still are) women. There is a general consensus in Botswana that "if you assist women in the family you are adding more value to the family" (WFH key informant). Women's Finance House began as a program to train women in basic and small business practices (for example, basic banking and book keeping). The women who headed the organization found over time that people wanted more than training; they wanted money to buy stocks and improve their current businesses. The next level of the organization began in 1994 when the founding women located donors who could provide financial assistance to the women being trained.

The organization seeks to assist women who have already established a business of some form (even if it is at the basic level of selling sweets on the street corner). There are two parts of Women's Finance House services: (1) savings bank account and (2) loan assistance program. Women are encouraged to save any part of their income each month. The organization gives the incentive of a 5 per cent interest rate for the saving account. Loans are provided primarily through the African Development Fund. Women's Finance House operates solely on the funds from the interest (4 per cent) charged on loans. The

organization operates with the same mandates at the Grameen Bank system established in Bangladesh in 1976 (Grameen Bank). It is a group loan system suitable for people who exist through a community-based lifestyle, in addition to being a security system in for loans repayment. Women apply in groups of 3 to 5 people and they must pay collectively, not as individuals. There are loan cycles and once women reach cycle 6, they can break free from the group and acquire individual loans. Women's Finance House reaches several women from both urban and rural areas in Gaborone and surroundings villages (up to 200 kilometers away).

3.3.4 Interviews

In order to incorporate understanding gained from a review of Botswana's entrepreneurial literature acquired during the secondary research data collection stage, interview questions were developed for the case study interviews in late May 2007 (See appendix A). These questions were updated to a small extent after carrying out initial case study interviews and realizing the need to make the language relevant to interviewees whose first language was Setswana. For example, instead of asking if HIV/AIDS was constraining access to the marketplace, it was more appropriate to ask if HIV/AIDS was constraining work opportunities. The idea of a marketplace was confusing when translated and women assumed the question related a specific shopping center where food is sold rather than a general location in which various products and services are provided and consumed. In working with the translator, the researcher modified the wording of questions in order for clarity after translation from English to Setswana. Questions were divided into 6 areas (see table 3-1). Primary data collection

interviews were semi-structured and were comprised of both closed- and open-ended questions. Occasionally additional questions were added to clarify a point or to ask a participant to elaborate on a comment (for example, after asking if the interviewee had dependents, additional questions such as numbers and ages of dependents were asked). A total of 35 case study interviews and 13 key informant interviews took place.

Table 3-1: Sample Case Study Interview Questions

Question Area	Sample Questions
Basic Business Information	<ul style="list-style-type: none"> a) What are the products/services offered? b) How and why did you come to start your own business?
Location of Business	<ul style="list-style-type: none"> a) Why is your business located here? b) Why is it a good or bad location?
Loans and Access to Services	<ul style="list-style-type: none"> a) What is the total amount of WFH financial support you are receiving? b) What has been your general experience with Women's Finance House?
Skill Sets	<ul style="list-style-type: none"> a) What is your education level? b) Do you have specific business training?
Influence of HIV/AIDS on business	<ul style="list-style-type: none"> a) Is HIV/AIDS economically affecting you personally? b) How will HIV/AIDS affect local businesses in Botswana?
Basic Questions	<ul style="list-style-type: none"> a) Are you successful? How do you know? b) What are the benefits/challenges of owning your own business? c) Are there differences between men's and women's businesses in Botswana?

The main distinction between case study interviews and key informant interviews was in the type of questions asked. Case study questions shared much of the same focus as those for key informants with regards to entrepreneurship, but they were concentrated more on the individual experiences of women entrepreneurs, with the goal of extracting relevant information from those discussions (See appendix B). Case study questions

sought to create a deeper understanding of the actual experiences of women in Botswana's informal business sector. Alternatively, key informant interview questions were intended for deriving a broader comprehension of women in local business development in Botswana.

Questions for key informant interviews were developed later in the field based on findings from the initial case study interviews. These questions were modified and revised to account for knowledge gained and surfacing questions from case studies. Appendices A and B present a complete copy of the questions for both the case study and the key informant interviews.

3.3.5 Interview Procedure

Case study interviews were conducted primarily at the place of business for each interviewee (mostly in front yards or in their homes); however, 4 interviews were conducted at Women's Finance House in a small office and one interview was conducted in a car on the roadside where the interviewee was collecting firewood that particular day. It was important to accommodate interviewees where possible because of expressed concern in participation affecting their business in addition to the worry of transportation costs. Every effort was made to find a convenient time of day to interview and the researcher and translator traveled to several different locations to meet interviewees. Each interview began with a brief explanation of the research goals, objectives and assurance of confidentiality. Most importantly, participants were informed that the interview was voluntary, that research results would be sent to Women's Finance House and oral consent was acquired before proceeding.

Setswana was the prominent interview language during case study interviews. Only 3 of 35 respondents chose to answer in English, and while these 3 women were fluent in English, this was not their first language. A translator was required for the other 32 interviews. The translator relayed the response following each question during the interview and the researcher took transcription notes by hand. The length of interviews varied between 20 minutes for case study interviews to one hour and a quarter for some key informant interviews. Participants did not receive remuneration for their participation.

Prior to entering the field, the plan was to tape record case study interviews when granted permission. Due to the unpredictable location sites of case study interviews involving situations including (1) too much background noise of children, (2) loud traffic, (3) questionable wealth status barrier created by presenting this technology in some settings, and (4) uncertainty of personal safety to researcher and translator when carrying an item representing affluence, it was decided hand transcription was the most effective method for data collection. However, the method of recording key informant interviews was tape recording. All typing of hand-transcribed interviews took place in the field and completion of the remaining key informant interviews took place upon return to Canada.

Phase Two of data collection resulted in the completion of Objective One (describing the type and character of women's entrepreneurial activities as funded by Women's Finance House) and Objective Two (documenting women's income generating activity experiences in Gaborone) with the exception of the data analysis stage.

3.4 Data Analysis

The central objective of this research is to explore, document and analyze the experience of women engaged in microcredit income generating activities in Gaborone, Botswana. Methods used to evaluate and extract conclusions from the data were predominantly qualitative. Analysis primarily followed a grounded theory approach in the form of content analysis. It is a technique used for making inferences by objectively and systematically identifying specified characteristics of messages. It involves searching through interview transcripts for themes and recurrent instances and manually grouping them together by means of a coding system (Silverman 2004). Content analysis was used to interpret transcripts of key informant and case study interviews within the gendered entrepreneurship framework.

The first step in the analysis of case study interview data involved collating interview responses, question by question, in a Microsoft Excel spreadsheet. Interviewees were assigned a code (e.g., E5, S7) and the key was kept in a separate file from the interview data in order to protect the anonymity of research participants. The spreadsheet contained a column showing the interviewee's assigned code and rows showing the interview questions. Case study and key informant interviews were kept in separate Excel spreadsheets.

Subsequently, key themes and patterns are more straightforwardly recognized when the data is arranged in a spreadsheet format. The Excel spreadsheets were printed and read thoroughly to identify these reoccurring patterns. To record trends and observations within the transcript texts, note taking took place. A tally was taken noting the varying responses when trends were identified.

Data analysis was primarily qualitative based on decoding the interview participants' responses. This type of analysis is useful for keeping some interview statements intact while other responses can be sorted and grouped in a summarized system. Where enough data was available, quantitative analysis supplemented findings drawn from the interviews. However, working with smaller data-sets open to repeated inspection causes the researcher to apply every piece of relevant data collected to overall generalization. As Mehan says,

The result is an integrated, precise model that comprehensively describes a specific phenomena, instead of a simple correlational statement about antecedent and consequent conditions. (1979:21 in Silverman, 2004:362)

Data analyzed from a qualitative grounded theory approach is an inductive method.

According to Glaser and Strauss,

To generate theory... we suggest as the best approach an initial, systematic discovery of the theory from the data of social research. Then one can be relatively sure that the theory will fit the work. And since categories are discovered by examination of the data, laymen involved in the area to which the theory applies will usually be able to understand it, while sociologists who work in other areas will recognize an understandable theory linked with the data of a given area. (1967:2-3 in Berg 1998:231).

This approach is relevant for the study because the theory is developed from the data collected in the field. In addition, laymen (or non-academics or non-experts in a given field of knowledge) will find this study accessible. This is important since this research will be sent back to various organizations and departments in Botswana.

Alternatively, this research is also suitable for academic social scientists.

Chapter Four, the description of women's microcredit experiences in Gaborone, contributes to the completion of Sub-objectives One and Two. Chapter Five identifies

obstacles that inhibit women meeting practical and strategic gendered needs and contributes to the central research objective and Sub-objectives Two and Three. Chapter Six examines microcredit as an empowerment tool, contributing to Sub-objective Four. Finally, Chapter Seven offers recommendations, contributions, limitations, and opportunities representative of the overall study.

Chapter Four

Women's Microcredit Circumstances and Experiences in Gaborone, Botswana

4.0 Introduction

This chapter explores the circumstances and experiences of women engaged in microcredit projects in greater Gaborone, Botswana. Results are derived from interviews with women affiliated with the microlending NGO, Women's Finance House Botswana. This chapter is divided into six sections. Section 4.1 documents the demographics of women interviewed. In section 4.2, basic information about women's businesses is summarized, fulfilling sub-objective 2. Section 4.3 examines Women's Finance House and women's accessibility to other business resources. Section 4.4 highlights women's experiences as entrepreneurs in Gaborone, to fulfill the main study objective and sub-objective 1. In section 4.5, the impact of HIV/AIDS on local business is explored. It is important to understand women's entrepreneurial experiences within the context of one of Botswana's greatest socioeconomic crises: HIV/AIDS.

4.1 Interviewee Demographics

Women micro-entrepreneurs in Gaborone's urban informal economy are profiled using several variables. It was important to collect information on women entrepreneurs' demographic background in order to recognize the opportunities and obstacles of business self-ownership. Their marital statuses, levels of education, sources and size of capital, motivation to enter the business, and investment of income are discussed, as are the obstacles they face in business.

Marital status varies between women. Out of 35 interviewees, 17 women do not have spouses, 3 women are divorced, 3 women are widowed, one woman has a fiancé, and 11 women do have spouses. Of these 11 women, 4 spouses are not involved in their businesses, 3 spouses help with the decision making, 2 spouses provide financial support but do not contribute to decision making, one spouse provides transport related to the business, and one spouse provides financial support and plays a role in decision making. In addition, 25 interviewees have family members who are also involved in business ownership while 10 interviewees who do not know of any family members who own their own business. Family members who own businesses are grandfathers, aunts, uncles, mothers, sister-in-laws, brother-in-laws, sisters, brothers, and cousins.

Documenting the number of dependents of women entrepreneurs is useful for understanding women's multiple roles. It was found that the majority of women interviewed have one to seven dependents including grandchildren, children, and younger siblings. There were no reports of elderly dependents. The ages of dependents were recorded and most dependents are considered adults (18 years or older). The level of dependency was not inquired about, which makes it difficult to know the extent to which these adult children are dependent.

There is a wide spectrum of ages represented among interviewees. The youngest participant is 27 years old and the oldest participant is 61 years of age. Most women are between the ages of 46 and 50. The following table shows the total age distribution of interviewees (see table 4-1).

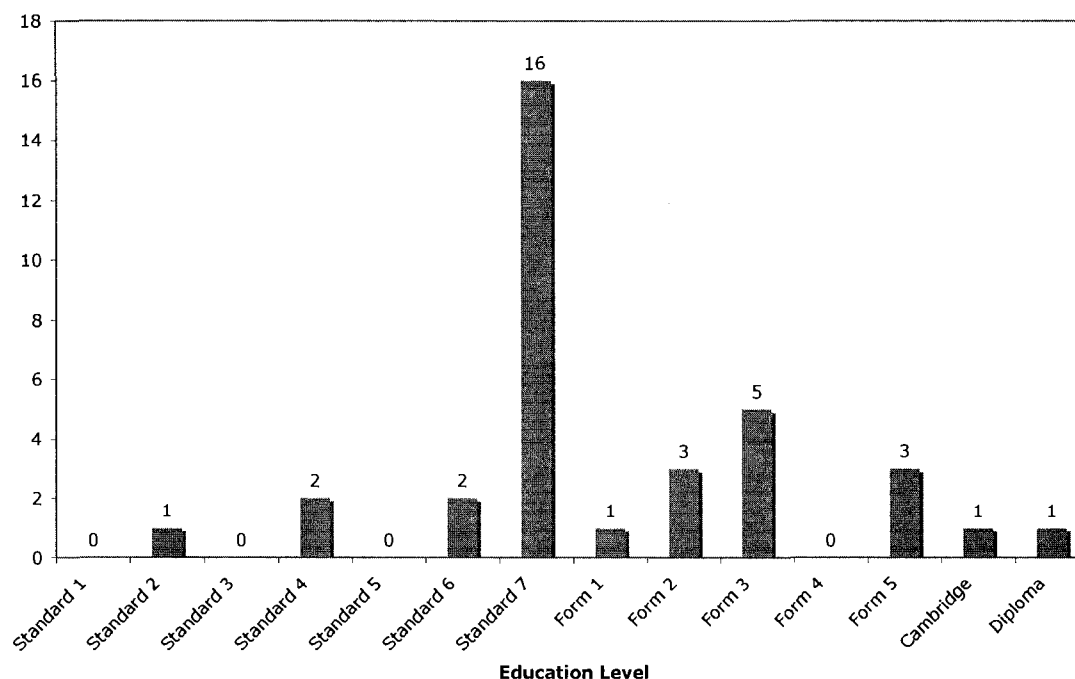
Table 4-1: Age Distribution of 35 Interviewees

Age Range (years)	Number of Interviewees
25-30	1
31-35	4
36-40	6
41-45	4
46-50	9
51-55	6
56-60	4
61-65	1

Education¹ levels differ significantly among the women interviewed ranging from Standard 2 to Cambridge (see figure 4-1). A total of 16 interviewees completed up to Standard 7. Only one respondent has a diploma (in media studies) that is unrelated to her current business endeavour.

¹ Standard 1-7 is equivalent to the Canadian primary school system, form 1-5 is equivalent to the Canadian senior secondary school system and Cambridge is a qualifying exam to attend Government funded schooling.

Figure 4-1: Interviewee Level of Education



When asked if the interviewees have specific business training, 19 responded that no business training has been undertaken. The respondents who do claim to have specific business training have taken mostly short courses, one week in duration. Some women attend business lectures from time to time. When FAP (Financial Assistance Policy) was in effect in Botswana, some women took the mandatory business courses. One interviewee acquired a 6-month Government-led market certificate and learned record keeping, advertising, cash reporting, management, cash flow, and trade/profit/loss skills.

Interviewees claim to have acquired numerous skills through the process of starting and running a self-owned business; these skills can be categorized into five groups. First, in regards to communication, respondents have gained the skills of customer service. Second, respondents have developed marketing skills, which include improving advertising goods and services. Third, in financial management, respondents

have learned how to save business income and keep accurate records. Fourth, organizational skills have been developed through time management. Finally, women have learned specific skill-sets such as modern design for sewing businesses and cooking for catering businesses. Some respondents discuss the importance of developing the skills necessary to be self-reliant, independent, persevering, competitive, and courageous. The two primary skills mentioned were managing finances (7 respondents) and developing savings skills (9 respondents). One respondent prides herself on being able to save a portion of her business income. She now has a savings account with Botswana Savings Bank.

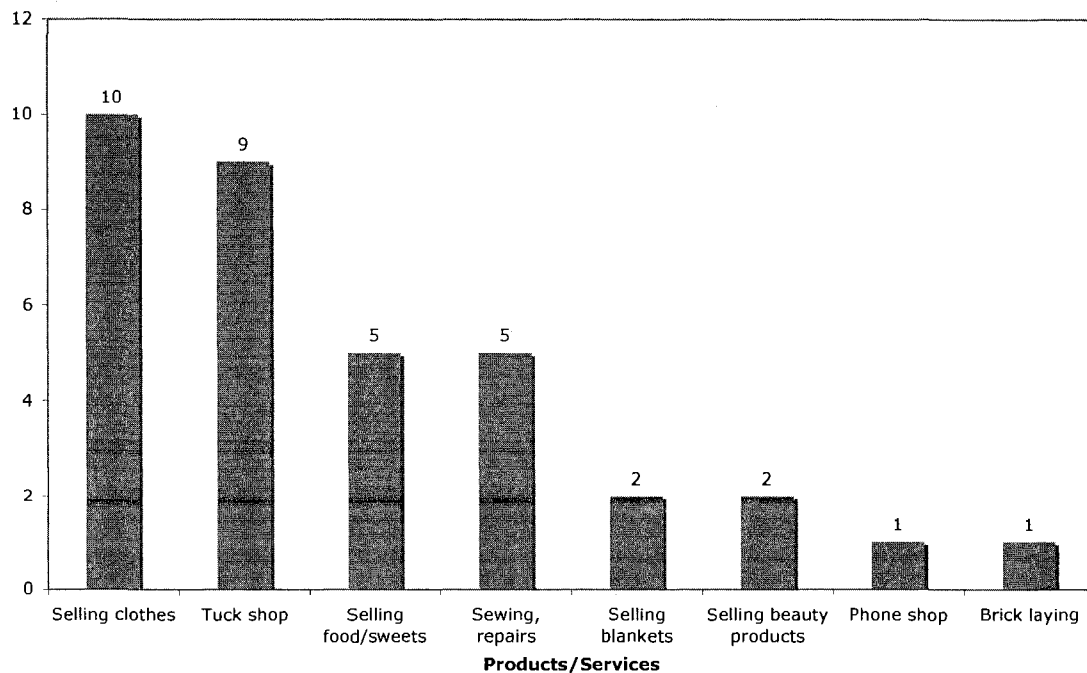
Nearly half of interviewees have lived in Gaborone for their lifetime (14 of 35 women). One woman could not recall the length of time she has lived in Gaborone but claims it is a long time. An additional 14 women have lived in Gaborone for over 15 years, which leaves only 6 women who have lived in Gaborone for less than 15 years. In summary, the study sample is a group of women who are diverse in age and marital status but are generally undereducated, without specific business training, and long-time Gaborone residents.

4.2 Basic Information about Businesses

All 35 women interviewed indicated their businesses are informal rather than registered as a formal company or under a Business Trading name. The majority of women's businesses are concentrated in retail industry (see figure 4-2). Women's activities may entail selling sweets from street corner stalls, selling blankets during the winter months, and operating tuck shops that sell vegetables, cold drinks, and alcohol.

Women also sell new and used clothing. Many women acquire new clothing from South Africa to sell in Gaborone while others sell used clothing. Only one interviewee offers a phone shop service; however, phone shops are a prominent income generating activity in Gaborone. Also, only one interviewee offers the service of brick making and laying, which was described by one woman as an easier income generating activity for men because they have access to vehicles to transport water from the dam and bricks to sale sites. Brick laying was also described as a seasonal activity because during the winter months there are restrictions on water collection from the dam. This interviewee sews clothes during the months when she cannot make bricks. Of the 35 interviewees, 34 women do not have other paid employment in conjunction with their micro-enterprise. One woman does some sewing for her mother to earn extra income to supplement her self-owned business income.

Figure 4-2: Products and Services Offered by Interviewees



Interviewees were asked if they have a business partner; 32 respondents claim they do not and 3 respondents recognize their husbands as business partners because they sometimes provide funding for the business. When asked what per cent of the business is personally owned, 33 respondents assert the business is 100 per cent owned by themselves. One respondent discloses that ownership has not been established but 100 per cent of the business belongs to the family and another respondent claims the business is 50 per cent hers and 50 per cent her husband's. This woman recognizes ownership of half the business; however, her business loan issued by Woman's Finance House is issued 100 per cent in her name.

Local business development involves creating job opportunities. Inquiring about the number of employees women hire lends an understanding to the role of entrepreneurship in local business development. It was found that the majority of respondents (22) run their businesses on their own or with the help of unpaid family members. Women report dependence on unpaid family members to assist with business operation only on occasion. Another 2 interviewees do not yet have employees but expressed a desire to hire in the near future. A total of 11 respondents have between one and 4 employees assisting with the operation of their businesses. Most of these women employ females; however, a few women employ males. Women in businesses such as brick making, operating a phone shop, and farming employ men.

It was important to know how long women have been in business for the purpose of establishing whether women entrepreneurship has been a long standing trend or a recent tendency in Botswana. The data shows that women started up their businesses or became owners of their businesses over a period of 3 decades. In the 1980s 4 women

initiated their business, in the 1990s an additional 14 women began their business, and since 2000, 17 women have started up their business. The more recent increase in prevalence of new businesses may be attributed to the government's push for local business development and/or increased funding opportunities for start up capital. Alternatively, the increase in self-owned enterprises may be characteristic of an economy suffering from unemployment. In addition, entrepreneurship is associated with risk taking; however, if women have witnessed friends and family members embarking on such endeavours, they may be more willing to take the risks as well.

Of the women interviewed, 31 per cent started their own business because of unemployment. The remaining respondents started their business for various reasons. A few women run a business simply to occupy time. Other women have specific motivations for owning their own businesses. Women reported a lack of education makes finding formal sector employment difficult. In addition, the formal sector tends to lack in job security. One interviewee claims she receives a better income from her self-owned business than she received from a formal sector salary job. Other women pursued business ownership to afford school fees for their children and contribute to household income to cover basic needs costs. The opportunity to run a business and look after children simultaneously is another reason women have entered into entrepreneurial activities.

Interviewees were asked if they owned a previous business and four different answers were derived. A majority of 25 respondents did not have a previous business prior to their current endeavour. One respondent considers 'sort of' having a previous business because she used to hawk in the street but she does not view this a typical

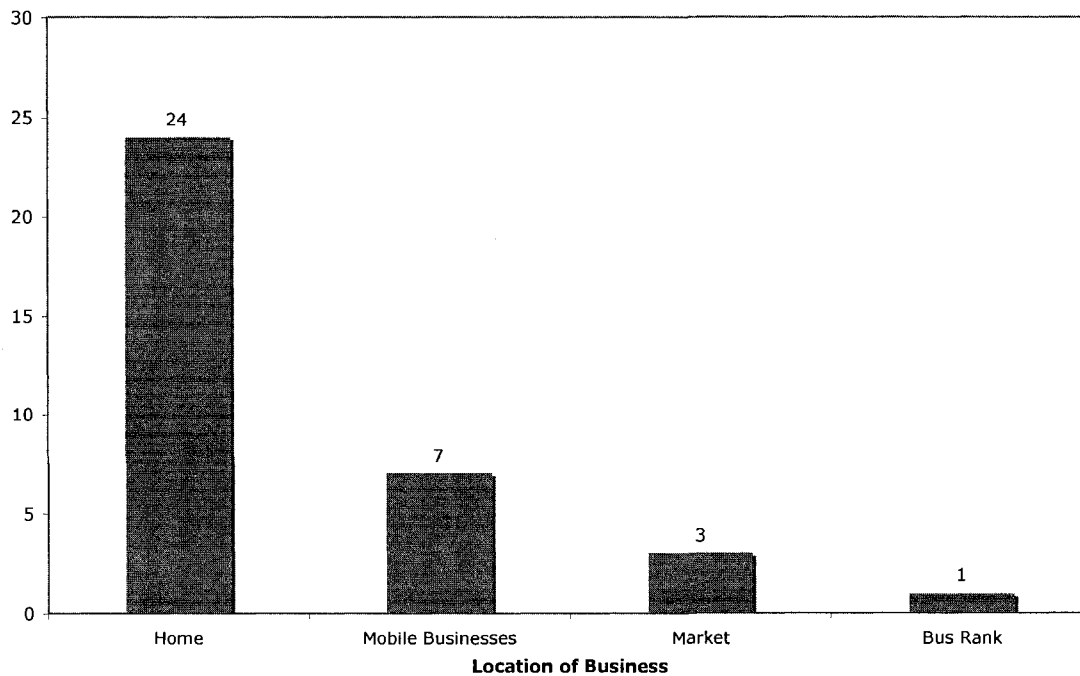
business venture. Two respondents had a similar venture to their current one but in selling different products (ie: from selling fat cakes to selling duvets). A total of 7 respondents do report having a previous business. All previous businesses were of the same micro-enterprise nature so business moves were lateral as opposed to vertical. This means businesses did not grow from small to large enterprises, rather, they stayed as small business ventures.

Women interviewees access a wide variety of customers. Most interviewees described customers as ‘all kinds of people, anyone who is interested’ in their goods and services. These women depend on men, women, and children neighbours, locals, and villagers to operate their businesses. One woman reports marketing her business to various industries, organizations, and departments such as banks, women’s organizations, and police services. This respondent runs a mobile boutique and travels to her customers. Other respondents were more specific about the characteristics of their customers. Ten respondents mostly rely on child customers to sustain their business. These respondents are often those operating tuck shops. Some interviewees rely solely on women to purchase their goods or use their services. Men are the primary customers for a couple women’s businesses.

A majority of businesses (24) are located in women’s homes (see figure 4-3); however, 3 women operate their businesses from a market stall and one woman runs her business from the bus rank (see box 4-1 for profiles of three business locations). The remaining 7 interviewees do not have a set location for their businesses; rather, they travel around to reach their customers. Most women run their businesses from home on residential plots, which means most businesses are operating on Stateland. There are 3

main types of land tenure in Botswana: Freehold², Stateland³, and Tribal land⁴. None of the women's businesses are reported to be operating on Freehold land but 6 businesses operate on Tribal land, for example in markets or commercial areas.

Figure 4-3: Interviewee Business Locations



² Freehold land amounts to about 5 per cent of the country. It is designated in blocks, mostly along the eastern and southern parts of the country, and is made up of privately owned agricultural, commercial, residential and industrial land. (Botswana Export Development and Investment Authority <http://www.bedia.co.bw>)

³ State Land constitutes all urban areas (towns and cities), national parks, game reserves, forest reserves and some wildlife management areas. This makes up about 25 per cent of the country. State land is administered by the Department of Lands (on behalf of Government through a fixed period state grant). Plots are leased for 50 years for commercial and industrial use and 99 years for residential use. (Botswana Export Development and Investment Authority <http://www.bedia.co.bw>)

⁴ Tribal (Communal) Land makes up about 70 per cent of the country and is administered on behalf of the citizens of Botswana by the Land Boards. (Botswana Export Development and Investment Authority <http://www.bedia.co.bw>)

Box 4-1: Business Location Profiles of Three Women Entrepreneurs

Tirelo Moatshe: 51 years old; married with six children; operating a sewing shop since 1993

Tirelo rents commercial space in an urban Gaborone market. Her business is located in a strip plaza shared by approximately 10 other business people. The plaza is not advertised as a business location and there are no signs outside of Tirelo's shop to inform customers of her services. Tirelo relies on word of mouth from her current client base. The space is approximately 7m x 8m and stores two sewing machines, one ironing board, two chairs, piles of clothes, and hanging clothes. There are up to 3 people working in this shop at one time. Tirelo pays 128 Pula per month to rent and she considers this a cheap price for commercial space in Gaborone. She describes this as a trade-off because she is located far from customers.

Mary Ngele: 38 years old; not married with two adult children and living with sisters, nieces, nephews, and grandchildren; selling chips, sweets, toilet paper, soap, and airtime from home since 2006

Mary operates her business from her residential urban plot in Gaborone. Inside her home, Mary has her goods spread out on upright wire racks and shelves built into the wall. She is looking for a container suitable for outdoor use. Mary believes this will increase her sales because people will be able to see that she is running a business. Currently, Mary depends on neighbours as her customers. Before Mary's mother passed away, she was doing the same business out of the home. Mary considers the house a good location because people already know she sells goods and they come looking to buy from her. She also considers it advantageous to run her business from home because she can watch the children at the same time.

Lorato Modukanele: 55 years old; not married with seven children; operating a tuck shop since 2003

Lorato's tuck shop is located on her residential plot in a peri-urban village just outside of Gaborone. She sells fresh vegetables, cookies, sweets, and cold drinks. The tuck shop is approximately 4 by 7 meters squared and cost about 5,000 Pula to build. Lorato explains that the tuck shop used to be in a very good location; however, a large-scale supermarket was recently built nearby. Now, Lorato observes, customers are going to the supermarket and not buying from her tuck shop. She is worried about the competition and whether or not her tuck shop will survive. Lorato is looking for another location to sell her vegetables but it will not be convenient to transport her goods to and from her home and she has already noticed that places are full.

Understanding the reasons why women are operating their businesses in particular locations is important for realizing women's opportunities for business growth.

Women's responses diverged when asked why their businesses were located in their current site. Positive and negative attributes about business locations were also inquired about. Some women reported their business is in a cost effective location. These women have minimal transportation costs because they do not have to spend on petrol or public transportation. For women who are traveling distances to carry goods, transportation can be costly. Another positive reason for women running their businesses from home is that they do not pay rent specific to their business. Conversely, some women consider running their business from home not advantageous because customers sometimes fail to recognize their business as an established enterprise.

Other women are operating their business in their current location because it is convenient. One woman states that her customers know her location because the business has long been established. Ten women mentioned that close proximity to the market provides a solid client base. On the other hand, several women described their location as unfit because it is a considerable distance from customers or the market resulting in a lack of customers. Several interviewees reported the benefit of running a business from home and taking care of children or completing other household duties at the same time. Having a safe location was also mentioned as a priority. For some women, fires and theft were reasons why their location is not ideal.

There were 4 respondents who claim there is nothing good about their business location. Lack of choice is one reason for the current location of some women's businesses. Two women report there is no available space in commercial areas. In

addition, market saturation and too much competition are obstacles that are detrimental to women's businesses. Some women lack resources necessary for running their businesses such as electricity and water. Without consistent access to these resources at their current locations, women are struggling to maintain their regular business activities.

The response to whether or not interviewees would prefer a different location for their businesses was nearly divided in half. A total of 18 respondents claim they do not prefer a different location for reasons such as they can watch the children from home and it is too expensive to move. One of these respondents prefers her current location but would like it to be a safer environment and another respondent prefers her location on the condition that there is water available on site. A further 3 of the 18 respondents prefer their current business location for the moment but if circumstances were to change or the business was to grow, they admit they would prefer a different location to suit new needs.

A total of 16 interviewees responded that they would prefer a different location for their business for various reasons. One woman anticipates her business will grow and she will be able to branch out if she has a different location and/or an increased number of locations. Several women prefer access to a bigger location and others favour having a business separate from the home location. Because theft is a major concern, particularly for tuck shop owners, these women prefer to relocate to a higher security area. Most women who prefer a different location to the one they are currently using would like to operate at the taxi station, bus rank, or main mall where there are a lot of potential customers. Some respondents expressed frustration over trying to relocate but finding places full and another respondent described delays with the land board as impeding her acquisition of a new business location. One respondent could not decide if she preferred

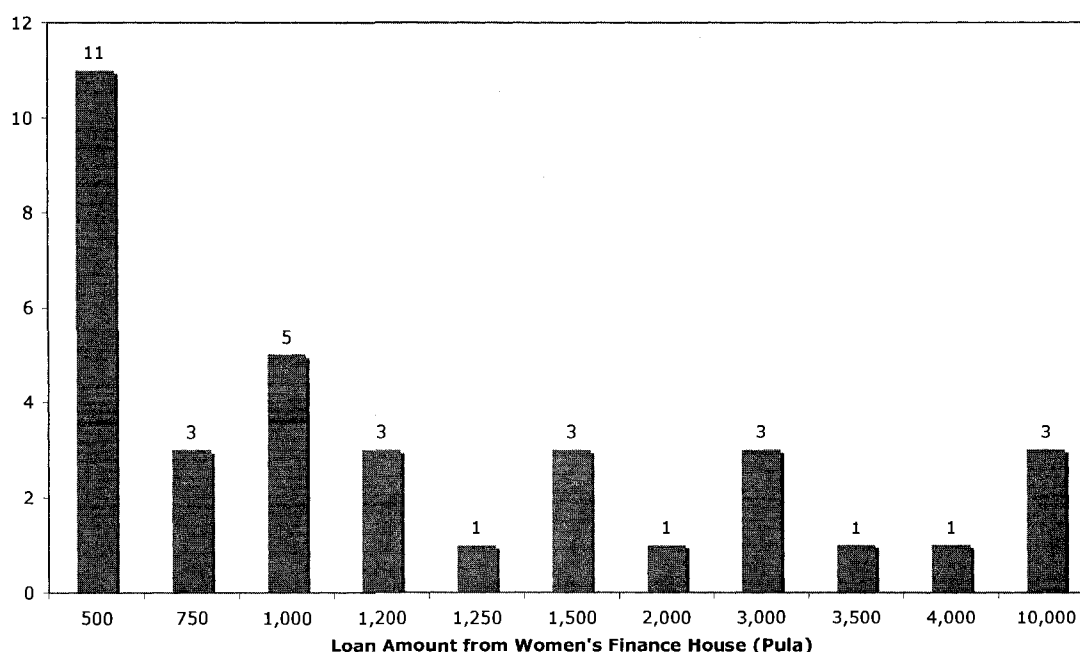
a new location for her business or not. In summary, women's businesses are informal, run from home, and 100 per cent owned by themselves. Most women operate without the help of paid employees and most businesses have been operating for less than 20 years. Women are engaged in various business endeavours from retail to service industries and attract a wide variety of customers. The majority of women entered into self-owned business initiatives because of unemployment in the formal sector.

4.3 Women's Finance House and Other Resources

There are 11 women interviewees who are receiving the minimal loan amount of 500 Pula⁵ from Women's Finance House (see figure 4-4). The maximum loan amount offered by Women's Finance House is 10,000 Pula and 3 interviewees are receiving this amount. Women receiving this amount began with the minimal loan amount of 500 Pula and over time have proved their repayment commitments, allowing them to graduate into the next stages of loan amounts. The remaining loan amounts of women interviewed are documented in figure 4-4.

⁵ Pula is the currency of Botswana. It is subdivided into 100 thebe. The exchange rate at the time of this study was 1 Canadian Dollar = 5.489 Botswana Pula.

**Figure 4-4: Loan Amounts Received by Interviewees
From Women's Finance House**



Microcredit loans are issued in small amounts. They are generally relative to the income women derive from their businesses. Women interviewed in the study have business incomes ranging from 250 to 5,000 Pula. The median range is between 501 to 1,000 Pula. Two interviewees did not know how much income they earn per month from their businesses⁶. The distribution of business income per month is illustrated in table 4-2 in the center column. Also in table 4-2 is the distribution of total household income per month indicated in the right column. The left column in table 4-2 shows the income ranges in Pula. In terms of total household income, a majority fall into the first two categories, earning between 1 to 500 Pula and 501 to 1,000 Pula per month.

⁶ It is unknown whether interviewees who do not know how much income they derive from their business per month simply do not know because they do not keep records or they did not know at the time of the interview because they did not have their records with them to refer to. Since these women did not give an estimated guess, it is likely these women do not keep records.

Table 4-2: Distribution of Business Income and Household Income per month of Interviewees

Income Range	<i>Business Income (per month)</i>	<i>Total Household Income (per month)</i>
(Pula)	Number of Interviewees	Number of Interviewees
1-500	2	9
501-1,000	8	9
1,001-1,500	3	3
1,501-2,000	5	3
2,001-2,500	2	2
2,501-3,000	5	2
3,001-3,500	4	1
3,501-4,000	2	1
4,001-4,500	0	0
4,501-5,000	2	2
5,001-5,500	0	0
5,501-6,000	0	0
6,001-6,500	0	1
6,501-7,000	0	1
...10,000	0	1
No answer	2	0

It was asked whether interviewees receive financial support from other sources other than Women's Finance House loans. A majority of 21 respondents do not receive any additional funding yet one of these respondents is trying to secure a loan from Women In Business Association (WIBA) and another respondent used to receive a loan from FAP before FAP was taken over by CEDA. A fiancé supports one woman's business, a boyfriend supports another, 2 women report their children financially assist, and 4 women claim their husbands financially support their businesses. There are 6 women who rely on the supplemental income from renting out rooms in their homes to financially support their businesses.

Women draw on several sources for business information, advice and assistance. Most women interviewed described Women's Finance House and the friends made here as major sources of inspiration and ideas. One interviewee states, "mostly we share experiences on how to run businesses and save money". Other respondents obtained advice from family members, the radio, other entrepreneurs, neighbours, church, Thusang Basadi, and fellow women contemporaries. One woman reports she has advice from previous business experience and four women claim they do not acquire any business information, advice, or assistance from anyone.

Interviewees were asked if the government could do anything more to help them as business owners. Four women are satisfied with the government's current initiatives while 31 women identify gaps in the government's assistance for women entrepreneurs. Women suggest that the government should provide more funding for the often neglected smaller businesses. In addition, assistance in accessing the market and follow up on progress for smaller businesses is required. Another idea put forth is for the government to provide programs specific to microcredit business women. The government can also encourage the banks to provide loans. Some women suggest the government assists in making CEDA more accessible to smaller enterprise owners. One woman recommends the government makes it a priority to support youth-run productive business for the future of Botswana's economy. Another woman suggests the government gives loans to older business owners who are often overlooked as viable contributors to the economy. Three women recognize that sometimes the government has good intentions to assist business owners but people are known to misuse funds resulting in the government declining future loan requests. Women stated that people should stand up and be hardworking

rather than rely on the government. Two respondents argue the government does not listen to the requests of women who run small-enterprises and another respondent remembers the government assisting in previous years but comments that there seems to be less assistance at present. One interviewee claims the government is delayed in helping small business owners, arguing that policies are drawn up but change does not follow.

An overwhelming 54.3 per cent of respondents answered the need for self-reliance is the reason for the ubiquitous discussion of Botswana's entrepreneurial practices. 'Self-reliance combats unemployment' is the government's motive for encouraging entrepreneurship in Botswana. Beyond self-reliance is the notion that business owners employ others so that more jobs are created. Others noted competition is healthy for the economy and that entrepreneurship means development. One interviewee states that people should work for themselves in Botswana to stop investors from the outside who tend to exert too much control over the local economy. A few interviewees mentioned that taking on the entrepreneurial lifestyle in Botswana means 'waking up', doing something, and refusing to wait to be handed employment and a way to live. In summary, women are receiving varying loan amounts from Women's Finance House and business incomes among women's businesses differ from 250 to 5,000 Pula per month. Women draw on several sources for business information and advice; however, most women do not receive funding outside of Women's Finance House loans. Women agree that the government can do more for women entrepreneurs and that it would be in the government's best interest to do so because entrepreneurship encourages self-reliance.

4.4 Women's Experiences as Entrepreneurs

Women have varied interests and as a result, women's experiences as entrepreneurs are diverse. In interviews, women discussed their experiences as entrepreneurs interacting with peers. Many women described themselves as successful entrepreneurs while others feel unsuccessful. Respondents also discussed the benefits and challenges of operating self-owned enterprises. Particular challenges that women face in relation to men were also explored in the interviews. Boxes 4-2-1, 4-2-2, and 4-2-3 highlight three different experiences of women entrepreneurs who participated in the study (see boxes 4-2-1, 4-2-2, and 4-2-3).

Box 4-2-1: Lillian's Experience as an Entrepreneur

Lillian Molau: 51 years old; widowed caring for daughter's 3 children; entrepreneur since 1998.

Lillian has operated a self-owned business for nine years. She has pursued various enterprise endeavours including salon services, selling medicine and beauty supplies, and collecting firewood and presently she is operating a tuck shop in addition to running a construction business. Lillian used to work in a formal job but felt that her creativity was hindered. Her main motivation for business self-ownership is to thrive in an environment where she can be her own boss and make all the decisions.

Lillian's dream is to expand her businesses by investing in commercial land; however, she is frustrated because she has remained on the waiting list for several months. Currently, Lillian runs her businesses from her residential plot. She finds this to be problematic because she is not attracting new customers based out of her home. A commercial plot with proper signage would invite a new pool of customers and result in business expansion and increased business revenue. Lillian says she will be successful when she sees her business grow.

Women's Finance House helps to fund Lillian's business. Lillian has graduated through four ranks of the lending process. With her loan she buys supplies. Lillian imagines she could do much more if the loan amounts were greater but she says she has managed to stay in business through such loans. The business plan she prepared before receiving a loan nine years ago was beyond the lending capacity of Women's Finance House. She says if there is little start up capital, the business income will be small. If there is more funding for the business, the business will grow and be successful. Lillian has continued with Women's Finance House not only for the funding opportunities, but also because she benefits from the camaraderie of other women business owners. Lillian recognizes that women face particular challenges in Botswana's economy and she values sharing ideas and talking with other women facing similar circumstances.

Box 4-2-2: Stadile's Experience as an Entrepreneur

Stadile Nkofso: 47 years old; married with 5 children; entrepreneur since 2003.

Stadile sits by the side of the road under the shelter of a tree to protect herself and her produce from the sun. She was born in a village 200 kilometers away from Botswana's capital city and came to Gaborone when she was old enough to attend school. She studied up until standard four. Stadile feels blessed to have a business because she can earn an income that allows her to pay for school fees and provide food for her family. In addition, with her business profits she has put an addition onto her one-room home and now there are 4 rooms.

Her husband, who approves of her working, sometimes helps with the transport. He also makes decisions for the business and gives Stadile advice. Selling produce at her modest stand is Stadile's second business. Previously, Stadile repaired and sewed clothing. She found it difficult to recruit customers who paid on a regular basis, so she switched to selling produce. Because of Stadile's health, she prefers to sell by the roadside rather than do other work because she found the other work to be too strenuous.

Stadile started with only a few goods to sell because she had little start-up capital. Now she buys her produce in bundles, for example, she can buy a whole box of tomatoes instead of a handful. She knows the patience required to run a self-owned business. Her business started slowly but she is proud to have saved enough to build her business little by little.

If she had enough money, Stadile would like to trade in her perishable produce to sell non-perishable food items such as dried maize and beans. Even if she is not able to sell these goods right away, they can be sold later without a huge cost to her business. In Stadile's view, the biggest problem with the business is that people do not have money to buy her goods. She is worried that if this continues, her business will fail because her produce rots and she is not receiving enough income to buy more stock. Stadile is resourceful. When her bananas begin to over-ripen, she peels them and sells them as a convenience food because customers do not have to peel the bananas themselves. If her tomatoes turn bad, she takes them home to her family and cooks with them.

Box 4-2-3: Lorato's Experience as an Entrepreneur

Lorato Sello: 55 years old; not married with 7 children (3 still alive); entrepreneur since 1995.

Lorato has about 3 squared meters of space for her tuck shop. The tuck shop is located on her residential property facing a main road where many children pass on the way to school. Most of her customers are children so she sells foodstuffs that appeal to them, for example chips, sweets, ice pops, shortbread, and fat cakes.

The tuck shop has been established for 4 years; however, Lorato has been in the tuck shop business for 12 years. Five years ago, Lorato's house and tuck shop were robbed. She did not have a bank account to keep savings of 7000 Pula. The thieves ran off with all of Lorato's business savings and income that was kept in a locked safety box. She was devastated when she was robbed of everything and wondered how she would be able to rebuild her business and stay out of poverty.

Lorato turned to Women's Finance House for a loan and was accepted as a client four years ago. She explains that she would not like to be dependent on a lending organization for a long time, but she could not have moved ahead with her business without the financial assistance. Women's Finance House has set up a savings account for Lorato to keep her business income safe. Lorato considers herself a successful business owner because she has faced many challenges and she still perseveres. She says the business is her life and she cannot think about doing anything else. Since there are few jobs available in Botswana, Lorato says, "we make our own [jobs] so we can live".

The responses of interviewees were varied when asked how people think of them when they find out they are business owners. Some respondents mentioned their peers think they possess the characteristics of courage and intelligence. Peers are also reportedly appreciative that women are providing services and selling goods. Some are happy for women who have successful businesses and are respectful and aware of the efforts involved in running a business. Other women are impressed with their peer's success and have considered starting a business of their own. In contrast, respondents also mentioned their peers underestimate their abilities. Some women feel that their peers assume they are prideful and not hardworking. According to interviewees, these

peers believe the women business owners have all they need and they do not see the suffering and hard work that goes into running a business. Some peers are thought to be jealous of business owners' success and some peers avoid buying from the interviewees. Two respondents mentioned peers thought the women should find 'real work' rather than run a business. It was important to ask about other people's perception of entrepreneurs in Botswana to better understand the responses to whether or not women consider themselves successful.

Of the 35 interviewees, 20 consider themselves successful, 11 consider themselves unsuccessful, and 4 did not provide a response. The business women who are self-proclaimed successes name several identifiers of success. Women consider independence as the greatest marker of success. They are able to pay their own bills and provide basic needs for their families. One woman remarks, "I can put bread on the table". Other women consider their businesses successful if they can "make enough for the day". Success is also measured in growth of businesses and having an increasing network of customers. Women consider themselves successful if they can pay for children's school fees or for funeral insurance. One woman is successful because she is doing something with her time. The women who consider themselves unsuccessful as business owners identify numerous factors that contribute to their circumstances. Some women claim a lack of profit indicates they are not successful. The inability to save money is another factor that impedes success. Other women describe the problem of market saturation as reason for the lack of success. One interviewee explains her business is doing poorly because combis⁷ are now transporting people to larger markets

⁷ A combi is a small minibus that runs urban bus routes in Gaborone.

in central Gaborone (her business is located in a surrounding peri-urban village). Women also consider themselves unsuccessful if their businesses are not growing.

Time management, according to 37 per cent of interviewees, is the greatest benefit of owning a business. Being able to manage their own time allows for flexibility and balancing multiple roles. Several women reported they are able to take care of children while running a business without asking for assistance from neighbours and family members. An additional 28.6 per cent mentioned that being 'their own boss' was the pull factor for business ownership. This involves pursuing personal goals and having a sense of control over the income. Other respondents described self-reliance and independence as benefits to owning a business. One woman considers working hard for her personal possessions an advantage to self-ownership. She adds that having a daily cash flow as opposed to salary that is paid biweekly or monthly is preferable. Some women recognize the benefit of savings in the bank as a result of owning a business and earning an income.

Alternatively, respondents were asked about the challenges of owning their own business. Of the 35 interviewees, 40 per cent described lack of income as the greatest burden. Directly related to a lack of income is the problem of creditors. Business owners often cannot track customers down to pay, customers renege on their purchases, or customers take credit and dodge business owners. Lack of enforcement mechanisms to protect against creditor corruption is a serious issue. Another significant problem identified by six respondents is the problem of theft. Interviewees' businesses are prime targets for theft due to lack of security. Women also mentioned hard work is necessary for business success and this work is sometimes challenging. In addition, women

recognize the need for unlimited patience, especially in dealing with difficult customers. Other women face numerous expenses including electricity, employee wages, and stock. Some women are burdened by too much competition resulting in market saturation. Finally, a few women described providing care (for children or sick relatives) while running a business a challenge.

Respondents were asked if they would do anything differently if they were to start their business over again. Several interviewees claim they would not make any changes but the majority of women report they would like to do something different to the business they are currently running if they had access to more money. Women who are not currently involved in sales activities would prefer to sell blankets and clothes. Other women favour running a petrol station, tuck shop, Internet café, or laundry mat. One woman would like to rear chickens or pigs and another women would like to start a lending agency. Operating public phones and taxi driving are two other activities hat interest women. Some women also prefer sewing and one woman mentioned she dreams of organizing a sewing cooperative. A few women added that they would not issue credit if they could start over again.

Women interviewees expressed different views on their general experiences with Women's Finance House. Most women believe the organization is approachable, they appreciate that the organization is specific to women, and the organization's workers are helpful and want women's businesses to succeed. Some women admitted to repayment problems but most denied any trouble in paying back loans. A few women commented on how beneficial it is for women to come together at meetings to share ideas and help each other. Alternatively, some women were upset with the minimal funds offered by the

organization. One respondent commented on how the organization does not listen to what women need. There were 5 women who described the group loan process as a hindrance to their business success for the main reason that sometimes group members do not pay but the group must produce the full loan repayment each month.

Interviewees were asked if there are differences between the businesses that men and women run. A total of 10 interviewees claim no differences exist between the two. The other 25 women describe several instances where the gendered economy is evident. They suggest that men do not involve themselves in activities such as cooking or dressmaking. In addition, women do not participate in activities such as driving a taxi or wholesales. Numerous women mentioned that men are working in [formal sector] jobs and women operate small businesses. A few interviewees also state that men own the spaces to operate businesses and women are often refused commercial business plots. Gender characteristics of men and women were also described. Women state that men misuse money and spend unnecessarily while women know how to spend income wisely and they make sure it contributes to the household. Women also described themselves as hard workers that persevere for their businesses while men are sometimes lazy. Some women mentioned their work and businesses are taken for granted. In summary, women's consider themselves successful entrepreneurs and recognize the benefits of business self-ownership, mainly time management as an advantage. Women's experiences also reveal challenges, such as a lack of income earning potential as entrepreneurs and the challenges of operating as a female business owner rather than a male business owner. While many women are content with the way their businesses are

operated, several women would prefer to be operating a different type of business.

Generally, women have positive experiences with Woman's Finance House.

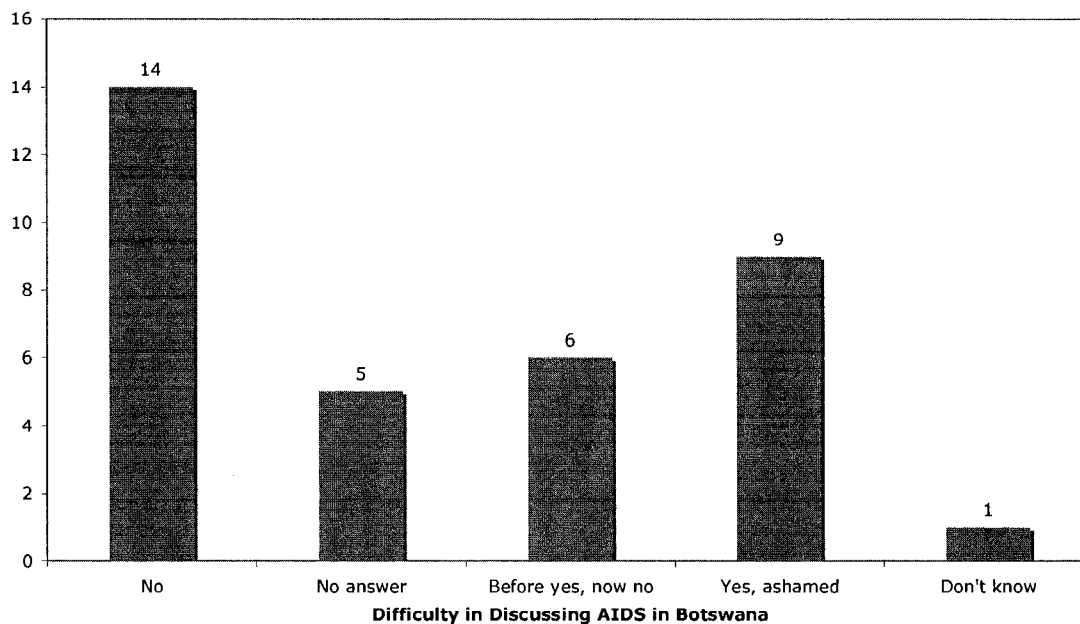
4.5 Impact of HIV/AIDS on Local Business

Women's experiences are varied because women have different interests, circumstances, and needs. However, women entrepreneurs also face similar challenges based on environment and situational factors. HIV/AIDS threatens Botswana's socioeconomic circumstances and with such high and unprecedented prevalent rates, many people in Botswana are either infected or affected by the crisis. It was important to reveal women's experiences with entrepreneurship within the context of HIV/AIDS to learn the impact of HIV/AIDS on local business in Botswana.

When inquiring about the level of difficulty in discussing the topic of HIV/AIDS in Botswana, 14 interviewees responded that it is not difficult to personally talk about HIV/AIDS (see figure 4-5). There were 5 interviewees who chose not to discuss any questions pertaining to the HIV/AIDS section. Some respondents mentioned Botswana's evolution where it was once difficult to discuss the topic of HIV/AIDS in the mid to late 1980's but now it is not. They suggest Botswana has benefited from the government's agendas to make HIV/AIDS a national priority by educating people about (1) living with AIDS and (2) how to prevent HIV contraction. There were a considerable number of women who claim it is still difficult for people in Botswana to discuss the topic of HIV/AIDS despite the government's efforts. Explanations for the difficulty include social taboos in discussing sexual issues, the problems of shame and discrimination

attached to the HIV positive status, and complicated information and the dissemination of misinformation about HIV/AIDS.

Figure 4-5: Number of Interviewees with Difficulty in Discussing HIV/AIDS



When women were asked if they know someone who has HIV/AIDS, 16 respondents affirmed they do know someone and one of these respondents disclosed her own status as positive. One respondent is unsure if she knows someone with HIV/AIDS because no one has revealed their status to her. A total of 12 respondents are adamant they do not know anyone with the virus and 7 interviewees chose not to respond.

Most interviewees do not provide care for someone with HIV/AIDS or another illness. However, two women do not currently provide care but they mentioned that it is only a matter of time before they will have to provide care. Except for a small number, women who do provide care for someone do not consider their carework to conflict with their business because their dependents are currently well enough. There is a small

number of women who do consider carework as interfering with running their businesses. One of these women claims it is better if the HIV positive individual is on ARV treatment because she is able to go and sell goods. If the individual is sick, she must stay home to provide care and her business is neglected. Another respondent hires a nanny to care for her ill dependent, creating a financial burden on her business. One woman provides care in the morning and works in the afternoon to cope with the conflicting demands.

Respondents were asked if HIV/AIDS economically impacts them personally. A few interviewees deny a personal impact but a more significant number of women answer that HIV/AIDS does economically impact them in some way. The ways in which AIDS economically impacts women are plenty. Some women expressed their circumstances with ill customers inability to purchase regularly. These customers are reportedly reallocating funds for medical related expenses. Moreover, women have found that some customers are dying from AIDS, reducing their clientele base. Some women find they have to divert money from the business to care for sick family or friends. In addition, women report that putting in regular hours to the business is difficult for women who also experience the burden of caregiving. For women who hire employees, absenteeism due to HIV/AIDS illness is also a problem. Most respondents avoided acknowledging any explicit personal impact by describing hypothetical instances that could potentially occur rather than sharing personal anecdotes. However, it is evident that personal relationships and family responsibilities are more important than business prospects with the priority of carework (for children or sick family members) over business endeavours.

Interviewees were asked if HIV/AIDS constrains their work opportunities. Of the interviewees who chose to answer this question, approximately half report that

HIV/AIDS does constrain and the other half reports it does not constrain work opportunities. From those who answered that HIV/AIDS is not impacting work opportunities, a common response is that people may be sick but they are physically fit and able to work. Also, discrimination is not a significant concern because it is difficult to tell by looking at someone if they are HIV positive or on ARV treatment. Others disagree and claim HIV/AIDS does not limit work opportunities on the basis of discrimination because if an employer finds out an employee is HIV positive they will be treated badly and possibly fired. Some people are not hired based on their HIV status even though there is a law to avert this problem. In some cases, respondents report that an HIV positive employee may not be able to work to full potential, limiting not only their hiring opportunities but also reducing their productivity on the job. Four respondents state that many people start their own businesses because they cannot find work with a positive HIV status. One respondent has fewer employees than in previous years because they have died of AIDS consequently her business has suffered.

On a general level, interviewees were asked how the HIV/AIDS situation affects local businesses in Botswana on the whole. Some women responded that it does not affect local business because people are now taking ARVs and are able to function like any HIV negative person. Other women foresee a lack of customers supporting local business because they are ill or dying. Another projection is that sick business owners will not be able to carry out regular responsibilities and as a result, productivity will fall. Several women report that business income is already being diverted to cover costs associated with carework.

Interviewees were also asked how HIV/AIDS is affecting their specific businesses. Half of the women who answered this question responded that their businesses are not currently affected by HIV/AIDS. The other half reported several circumstances that indicate businesses are impacted by HIV/AIDS. Women commented on the effects of broken social networks between customers and business owners and among business owners. Some women say HIV/AIDS is the primary reason why customers inflicted or affected by the virus are likely to have payment difficulties. HIV/AIDS infected persons may not be able to work and therefore they are not earning an adequate income to pay for goods and services. Alternatively, if they are working, their finances may be prioritized for transportation means to the hospital or medications and as a result business owners who sell on credit are left with the debt. One interviewee states, “in our culture when someone is laying down, you can’t tell them to pay you because they are sick and they have worries”. Interviewees also mentioned customers are dying from AIDS, which reduces business and ultimately affects the entire economy. The result, they explain will be a country in recession following great economic progress. Finally, another interviewee recognizes the strain of HIV/AIDS on an emotional level. She argues that it is difficult to work and run a business if upset about a sick relative.

It was inquired whether interviewees have a sense that the government recognizes HIV/AIDS as a problem for business people in particular. Only one interviewee claims that the government does not acknowledge the issue of HIV/AIDS for business people because there is still too much discrimination. The majority of interviewees realize the government’s priorities in addressing HIV/AIDS for business people and give two examples. First, the government implemented a policy for free ARVs to all Botswana

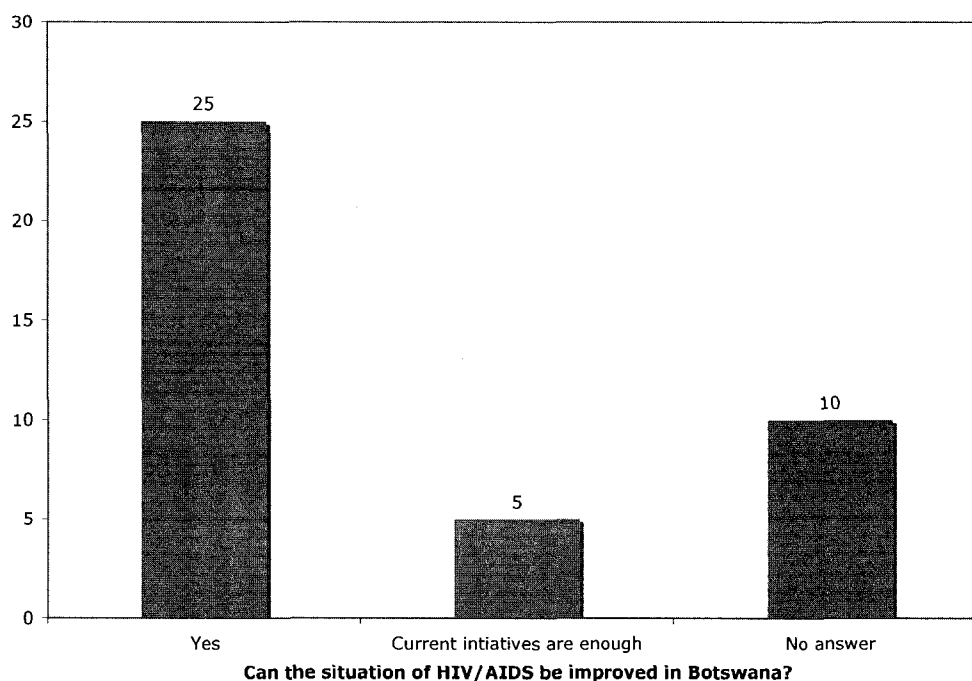
residents. Second, the president of Botswana talks about the issue everywhere he goes; nationally and internationally.

Interviewees were asked if the HIV/AIDS situation can be improved for workers. Numerous suggestions were put forth. Some women recommend more HIV education campaigns. Others mentioned more attention should be paid to address the problem of job loss due to discrimination. In addition, there is a need for employers' understanding by providing flexibility of work schedules and leave for employees to take care of themselves or others. Other women took a different approach and placed the onus of improving the situation on individuals to change behaviours. They state that people need to practice abstinence as one method to prevent the spread of HIV. These women also recommend people go early for testing so that medication can prolong a productive lifestyle. Ultimately, the desired goal as suggested by two women is to find a cure for HIV and AIDS.

In addition to asking whether the HIV/AIDS situation can be improved for workers, interviewees were also asked if the situation can be improved in Botswana on the whole (see figure 4-6). A total of 25 respondents described ways in which the AIDS situation in Botswana can be improved. Some women describe the importance of more education pertaining to living with HIV/AIDS and caring for people with AIDS. Others advocate for improving the situation of discrimination, particularly in the workplace. Behavioural change was another suggestion put forth. This involves abstinence, faithfulness to one partner, condom use, and proper diet. One respondent mentioned the government focuses too much on the HIV/AIDS situation and should be spending elsewhere (predominantly in local business development). Another 4 respondents argue

that current initiatives are adequate for Botswana. They say ARVs are working for the country and the introduction of free testing centers is enough for the moment. The interviewees champion education and awareness considerably.

Figure 4-6: Interviewee Response to Whether or Not the HIV/AIDS Situation Can Be Improved in Botswana



In summary, some women have difficulty discussing topics surrounding HIV/AIDS while others feel free to discuss. Similarly, some women know people who are infected with the virus while others do not personally know someone with HIV/AIDS. Most women do not provide care for an HIV infected person and many women do not recognize HIV/AIDS impacting them personally. The majority of women identify ways that local businesses are impacted by HIV/AIDS and some women reveal the effects of HIV/AIDS on their own businesses. Many women agree that the government recognizes HIV/AIDS as a problem for Botswana's economy and suggest areas for improvement.

4.6 Conclusion

The purpose of this chapter was to provide the results of the 35 case study interviewees conducted with women entrepreneurs in Gaborone. In addition, this chapter revealed the circumstances and experiences of women entrepreneurs. In summary, education levels differ significantly between interviewees but most women have completed the equivalent of primary school education in Canada. The majority of women have not pursued business training or specific training related to their enterprises. However, women have developed several skills through operating their self-owned businesses: communication, customer service, marketing, advertising, record keeping, financial management, savings, and time management.

All 35 women interviewees operate informal businesses. Their micro-enterprises are varied in nature ranging from selling clothes, selling food to providing sewing services. Nearly all interviewees do not have other paid employment besides the self-owned businesses they operate and most women own 100 per cent of their businesses. Most women started their own business due to lack of employment opportunities in the formal sector. Interviewees run their businesses primarily on their own with some help from unpaid family members on occasion. Some interviewees hire a small number of employees to assist in the operation of their business; most employees hired are women but some men are also employed.

Several interviewees indicate their businesses are located either in their homes or on their residential plots. The minority operates their business from a market or bus rank stall or they run mobile businesses traveling to customers. There are both opportunities and challenges to current business location sites. Among the opportunities in business

location recognized by interviewees: close proximity to customers, rent is minimal or non-existent if operating from home, convenient, safe area, and flexibility of carrying out several roles during the day if operating from home (e.g., wife, mother, care provider, house keeper, business owner). Business location challenges include: market saturation, distance from market and/or customers, lack of safety, theft, lack of distinction between home life and business life, expensive transport of goods to and from market, and lack of choice of location sites.

Many recognize Women's Finance House as an effective organization. It is a resource that offers funding and savings opportunities but furthermore, it is a forum where women gain inspiration and ideas in communicating with other women entrepreneurs. Most women are receiving the smaller loan amounts that Women's Finance House offers; however, there are some women who have worked their way up in the system and are now independently borrowing the maximum loan amount. Most women rely solely on Women's Finance House for financial assistance though some women borrow from family members to supplement their minimal loans. A few women rent out rooms of their house to earn extra income to support their businesses.

Botswana's government is encouraging entrepreneurship. Interviewees suggest reasons include: to encourage individuals to be more self-reliant, to create employment opportunities, and to promote healthy competition in the economy. Women also mention the government is encouraging entrepreneurship because it is a sign of a country's successful economic development.

Women's experiences as entrepreneurs are varied based on women's differing interests and needs. Most interviewees consider themselves successful as business

owners. Women describe themselves as independent. They are able to pay for children's school fees and funeral insurance. In addition, women recognize business expansion and an increasing network of customers as indicators of success. Women also consider themselves successful as entrepreneurs because they are being productive with their time and energy. The greatest benefit of owning a business is time management. Self-ownership allows for flexibility and balancing multiple roles. The leading challenge for business owners is a lack of sufficient income. Just over one quarter of respondents fail to identify differences between men's and women's businesses. The other three quarters of interviewees state there are differences in the types of businesses operated by men and women and identify certain challenges more likely for women business owners. Women report that men have better access to resources such as capital and commercial land. In addition, women tend to run micro and small businesses while men operate medium and large enterprises. Women also consider themselves better stewards of their income because they invest in the household whereas men spend on themselves. Generally, women interviewees have a positive relationship with Women's Finance House. They find the organization approachable and helpful in the application process.

Mixed findings were derived in the section on the impact of HIV/AIDS on local business development. Some interviewees chose not to answer any questions in this section and others were selective about the questions they answered. A little less than half of the interviewees find it is not difficult to discuss the topic of HIV/AIDS a few less consider it a difficult topic for many in Botswana. According to interviewees, the fight against HIV/AIDS has made significant strides in Botswana since the first case in 1985 through the push for education, prevention, and treatment by the government. On the

other hand, HIV/AIDS is still a taboo for some due to cultural sensitivity to open discussion of sexual issues, shame and discrimination towards those who are HIV positive, and misinformation about HIV/AIDS that perpetuate stigma. A little over one third of interviewees claim not to know anyone with HIV or AIDS. In terms of business impact, several women described the problem of customers affected by the virus; they are often not able to pay as most goods and services are issued on credit in the informal sector. Some find work opportunities constrained because of discrimination associated with the virus. A total of 71.4 per cent of respondents suggested ways that Botswana (through a collective effort by society) can improve the HIV/AIDS situation: more education relevant to those living with the virus and for care providers, minimizing discrimination in the workplace, changing behaviour, encouraging testing and medicating, and finding a cure.

Within this study's findings several themes emerge pertaining to obstacles that inhibit women meeting practical and strategic gendered needs. Broad themes of gender inequality, (in)accessibility of resources, and operating within the context of Botswana's HIV/AIDS epidemic will be discussed in Chapter Five. A further discussion of microcredit and self-ownership as tools for women's empowerment will follow in Chapter Six.

Chapter Five

Practical and Strategic Gendered Needs: A discussion of findings

5.0 Introduction

The previous chapter documented results of 35 interviews conducted with women receiving microcredit loans from Women's Finance House Botswana. These findings document the circumstances of women involved in this particular microfinance initiative. By and large, microcredit contributes to the fulfillment of practical gender needs of research participants; however, there exists obstacles that impede the full capability of microcredit as an empowering tool.

The economic impact of Women's Finance House microcredit loans indicates that the initiative meets practical gender needs of women interviewed. Women receiving microcredit loans to generate income are able to pursue practical needs such as food, healthcare, housing, entertainment, and education on a consistent basis. However, interviewees also responded that challenges exist, consequently inhibiting the attainment of full social and economic potential. Higher amounts of income received from the business per month and higher amounts of total household earnings do not necessarily indicate an improvement in the standard of living or the attainment of strategic gender needs. While Woman's Finance House is directly contributing to helping women achieve practical gender needs, the organization's role in assisting women to meet strategic gender needs is not always clear. This is mainly because practical needs are generally easier to identify and recognize than strategic gender needs. A number of factors affect

household income and economic situations and these are not necessarily identified in the lending process.

Interviewees described varying challenges of their economic circumstances. First, Botswana's government's promotion of local business development may or may not benefit women. Many women described difficulty associated with acquiring economic support beyond the small-scale organization, Women's Finance House. Women who do not have access to these business resources are not meeting practical gender needs. One woman commented on the problem of the government promoting local business development and economic diversity without equipping micro-enterprise owners with the skills and resources to diversify; local business continues with saturated markets. The government's push for local business development in Botswana impedes women meeting strategic gender needs because persistent causes of gender inequality in the market economy have not been removed.

Second, increased household expenditure may negatively impact increased household income. Some interviewees described being burdened with increased healthcare costs due to the HIV crisis and other women expressed their concern over having to pay for transport costs associated with their microenterprises. Women who do not have the income to spend on medical costs are not meeting practical gender needs. Women's strategic gender needs are left unmet because women still burden the costs of domestic labour and caregiving in Botswana's unequal organization of society.

Third, an increasing HIV prevalence rate means a potential rise in the number of dependents. Several women, particularly the older generation of interviewees, anticipate an increased financial burden in the future attributed to orphan care. With unprecedented

rates of HIV/AIDS, women communicated fear of being able to provide care and maintain a reasonable standard of living. Complex factors contributing to economic circumstances make it difficult to assess standards of living. This research documents women's circumstances and experiences with microcredit in order to gain a general understanding of living standards and whether or not women have the opportunities to meet practical and strategic gender needs.

This study shows women's involvement in decisions is closely related to their roles and responsibilities within the household. Women in Botswana are primarily and almost exclusively responsible for household duties such as the purchase of food, clothes, daily goods, and education for children. Women have bargaining power to negotiate with other family members because women play an essential role in family life. Women's roles and responsibilities give them power and authority in the household. This is true for both women not in receipt of microcredit loans and women receiving loans. However, women receiving loans are contributing income to the household and thus exert more power than women who are not able to contribute in this way. This suggests that women with microcredit loans are in a better position to acquire more bargaining power and increase their involvement in decision making.

Women's Finance House as a lending agency specifically for women facilitates women achieving practical gender needs because women have the capacity to spend on basic human survival interests. In addition, Women's Finance House facilitates women meeting strategic gender needs because women increase their involvement in decision making through microcredit. More research is required to compare the two groups of women (those receiving loans and those not). The women in this study did report that

they are major decision makers regarding their businesses; however, their level of decision making in the home was not addressed in the interview sessions.

Women stated that their social networks have expanded with their participation in accessing Women's Finance House loans, relating to women meeting strategic gender needs. This is the most remarkable impact of Women's Finance House involvement in advancing women's awareness. Women participants have more opportunities for social interactions; they are more actively involved in community affairs and participate in public life. One woman who started with a Women's Finance House loan is now employed with the organization as a field officer, training other women in effective loan use. Through increased participation in community life, women report having improved self-confidence and a sense of solidarity.

On the other hand, an increase in women's work and workload is a result of their participation with Women's Finance House. This is an example of an obstacle that impedes women from meeting strategic gender needs. The degree of labour intensity varies between women interviewed and women perceive degrees of intensity differently depending on age and physical strength. In addition, abilities, interests and enthusiasm also affect women's attitudes towards work or activities. Therefore, increased work or workloads should not be hastily interpreted as a negative byproduct of microcredit loans. Kabeer argues that it should not be assumed that women are overworked due to increased workloads as a consequence of utilizing loans. Rather, she claims, "the fact that this increase was a product of their enhanced ability to contribute to household livelihoods and the consequent mitigation of their status as dependants led many to describe it as a valued transformation of the meaning of work rather than an intensification of their work

burdens” (Kabeer 2001:82). In fact, many women interviewees responded favourably to changes in time allocation regardless of whether they became busier or not. They consider these changes as necessary trade-offs for improving their overall wellbeing. Also, due to the nature of the loans, women expressed their satisfaction in being able to pursue a project they can simultaneously run alongside their household duties.

This chapter incorporates the findings in the theoretical framework discussed in Chapter Two. Three primary obstacles to securing women’s social and economic wellbeing through entrepreneurship are identified: gender inequality in the labour market, limited access to resources, and operating in the shadow of the HIV/AIDS epidemic. These obstacles emerged from the interview data. The issues were identified through reoccurring themes expressed by women in their circumstances with microcredit. The first section examines whether microcredit loans meet women’s strategic gender needs in the shadow of gender inequality. The second section identifies hindrances to women’s access to resources and examines whether microcredit facilitates meeting practical gender needs. The third and final section addresses whether microcredit promotes the meeting of both practical and strategic gender needs in the context of Botswana’s HIV/AIDS crisis. Underlying the above-mentioned obstacles is a fundamental problem: categorizing needs as either practical or strategic is difficult because knowing where practical and strategic needs change is vague. The following analysis illustrates the contribution of microcredit to the fulfillment of women’s gender needs with an appreciation of the complexities of practical and strategic needs categories.

5.1 Microcredit and Gender Labour Market Segregation

Microcredit loans benefit women in Botswana to a greater extent when gender equality in the labour market is achieved. Gender inequality is an overarching structural obstacle for women. Meeting strategic needs is one way of confronting gender inequality. In relation to men, women do not always have equal social standing under the law and women do not have the same freedom to seek education, training, and work. In addition, women do not have the same access as men to benefits and resources such as food, shelter, health care, and entertainment. In this study, it is apparent that gender inequality in the market economy impedes prospects for microcredit as an empowering tool for women.

Women are overrepresented in Botswana's informal sector economy. The coordinator of Botswana's Business Coalition on AIDS (BBCA) made the following observation during a key informant interview,

Certain industries are still known as women industries... for example, domestic work is still predominantly female, textiles is still predominantly females... whereas you have mining that is predominantly male. You still have that dynamic of certain industry types more male or female dominated.

Women interviewed sell small amounts of food, sweets, blankets, new clothes, used clothes, beauty products, and provide services such as sewing, brick laying, and phone utilization. Not only are women concentrated in the informal sector, they are also involved in oversaturated income-generating activities. BBCA's coordinator also discussed the importance of encouraging women to find a niche market. She offers an example of market saturation in Gaborone, Botswana:

The women who sell food on the street... I remember a couple of years ago when you would see one stand here, one stand there. It was really a rare market. Back in those times I would have to

take a taxi somewhere to find that kind of food. Now you find them literally in every opening in front of a building. They are not just one person, but two or three people competing.

As it stands now, the women engaged in income-generating activities financed through Women's Finance House are competing against each other in a saturated market economy. Several women explained they are participating in their activity because they saw someone else (e.g., a family member or neighbour) carrying out the same activity. Women in the study have pursued micro-enterprises associated with their existing skill sets such as cooking, sewing, or selling sweets. Consequently, the concept of diversification is lost.

Business enterprises are primarily started by women to secure income generation. Women face gender discrimination in the market economy. Eleven respondents started their businesses because they could not find a job. Compounding this issue is the age factor. After a certain age (approximately 50 years old) women have difficulty keeping their jobs or finding new employment because they are replaced with younger workers. Two women interviewees explain their circumstances⁸,

- I used to work at the Oasis [a motel in Tlokweng Village, just outside Gaborone]. Then one day, they said I did not work there because someone younger was coming instead. That's when I started my business.
- People should start working [in the formal sector] first then go into [self-owned] business. Save the businesses for the older ones who are tired of working then there won't be too many [informal] businesses in Botswana.

In addition, a lack of schooling for women perpetuates the problem of acquiring available positions in the work force. Two interviewees mentioned the problem of

⁸ Note: Interviews were primarily conducted in Setswana with the help of a translator. Responses from interviewees have been translated into English. Key informant interviews were all conducted in English.

frequent business closures and relocations in Botswana. The country is considered to have a highly mobile population and people and businesses are constantly transient.

Business self-ownership is generally more accessible to women and there is potential for profitability and stability. While women start their businesses in pursuit of income stability, other factors complicate the outcome. Women recognize that microcredit offers them the opportunity to start and maintain a business; however, women also report challenges that impede their opportunities. Small loan amounts, rising costs of goods and services, market saturation, and lack of enterprise growth are areas of business insecurity. Furthermore, self-owned enterprise financial risks (e.g., bad crop season, interest rate fluctuation) and an inability to earn in excess of subsistence (e.g., create savings, afford luxuries, take breaks) contribute to income instability. Finally, the potential increase of dependents due to HIV/AIDS (e.g., caring for sick relatives or friends or becoming a primary caregiver for orphaned children) puts additional strain on business profit. Women entering into self-employment business endeavours need to be aware of these possible risks. Yet many women in the study admitted they learned of these risks through experience. Women's Finance House does facilitate education and training regarding these risks, but there were no women in the study who mentioned the organization's role in effectively relaying this information.

The labour market is gendered; there are differences between the businesses that are owned by women and men. Women's Finance House addresses gender inequality in the labour market by helping women meet practical gender needs. Women's Finance House assists women in participating in the labour market as it is; however, strategic gender needs through making structural changes in the organization of the labour market

appears to be beyond the scope of Women's Finance House. A key informant from Botswana's National AIDS Coordinating Agency (NACA) states, "in Botswana it is still very much a male dominated society. And I think issues of gender get sidelined in many ways". Only women were interviewed in this study so their perceptions of differences and commonalities in the gendered market economy are those represented in the data. Interviewees have a strong consensus that men are more suited to alternative forms of employment rather than running a small business; men tend to run larger businesses (e.g., men do wholesales while women run tuck shops). Women lack opportunities to go against this norm due to inaccessibility to larger loans, commercial plots, and business training. The sexual division of labour is also revealed in the way interviewees described common jobs for men and women. Women made the following remarks in their interviews:

- You cannot see a man cooking.
- Men, they run taxis.
- Men don't do the dressmaking.
- Men do the bricks, because they are men, they have trucks. They can do everything for themselves – they can go to the river and get water, they can go to trade.

In addition, there are strong character stereotypes that men are lazy, poor stewards of money (they spend it on themselves, e.g., drinking), selfish, and less responsible than women. Conversely, women are stereotyped as conscious of family needs, hardworking, and responsible. By and large, the women interviewed show understanding of the increased demands and hardships of operating in a male dominated economy.

Alternatively, there are respondents who do not report any differences between the types of businesses men and women run. However, this does not necessarily suggest no differences exist but that the differences are not apparent or recognized and men's and

women's place in the market economy is taken for granted and not scrutinized. Also, because this question was asked near the end of the interview, some woman may have wanted to be finished with answering and may not have offered a true, full answer.

The principles and mission of Women's Finance House are in alignment with women's strategic gender needs in bringing about gender equality in the market economy. The organization focuses specifically on women and their varied but also unified interests and needs. However, with gender inequality prevalent in economic structures, it is necessary that more recognition, attention, and work be done to bridge the gender gap. Not only should women's strategic needs be identified, but also a move towards active change to better women's circumstances and overall wellbeing. Women's achievement of strategic gender needs will be realized when the labour market reflects equitable opportunities for men and women.

Gender roles are imbedded in Botswana society. Whether it is children, orphans, the sick, or the elderly, women are expected to fulfill the role of carework and this has been a long-standing tradition. Botswana mothers are expected to nurse their sick and disabled adult daughters (primarily HIV positive or AIDS ridden) and Botswana daughters are expected to nurse their mothers in their old age. Often this presents a problem where Botswana elderly mothers and sick adult daughters are both in need of care. It is then a daughter's responsibility to carry out care work. At times, elderly women are also taking care of their grandchildren because they have lost their daughters to AIDS. BBKA's coordinator describes the extended role of elderly women in this position:

She will take on a job at that age – something very small like selling fat cakes⁹ on the roadside to provide for her grandkids because that's all she can do. Women become very pivotal in that sense because it now has a direct contribution to whether now there is someone to at least care for them. It reduces a burden of care always on the government... she can get food baskets and this and that, but at least she's there to take care of the kids.

Young women are increasingly called upon to participate in carework. Young girls often miss school in order to fulfill their caregiving responsibilities. It is customary for a female child to help when the burden becomes great for Batswana women. These strict gender roles keep women from meeting strategic gender needs even in light of microcredit.

From a women-centered perspective, there are still significant gains to be made in bridging economic inequality in the labour market. NACA's strategic coordinator elaborates, "the gender policy has been invisible for so long so we don't see the positive strides for moving forward". A systematic approach is necessary for realizing gender inequity and for making effective plans for structural change in the market economy.

5.2 Microcredit and Access to Resources

Women's Finance House and other similar organizations have begun meeting practical gender needs by making microcredit available to women. Yet there are several more resources that would benefit women and help them achieve practical gender needs: education and training, business information support, sufficient funding opportunities, relief of creditor problems, safeguards against theft, and suitable locations to run

⁹ A fat cake is a local delicacy in Botswana. It consists of bread flour and cake flour deep-fried. It is eaten any time of day and is similar to a doughnut in Canada.

businesses. These practical needs are straightforward and attainable because they are easily recognized and tangible aims.

Women's access to education and training may ostensibly be considered practical gender needs; however, women have unequal access due to gender inequality so meeting strategic gender needs is also necessary. Moreover, education and training contribute to empowerment, which classifies these resources as strategic gendered needs. Attaining strategic gendered needs tends to be more difficult because they are more elusive. From a practical needs assessment, a large majority of research participants completed school up to standard 7 (equivalent to grade 7 in the Canadian school system). This is a considerably low amount of schooling for entrepreneurs who own and operate business enterprises. Some women appeared embarrassed to admit the level of education they have received. These women justified their lack of education by reporting that they lacked self confidence in their educational abilities, had children at an early age and could not attend school, and were required to stay home to help around the house. Some women left school early because they did not believe it was necessary for the end goal: to earn an income. These findings show that some women do not consider education a priority while other women were prevented the option of pursuing further education.

In addition to education is the notion of access to specific business training. Only one interviewee claimed she had training relative to her business. Other women mentioned taking short courses (one week in duration) that provided training in bookkeeping and cash reports. Training not only for business related components but also in developing new skill sets encourages women to step out and try something different. Most women started their business because their mothers did the same thing

(e.g., sewing, selling sweets) or because they already knew how to do that particular activity. Four women report,

- I took over from my sister
- I have been sewing since I was young
- It is within my talent
- My mother ran the business here previously

Branching out into new areas provides the basis for a more diverse economy and diversifying the economy lessens the competition women face in a saturated market. In addition, Botswana's government considers economic diversification essential for the sustainability of the country's economic gains made since independence. While local business development is a key concern for Botswana's government, the issue is not reflected in the school curriculum. Students in the school system are educated and equipped for formal sector jobs. Preparing students with entrepreneurial skills has not yet been implemented in the curriculum. Knowledge is power and women require adequate access to information. This is where the importance of recognizing education and training as strategic gendered needs lies. It is crucial that women are equipped with the skills to make decisions and meet goals specific to their varied interests or needs. Women who are informed are better equipped to recognize and take advantage of opportunities, access services, and exercise rights.

Business information support is an extension of education and training. Rather than running a business for subsistence, as many women interviewees are currently doing, women could be inspired to achieve more if they had the support of ongoing business information accessible. Women's Finance House provides business information support on a small scale with biweekly meetings where women exchange ideas, discuss solutions to challenges, and report income activity. Business training can benefit small-

scale women enterprises run by women when the training is designed to complement existing skills and address critical needs. Ensuring that the training is relevant for loan recipients is key. The original purpose of Women's Finance House was to train women in basic and small business practices (e.g., basic banking and book keeping). Over time, it was found that women wanted more than training; they wanted money to improve their current businesses (Women's Finance House key informant). While Women's Finance House has shifted its objectives from training to loans and savings, training is still an important component of the lending process for this organization.

Women also require sufficient funding opportunities. A strong opinion that emerged in the data was that women are not receiving loans to make a difference to their business enterprises. Many women articulated their frustration by saying,

- It is not very much at all.
- The funds are very little.
- The money to start the business is too small... there is no profit at all.
- I had a business plan but the funds are too small for such a plan.
- It's a small amount and you cant do anything with it... for material you can by 10 meters with the money – nothing!
- You start with very little money... this is a problem.
- The money is very little and you can't do anything with it.

Women's discontent with the amount of loans distributed by Women's Finance House can be attributed to various factors. In some cases, for example, it is possible the women do not understand the loan process to a full extent upon entering. Women's Finance House loan officers go through extensive paperwork and a specific checklist to ensure all information is relayed to loan applicants. It is suggested that this information may not be presented in comprehensible terms for the women applying for the loans, particularly if

they are coming from low educated backgrounds. It is also possible that women relayed their discontent with loan amounts in hopes that the researcher would provide for them.

The size of the loans are obviously dependent upon the resources available to loan organizations. Women's Finance House operates solely on the provision of funds from donors. Being an established organization, Women's Finance House has developed a loan system, which they deem appropriate for the women they serve. It is the ultimate goal of the organization to help women provide for themselves, contribute economically to their households, and to have successful lucrative businesses. What emerges from the data is a gap between the goals of the organization and the goals of women accessing the loans. It should be noted that many women are appreciative of the funding they receive. Women's access to financial services has increased considerably over the last decade yet their ability to benefit from this access is often still limited by disadvantages they experienced due to their gender (Cheston and Khun 2002). Organizations that target women specifically are one step in a positive direction to lessening the gender gap. The former general manager of Women's Finance House states the value in providing loans specifically to women:

Men tend to drink their money away. Women have more commitment to making businesses and money work. Also, women are more likely to repay their loans. They are generally aware that this is survival. They use the money they earn for school fees for their children and to buy clothes. There are even success stories of women who put their children all the way through school until University.

Several women expressed their concern over creditor problems. Interviewees describe their circumstances,

- If they [customers] don't have money, customers don't pay... I am left with nothing for my business
- It is hard to track the customers down to pay

- They [customers] take credit and then dodge you
- Sometimes customers renege. You sew a dress in a specific colour and size and then they don't want it. Who can I sell it to now?

It is common practice in Botswana to give goods and services on credit and collect payment at an established later time. However, many interviewees expressed real concern over the problem with non-repayment. Lack of an enforcement mechanism for collecting debt is a serious problem. Without payments, some business owners are going into debt and are not able to repay their loans and some owners are forced to halt their businesses for periods of time if they have no funds to buy more sales goods. Whether or not it is possible to change the system of crediting is debatable. Abolishing the credit system would have to be enforced in some way and it would have to be an all or nothing effort by business owners. Moreover, eliminating the crediting system is difficult in the informal sector, where many business owners are operating to 'take what they can get' from customers. Offering credit is a risk that business owners are not necessarily willing to take but are taking nonetheless because of a lack of choice.

Another difficulty women report facing in running their businesses is the problem of theft. Businesses that have small, ill-equipped security measures, such as tuck shops, are a prime target for theft. Access to security measures is essential to the success and sustainability of women's small businesses. Beyond preventing theft of business goods is the idea of personal safety and security for women and their employees. Some interviewees expressed their concern over personal safety in the cases where businesses are looted. This was particularly a concern for women who run businesses from home. Preventing theft may involve better access to security and may also involve a change in business location.

Women require suitable locations to run their small businesses. Some women are running their businesses by street vending in the informal sector, which brings about several problems (Hafkin 2007). Women have no legal status or recognition of their businesses and as such they are sometimes harassed by local authorities and evicted from selling in some places. A few interviewees described that in some cases, their goods were confiscated. In addition, some women are operating in potentially unsanitary and hazardous workplaces without basic services. This was evident upon observation of business locations during interviews.

Yet there are positive aspects of street vending as well. Significant amounts of money flow through informal trade, income is generated, and women selling in this capacity often offer convenient goods and services in quantities and at prices that the poor can afford. Alternatively, many women prefer to run their businesses from their residential plots. Women described this method as preferable because they can be flexible with their time and are better able to balance home and work life by carrying out tasks simultaneously. Some interviewees who are running their business from home discussed a desire to separate their business from their home and access commercial plots. The main reason is so that customers are able to make a distinction between women's businesses and their home activities. One woman discussed the need for access to a different business location that would better suit her needs. She runs a sewing business and does not have electricity in her home to run the sewing machines. Currently she is using a generator, but this results in increased expenditure on petrol and lost business when she cannot afford petrol. This section has demonstrated the importance and impact of accessibility to resources for women entrepreneurs.

5.3 Microcredit and HIV/AIDS

A key informant from the Botswana's Ministry of Health describes his opinion on the dire circumstances of the AIDS crisis:

I do believe people who say we are headed for extinction. The president has said it before. I do believe it. The account of carnage I saw as late as 2001 was just not sustainable for us as a nation.

The HIV and AIDS crisis in Botswana impacts both women's practical and strategic gender needs. Practical needs brought on by HIV/AIDS include: HIV positive entrepreneurs incapacity to work, increasing lack of customers, and entrepreneurs having to reallocate business income to care costs. In addition, the burden of caregiving is exacerbated with increasing numbers of ill relatives or friends and rising numbers of orphaned children. Women also face meeting practical needs of alleviating the emotional toll of the AIDS crisis. Key informants at Women's Finance House did not discuss the role in mitigating the impacts of HIV/AIDS for clients. Similarly, women interviewed did not mention support or resources provided by Women's Finance House to assist those affected by the HIV/AIDS crisis. While both Women's Finance House key informants and women interviewed recognize that HIV/AIDS impacts women business owners, women's practical and strategic gender needs are not identified in light of the HIV/AIDS situation. Consequently, women's practical and strategic gender needs remain unmet.

The HIV/AIDS epidemic has serious implications for Botswana's working population. HIV positive workers and entrepreneurs may not always be able to carry out their activities in full because of illness, attending doctor appointments, or waiting at

clinics for medication. One interviewee explains, “it affects employee availability...you can only go to work on and off when you have AIDS”. This impacts workers’ ability to continue to earn an income and support their families, relating to women’s practical strategic needs. Many workers must take a leave of absence or leave jobs entirely because of health deterioration due to HIV/AIDS. In addition, the continuance and stability of entrepreneurs’ businesses is also left in question. It is believed that “if the business owner is sick, the business is sick. If the business owner is absent, the business is also absent” (BBCA coordinator). Four interviewees give their insight into the impact of HIV on business owners and their respective enterprises:

- Sometimes people are sick in business. This means the level of business goes down.
- The businesses will be closed if people get sick. There is no one to run the businesses, no skills.
- Sometimes if the owner of the business is sick the business doesn’t do well because you have to work hard and go around but you can’t if you’re sick.
- ...They have to go for pills and sometimes wait all day. Because of this waiting their business will suffer.

BBCA’s coordinator also discussed the problem of HIV/AIDS for labour productivity and projected the future:

We had cases whereby business owners were saying “with this HIV/AIDS thing, we don’t really care too much about our non-permanent workers because they’re just labourers”. [They can be replaced]. But if you come back from your village 10 years from now wanting to build a house and you’re looking for labourers you won’t find them because they’ve died. You now find yourself beginning to consider importing people from outside of the country to do that task.

Workers may have no choice but to leave their jobs to provide care for infected family members. Consequently, as mentioned in the gender inequality section of this chapter, the burden of care rests almost solely on women and impacts women’s ability to meet strategic gender needs. Because of the AIDS pandemic, traditional structures of

care may not be sustainable. The unprecedented increasing numbers of orphans means that children are no longer considered 'value neutral'. In the past, children helped with domestic responsibilities in the household. Women could afford to provide basic needs for the children based on a sustainable lifestyle. The outcome was mutual gains for both women and children. With the onslaught of AIDS, women's care capacities are overextended. Entrepreneurship provides some women with the opportunity to earn an income alongside carrying out domestic responsibilities; however, there are certain business responsibilities that cannot be met with this arrangement. Two interviewees explain their situations in trying to balance work and home life:

- Sometimes I couldn't go do selling during the weekends, especially when they [daughter and granddaughter] were at the hospital. I always had to go check on them so I couldn't work anymore.
- You have to take money from the business to take care of the patients. Women are especially doing this because they take care of people.

While women seek income-earning opportunities to provide for their households, it is evident that personal relationships and maintaining their caregiving duties are greater priorities than pursuing business prospects. A woman can only take on so much in terms of responsibilities. Key informants at Women's Affairs Department discuss women's multiple role burdens,

Sometimes people think women's time is elastic. How do we make a woman's time longer? She still has a 24-hour clock like everybody else. And yet they would be expected to do all these things and still have to now look after the sick... [her time] has to be divided to look after the home, her business, and look after the sick.

Another cause for concern due to HIV/AIDS is the diminishing number of customers that entrepreneurs count on to maintain their businesses. Maintaining customers to sustain business income pertains to women's practical gender needs. Many

interviewees described a lack of customers as their prime concern of how HIV/AIDS impacts their business. Some women emphasized the fact that customers are not able to buy goods because they must spend their money on taking care of themselves or family members infected with the virus. Other women expressed their concern that customers are dying of AIDS and in the future there will be even fewer customers to support small businesses. Moreover, another woman described her difficulty in replacing hard working labourers after they have died from AIDS.

In an effort to combat declining labour productivity and to improve the quality of life for HIV infected persons, the government of Botswana initiated an ARV campaign in January 2002, offering free ARVs to any Botswana citizens. There is a difference between being HIV positive and having full-blown debilitating AIDS. Many interviewees discussed the faith they have in ARV treatment. One woman states, “everyone is working now with the ARVs. Before there was no medicine for that but now people are not dying, people are improving so it won’t affect businesses”. It is important to seek greater access to medical treatment for those who are HIV positive. However, medication alone is not going to save lives. Treatment programs have to coincide with the social structures and conditions of a society. It is imperative to understand the political and social barriers preventing better health outcomes for HIV-positive individuals. The incessant barrier that infiltrates all factors in women’s wellbeing is impoverishment. Poverty is an overarching problem that threatens women’s nutrition, emotional stability, and increased vulnerability to sexual exploitation and HIV infection.

Women experience the devastating impacts of poverty to a greater extent than men. The situation of gendered poverty is directly linked to women's strategic gender needs. Women are operating in an unequal societal gender structure in Botswana where men do not face the same challenges as women. A common obstacle for women entrepreneurs facing the HIV/AIDS crisis is the reallocation of business income to caregiving. One woman describes her potential circumstances and another woman details her current situation respectively:

- If I got it [AIDS] or someone I know got it, I will have to take money from the business and then the business will go down.
- My [HIV positive] sister stays very far from Gaborone in a village... 200 kilometers away. [When she requires care] I have to use money for transport, give her something when I get there and bring food or medicine. All of this costs money and then I don't have that money from the business.

Microcredit targets women in the first place because they are considered the most impoverished and disadvantaged population. Micro loans are intended to help women help themselves climb out of poverty; however, with the overwhelming AIDS crisis in Botswana, many women are earning an income for the sole purpose of meeting basic needs. The cycle of poverty is perpetuated by HIV/AIDS as women direct their business income back into caregiving rather than making profit or putting aside savings.

The final practical gender need addressed in this chapter is the need to alleviate women entrepreneurs' emotional toll endured with regards to the HIV/AIDS crisis. Several interviewees described "feeling down" about the future of their businesses operating in the context of HIV and AIDS. Others are upset to learn that relatives are sick and some woman cannot bear watching loved ones die and having to bury them "before their time". One woman explained that sometimes the emotional burden is too

much and she cannot carry out her business activities because she is too sad to leave the house. Microcredit may be a tool for women's empowerment, but it is essential that microcredit functions within a social understanding of the environment. There is no blueprint for microcredit initiatives; women in Botswana have varying social, economic, and psychological needs to consider.

A primary strategic gender need pertaining to HIV/AIDS that emerged in the data is prevailing over stigma. AIDS in Botswana remains a problem that is largely veiled. This surfaced in the discussion when women interviewees stated, "people are not talking about it in Botswana, some are ashamed and won't talk about it, and people are scared to talk about it because it means bad things". One woman elaborated, "people look badly if you have HIV/AIDS and they will discriminate against you so no one speaks of it to avoid this". Due to the damaging stigma of AIDS, people rarely identify it as a cause of illness or death, "so people say, 'I'd rather not know'... they wait for the symptoms to come first" (Emang Basadi key informant interviewee). In an interview conducted with Women's Affairs Department, the interviewee stated a reason why people are so reluctant to discuss the topic, "we mostly blame the cause or how HIV/AIDS is transmitted through sexual intercourse to a large extent and we know that these are private kind of issues". A key informant from NACA advocates for much to be done to alleviate AIDS stigma and its relation to gender, particularly in the ways gender has an influence on who is stigmatized and how they are stigmatized. These changes involve structural shifts in Botswana's society, which reaffirms overcoming AIDS stigma is a structural gender need.

The implications HIV/AIDS poses in the workforce include stigma and

discrimination, which impinges on the fundamental rights of employees affected by AIDS. The fear of losing a job persuades HIV positive Batswana from disclosing an HIV positive status. Interviewees recognize that “business people may fire people who are working for them” and “no one should be chased from work because they are [HIV] positive”. A key informant from NACA argues, “people are being dismissed for being HIV positive. Those types of cases occur more frequently than we like”. In addition, one woman remarks, “if customers know you are infected they are not attracted to your business and they stay away”. Some react by shunning members from a community or blaming women for men’s infection. The negative attitude toward HIV/AIDS is the main reason for silence and denial of the problem. The stigma of AIDS is detrimental because people refuse testing or treatment in exchange for acceptance in society. This compromises their health and is ultimately leading to increased numbers of AIDS deaths that may have been prevented. Stigma and community taboos disrupt the flow of information about the disease.

5.4 Conclusion

This chapter has discussed three main obstacles to securing women entrepreneurs’ wellbeing: the gender inequality gap, inadequate access to resources, and operating within Botswana’s HIV/AIDS crisis. These three overarching obstacles were explored within the context of the practical and strategic gender needs framework, with mention of the difficulty in categorizing needs. It was found that gender inequality in the labour market, being a strategic gender need to be met, impedes women’s socio-economic potential because women are segregated to the informal economy. This leads to market

saturation where women lack skills to diversify and branch out into other activities that experience less competition. Women also experience discrimination in the market economy because men are more likely to be employed, thus women are forced to find other income-generating avenues. Self-owned businesses are often the choice for women to pursue income-generating activities; however, it is debatable whether this option provides women with the financial security and stability they require. Gender inequality in labour market segregation is also prevalent with adherence to traditional gender roles and the sexual division of labour. Women continue to maintain the role of caregiver and uphold taking responsibility for domestic duties. Furthermore, there are undeniable differences between men's and women's businesses, which results in an exclusion of women for certain business endeavours.

Women's practical and strategic gender needs are left unmet without adequate access to resources. Education and training provides women with essential skills necessary for successful start-up of a business. Business information support is required for maintaining and sustaining businesses. In addition, women often lack sufficient funding opportunities. Women's ability to access any business funding has been a significant achievement in the last decade; however, the initial loan amounts are often described as insufficient. Equipping women entrepreneurs with information on how small loans could be best used would alleviate this problem to some extent. Women also experience significant problems caused by creditors not providing payment. Access to safeguards against business theft is another practical need of women. Finally, women's access to suitable business locations is necessary for the full potential of microcredit to be reached.

Botswana's HIV/AIDS situation brings about certain practical and strategic gender needs for women. On the practical side, women face obstacles of increased caregiving responsibilities, lack of customers for the business, and having to reallocate business profit to care costs. The emotional stress of owning and running a business in the context of the country's HIV/AIDS crisis brings about more burdens for women entrepreneurs. In addition, women have strategic needs pertaining to lessening the devastating impacts of HIV/AIDS related stigma.

Chapter Five has outlined obstacles women entrepreneurs face in their pursuit of microcredit-funded activities. Chapter Six highlights the more positive aspects of microcredit. This next chapter explores the potential microcredit has for empowering women through the capabilities approach.

Chapter Six

Microcredit as an Empowerment Tool

6.0 Introduction

This chapter extends the discussion from Chapter Five and suggests microcredit be used as a tool of empowerment in response to the challenges women microcredit entrepreneurs face in Botswana, as previously outlined. This chapter is divided into four sections, and begins with definitions of empowerment from varying perspective. More specifically section two examines women's empowerment and the difficulty in measuring empowerment. Sara Longwe's Women's Empowerment Framework is introduced in this section. In the third section, microcredit within the context of women and empowerment is addressed. Finally, the fourth section discusses capacity building and capabilities as empowering for women involved in microcredit initiatives.

6.1 Empowerment Defined

Empowerment can be defined in more than one way because people have different views about what empowerment entails. In part, the fact that there is not a single definition of empowerment is valuable as individuals cannot be empowered under a definition to which they cannot or do not subscribe. Nalia Kabeer characterizes women's empowerment by stating, "[it] is about the process by which those who have been denied the ability to make strategic life choices acquire such an ability" (1999:435). Women's empowerment encompasses such ideas as women realizing their full potential, women's right to make their own choices followed by the ability to act on them, and

women being empowered within in conjunction with empowerment that is facilitated through external agencies (e.g., NGOs dedicated to helping women meet their interests). More succinctly, empowerment is associated with terms like self-strength, self-power, self-reliance, own choice, life of dignity, capacity to fight for one's rights, independence, decision making, and capability (Narayan 2002). For the purpose of this study, empowerment entails having the right to make one's own choices and having the ability to act on them.

There are several perspectives on empowerment because of its widespread usage. The concept is often used in development work and yet it is rarely defined. Box 6-1 provides a sample of a variety of understandings of the term empowerment, with particular reference to women's empowerment.

Box 6-1: Perspectives on Empowerment

The Human Development Report 1995, stresses that empowerment is about participation: Empowerment... development must be *by* people, not only *for* them. People must participate fully in the decisions and processes that shape their lives but at the same time promotes a rather instrumentalist view of empowerment; Investing in women's capabilities and empowering them to exercise their choices is not only valuable in itself but is also the surest way to contribute to economic growth and overall development. (Oxaal and Baden 1997:2).

For Oxfam, empowerment is about challenging the forms of oppression and inequality: Empowerment involves challenging the forms of oppression which compel millions of people to play a part in their society on terms which are inequitable, or in ways which deny their human rights. (Oxaal and Baden 1997:2).

Feminist activists stress that women's empowerment is not about replacing one form of empowerment with another:

Women's empowerment should lead to the liberation of men from false value systems and ideologies of oppression. It should lead to a situation where each one can become a whole being regardless of gender, and use their fullest potential to construct a more humane society for all. (Oxaal and Baden 1997:2).

Jo Rowlands points out that empowerment is a bottom-up process and cannot be bestowed from the top down:

The outside professional cannot expect to control the outcomes of authentic empowerment being given by one group or another hides an attempt to keep control. (Oxaal and Baden 1997:2).

Although empowerment is a broad and slippery concept to define, most can recognize situations of empowerment. Box 6-2 shows examples of empowerment from case study interviews.

Box 6-2: Snapshots of Empowerment

- A formerly uneducated woman takes on the role of treasurer for her region's loan group
- A woman perseveres through 7 years of small loans to build a growing business that funded a house expansion of 8 rooms for rent
- A woman decides she can divorce an abusive husband in an environment where divorce is generally unacceptable

Source: Case study interviewee responses.

Within the term empowerment is 'power'. One component of power is the ability to make choices. Disempowerment then, implies a denial of choice (Kabeer 1999). Power manifests itself in a number of different ways according to Oxaal and Baden (1997). First, there is *power over*, which involves a dichotomous relationship of the dominating and subordinated. It is premised on threats of violence and intimidation, requires constant maintenance, and provokes both passive and active resistance. Second, *power to* relates to the ability to make decisions and/or having the power to problem solve. Third, *power with* refers to people organizing with a collective purpose or understanding to achieve common goals. Finally, *power within* involves self-confidence, self-awareness, and assertiveness. As a result, individuals realize how power operates within their lives and experiences and gain confidence to change negative power situations.

Essentially, power within is at the root of empowerment. It involves a process of change. There are people who possess a great deal of power but they are not empowered people because they were not disempowered in the first place. As Kabeer notes in reference to the process of change, empowerment refers to "the expansion in people's ability to make strategic life choices" where this ability was formerly limited (1999:437).

Disempowerment is closely associated with poverty. This is logical since individuals who have insufficient means for meeting basic needs are highly unlikely to be able to exercise meaningful choice (Kabeer 1999). Poverty is multifaceted and complex. People living in poverty require capabilities at the individual level (e.g., health, education and housing) and at the collective level (e.g., the ability to mobilize for collective action to solve problems). Empowering poor individuals requires removing barriers that prevent

individuals from taking action and inhibit the ability to make choices. Formal institutions can do their part by addressing the impediments to empowerment in laws, rules, markets, civil society, and international agencies; informal institutions can recognize the roles of social solidarity, social exclusion, and corruption (Narayan 2002).

In addition to empowering the poor, it is extremely important to empower poor women. Women are currently the most discriminated against population and empowering women leads to gender equality and equity. A further discussion of women's empowerment is found in section 6.2.

Why is empowerment significant? Empowerment is essential for quality of life and human dignity, good governance, and for helping the poor climb out of poverty (Narayan 2002). Empowerment is about change, choice, and power (Cheston and Kuhn 2002). Empowerment gives the silenced a voice and allows the powerless the ability to take action to shape wellbeing. The empowered have control over resources and decision making. It is a process of expanding and enhancing the capabilities of individuals or groups to "participate in, negotiate with, influence, control, and hold accountable the institutions that affect their lives" (Narayan 2002:xviii; World Bank). Empowerment is significant because it is the expansion of freedom, choice, and action.

6.2 Women and Empowerment

Empowerment is increasingly associated with women, because women are among the most disadvantaged and disempowered population. The United Nations defines women's empowerment as:

The participatory process through which women, who are currently most discriminated against, achieve gender equality and equity. Where the extent of women's disadvantage means

that they are unable to fully promote their own interests, this will require support by developing agencies at household, community and macro levels. This will include support for men to change those aspects of their behaviour, roles and privileges which currently discriminate against women. (As cited in Mayoux 2005:14).

A key strategy in promoting women's empowerment is support from and for developing agencies and women's organizations. Support for women's organizations may be in the form of finances, but must also involve helping to create networks, and build connections between women's organizations and those in positions of power (Oxaal and Baden 1997). While there is a recognized need for development agency support, it is not the role of institutions or agencies to facilitate empowerment per se; instead, they are to create a context in which empowerment may occur. The process of women's empowerment is essentially bottom-up rather than something that can be devised as a top-down strategy (Oxaal and Baden 1997). Development agencies cannot claim to empower women; women must empower themselves.

The Beijing Platform for Action, Fourth United Nations World Conference on Women (1995) acknowledged the importance of women's empowerment: "empowerment of women and gender equality are prerequisites for achieving political, social, economic, cultural, and environmental security among all peoples" (as cited in Cheston and Kuhn 2002:14). Since the process of empowerment is crucial for women's advancement, it is necessary to comprehend what the process represents and how empowerment is achieved. There are five main components of women's empowerment: women's right to self-worth, the right to have and to determine choices, the right to have access to opportunities and resources, the right to have the power to control their own lives (within and outside the household), and the ability to influence the direction of

social change (United Nations). These rights emphasize the importance of pursuing gender equity.

Just as it is difficult to assess the degree of empowerment, it is also difficult to know which factors are important for empowering women. Empowerment occurs at a different pace for women. This is due to a variety of factors. Household characteristics and behavioural differences between women and their family members are two factors that influence empowerment. In addition, there are factors of cultural and religious norms and the kind of training and awareness programs to which women are exposed (Swain and Wallertin 2007). These factors together constitute the empowerment process.

One attempt at measuring empowerment is the use of the decision making indicator. This is logical because decision making is central to conceptualizing power (Kabeer 1999). Empowerment is measured by Women's Agency in decision making in three key areas: the purchase of household items, the decision to work outside the home, and the number of children to have (Kabeer 1999).

Sara Longwe devised a framework in an attempt to measure and conceptualize women's empowerment. Longwe is a gender and development consultant based in Zambia. The framework is designed to measure the extent to which women have been empowered in the development process. Measuring empowerment is assessed by whether or not women gain access to resources, participate in projects, and exercise control (Leach 2003). The Women's Empowerment Framework is based on five different levels of equality: control, participation, conscientisation, access, and welfare. Control refers to equal power over decision making. Moreover, it means a balance of control between men and women preventing one or the other becoming more dominant.

Participation in development projects represents equal contribution in decision making. This is measured in women's involvement in needs assessment, project formulation, project implementation, and evaluation of projects. Conscientisation is the conscious knowledge of the difference between sex and gender. Furthermore, it is an awareness that gender roles are culturally determined and can be changed. Access pertains to factors of production such as land, labour, credit, education, training, and all public services and benefits. Access means equal opportunities for women including removing legal and administrative discrimination. Welfare is women's material wellbeing in relation to men's, for example, having equal access to food, income, and shelter.

The presence of these notions of equality in social or economic life determines the level of empowerment. Leach describes Longwe's hierarchical explanation of equality:

Equality of participation or control between men and women is more likely to bring about significant change than equality of welfare or access. Equal welfare or access is not empowering in itself: one needs conscientisation (awareness of the need for change of the means to achieve it), participation in the change process, and preferably control of the process if change is to be sustained. (2003:57).

Welfare and access levels of equality primarily address women's practical gender needs while control, conscientisation, and participation speak to women's strategic gender needs. However, the two are inter-connected. Satisfying practical gender needs impacts strategic needs (Leach 2003). Women's practical needs are closely related to traditional gender roles, responsibilities, and social structures. Botswana women maintain the traditional gender role of caregiver. Alleviating the burdens of caregiving is considered meeting a practical gender need. In terms of traditional responsibilities, women require assistance in managing household duties. Meeting this practical gender need of alleviating women's work burden necessitates more support from men in sharing the

work. Finally, in current social structures women are concentrated in the informal sector economy. To meet this practical gender need, women require adequate resources and support. Moreover, women provide essential services for the community and ought to have due recognition for their labour. There must be a balance to meet both practical needs in the short term and promote long-term strategic change to accomplish strategic gender needs.

Longwe's Women's Empowerment Framework can be applied to the case study, Women's Finance House Botswana. Using the five levels of equality, the following evidence is derived from the data:

- **Control:** most women interviewed retain control over the social and economic decisions pertaining to their businesses (e.g. these women make business decisions rather than their husbands taking control).
- **Participation:** one woman employs mostly male workers, exercising decision making power in a highly patriarchal environment. At the community level a couple of women are occupying male dominated businesses (e.g. brick making and brick laying).
- **Access:** women are empowered by being able to access schooling and pay school fees for children (and more commitment to schooling), acquiring business training, and the ability to apply for commercial land plots.
- **Welfare:** women proclaim themselves to be economically self-reliant and self-sufficient as a result of their involvement with Women's Finance House. Women are able to pay bills and provide food for the household. In addition, the growth of their businesses benefits the larger local business development initiatives of the country.

If a gender analysis framework had been used systematically during fieldwork, this would have allowed for a more rigorous discussion of gender roles and the achievements of women along all five levels. It would have also identified work still to be done, and an action plan or strategy for further development. As table 6-1 illustrates, there are several gaps that a comprehensive gender analysis framework would have filled.

Table 6-1: Botswana Women's Finance House Loan Program - Achievements

Levels of equality	Individual	Household	Community
Control	Most women sole decision makers over businesses		
Participation	One woman employs mostly male workers		A couple of women occupying male dominated businesses
Conscientisation	Yes (but how/what?)	Yes (but how/what?)	Yes (but how/what?)
Access	Opportunity for children to go to school, Business training/courses, Applying for commercial land	More commitment to schooling	
Welfare	Economic self-reliance and self-sufficiency	Providing food Paying bills	Growth of businesses leading to stronger local business development

6.3 Microcredit, Women and Empowerment

Many women in developing countries operate businesses in the informal sector. The informal sector in Africa is responsible for 93 per cent of new jobs (Narayan 2002). Since women are most represented in the informal sector and because the informal sector is so vast in African countries like Botswana, microcredit that specifically targets women is vital.

The Microcredit Summit Campaign that began in 1997 has four core themes. Reaching and empowering women is one of these themes (Microcredit Campaign Summit Report 2000). The Campaign recognizes the experiences of women indicate that they maintain good credit records and there is evidence that women-run businesses tend to benefit families more directly than men-run businesses. In addition, women who earn an income tend to achieve higher status within their households, communities, and nations (Microcredit Campaign Summit Report 2000).

Microcredit schemes initially targeted poor women in order to improve their income-earning abilities. A positive extension of this objective is the empowerment of women in a broader sense (Osmani 2007). Noeleen Heyzer, Executive Director of the United Nations Development Fund for Women (UNIFEM) summarizes the success of microcredit:

Microcredit is about much more than access to money. It is about women gaining control over the means to make a living. It is about women lifting themselves out of poverty and vulnerability. It is about women achieving economic and political empowerment within their homes, their villages, and their countries. (Microcredit Campaign Summit Report 2000:6).

Women's experiences with accessing credit have indicated that empowerment is evident. Evidence of empowerment can be seen in women's increased asset holdings held in their names, women's increased ability to exercise purchasing power, and women's increased political and legal awareness (Kabeer 1999). Moreover, women accessing credit are known to be more mobile, participate in political processes, and are involved in major decision making (Kabeer 1999).

Evidence of women's empowerment through microcredit is widespread. In a study by Swain and Wallertin (2007), many examples of women's empowering activities

were observed. Empowerment is evident in women overcoming resistance from husbands and other members of the family to join a loan scheme. In addition, women are expanding participation in decision making within the household to include issues that are usually considered outside the domain of women. Another example is women's improved status and increased respect within the household contributing to increased ability to move outside of the house and village more frequently. As a result, women gain more information about government programs due to increased exposure outside the home. Women are also reporting feeling more confident after engaging in microcredit projects. Empowerment manifests itself in various ways because women have varying objectives, abilities, environments, and needs.

The Feminist Empowerment Paradigm and the Poverty Alleviation Paradigm are competing approaches to women and microcredit initiatives. Feminist Empowerment concentrates on gender equality linked to women's human rights. The main target group is poor women and a secondary target group is women who serve as role models for change. Men's role in challenging gender equality has also gained considerable attention. Specific to microfinance, the Feminist Empowerment Paradigm advocates for participatory principles in order to enable women to develop their own strategies for change (Mayoux 2005).

The Poverty Alleviation Paradigm focuses on developing sustainable livelihoods, community development, and social services (e.g., education, healthcare, and infrastructure development). This approach targets not only the poor, but specifically the poorest of the poor. Gender has become a focal point in this paradigm for two primary reasons: (1) women experience higher levels of poverty and (2) women are more likely to

be responsible for household wellbeing. The underlying assumption is that through women's access to credit, women will make a greater contribution to household income resulting in improved wellbeing and the desire to bring about wider changes in gender equality (Mayoux 2005). Gender inequality encompasses all aspects of human welfare and achieving gender equity is good for the greater purpose of improving situations of poverty, disease, education, and environmental health.

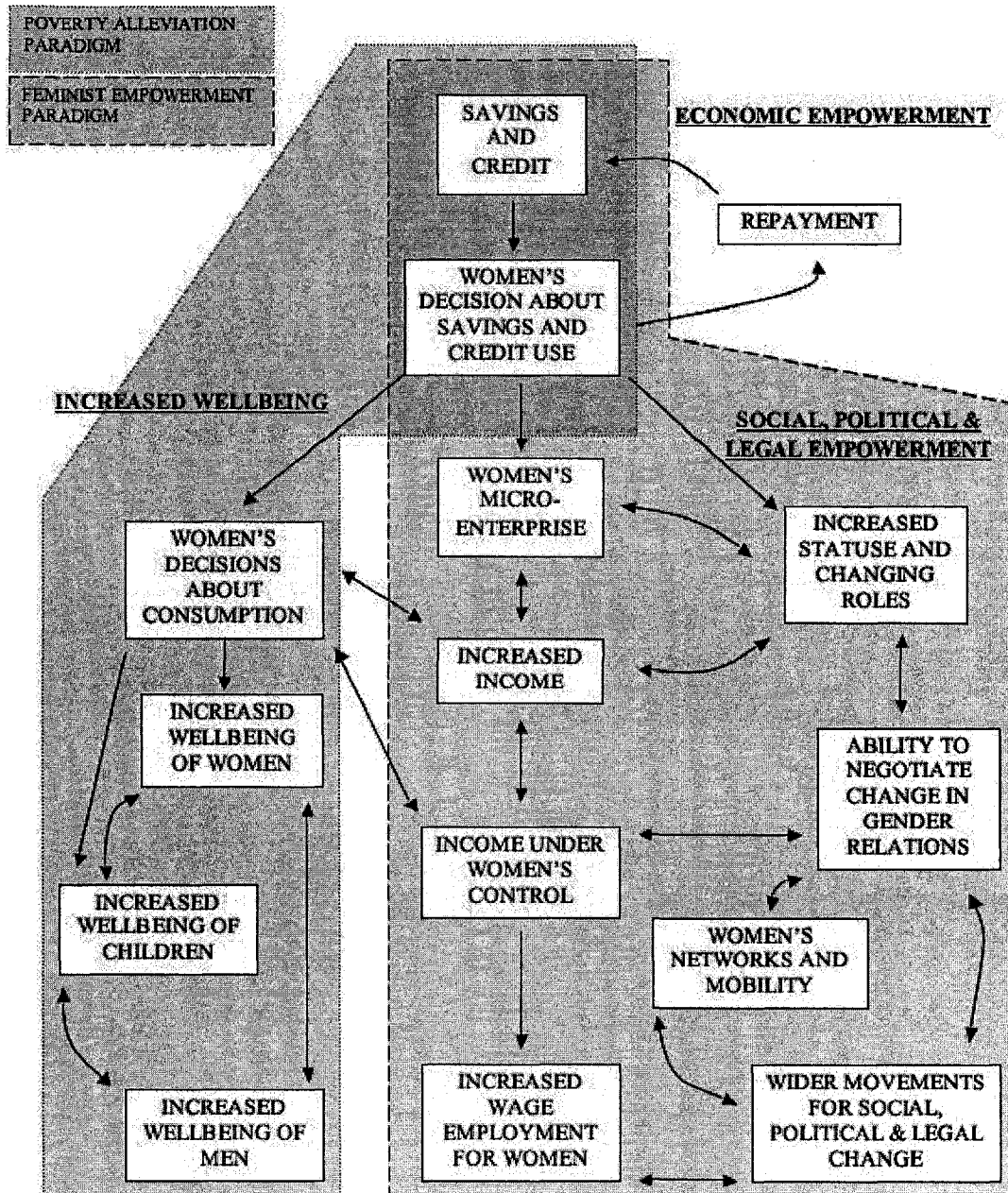
The two aforementioned paradigms have distinct approaches to empowerment and therefore development goals are prioritized differently. Gender and empowerment are understood differently from each approach and consequently the policy conclusions for microfinance are varied. Table 6-2 contrasts the Feminist Empowerment Paradigm against the Poverty Alleviation Paradigm. Furthermore, both paradigms maintain assumptions about the contribution of microfinance in economic empowerment. The interlinkages between microfinance and women's empowerment are indicated in Figure 6-1.

Table 6-2: Competing Paradigms

	Feminist Empowerment Paradigm	Poverty Alleviation Paradigm
Main Policy Focus	Microfinance as an entry point for women's economic, social and political empowerment	Microfinance as part of an integrated program for poverty reduction for the poorest households
Target Group	Poor women, alternative role models	The poorest
Reason for Targeting Women	Gender equality and human rights	<ul style="list-style-type: none"> • Higher levels of female poverty • Women's responsibility for household wellbeing
Underlying Paradigm	Structuralist and socialist feminist critique of capitalism	Interventionist poverty alleviation and community development
Main Policy Instruments	Gender awareness and feminist organization	<ul style="list-style-type: none"> • The importance of small savings and loan provision, • Group formation for community development, • Methodologies for poverty targeting and/or operating in remote areas.
Main Focus of Gender Policy	Gender awareness and feminist organization	Increasing women's participation in self-help groups
Definition of Empowerment	Transformation of power relations throughout society	Increased wellbeing, community development and self-sufficiency
Underlying Assumption	Women's empowerment requires fundamental change in the macro-level development agenda as well as explicit support for women to challenge gender subordination at the micro-level	Increased wellbeing and group formation will automatically enable women to empower themselves.

Source: Mayoux 2005:4

Figure 6-1: Contributions of Microfinance to Women's Empowerment



Source: Adapted from Mayoux 2005:5

Microcredit lenders operate with two main conditions: loans are given in small increments and the process of group lending is essential. Loan size is a greatly contested issue in the literature. Women generally require and are allotted smaller loans,

particularly women who are starting a business and poorer women. However, the danger lies in ghettoizing women in small loans (Mayoux 2005). Larger loans allow women to enter into more lucrative business endeavours and are cheaper to administer. A program administering larger loans would require evidence of women's involvement in the loan process including marketing, accounting and business plans. As a result, women could experience increased confidence by taking a strategic approach to savings and loans rather than slipping into debt (Mayoux 2005). Microfinance institutions must realize that the other side of credit is debt (Burra et al 2005). If loans are granted in excess without realistic evaluation of women's ability to repay, the consequence could be the impoverishment and disempowerment of women.

Group lending is a major component of microcredit for women. This element of the loan process is based on the assumption that bringing women together in a group is more empowering than lending to individual women (Mayoux 2002). Women are able to network, strategize, and share ideas of personal experiences. This is closely linked with the benefit of group lending, which enables women to come out of the narrow confines of the household and to socialize with their communities. As a result, women demonstrate courage to exercise more power within the household and larger community (Osmani 2007).

The context in which loans are granted is gaining attention by microfinance institutions. Properly designed microfinance programs can make a significant contribution to women's empowerment (Cheston and Kuhn 2002). It is not merely the delivery of credit but the context in which credit is delivered that ensures women's control over resources (Oxaal and Baden 1997). For example, it is not the amount of

credit given to women or high repayment rates that should be indicators of successful microfinance programs (Oxaal and Baden 1997). Instead, more attention should be focused on the quality of activities financed by loans to determine if the loans are really empowering to women. In addition, microfinance institutions need to make certain that their programs do not affect women's time management (e.g., through time-consuming meetings) (Cheston and Kuhn 2002). Kabeer found that women experience an increased workload with having a self-owned business; yet, the majority of women feel the benefits outweigh the costs of participation (Cheston and Kuhn 2002). While these women are generally happy despite the intensified workload, it is the responsibility of microfinance institutions to help women negotiate a reasonable balance between life and work.

Gender equality and empowerment are essential objectives for microcredit programs. Mayoux (2005:15) identifies various ways to integrate women's needs and concerns into quality microfinance initiatives to achieve gender equality and empowerment:

Gender Equality

- Remove all gender discrimination in loans (e.g., collateral and guarantor requirements which disadvantage women)
- Develop application procedures to equally target women's information networks and locations and times accessible by women
- Repayment schedules and interest rates should reflect the reality of women's economic activities and life cycle
- Ensure women have equal access to large individual loans and incorporate clear strategies for women's graduation to larger loans
- Include higher interest deposits with more restructured access to increase women's assets

Empowerment

- Repayment schedules and interest rates should maximize impact on incomes
- Registration of assets used as collateral or purchased with loans should be in women's names or in joint names

- Active and preferential promotion of loans should be accessible to women for new activities on condition of asset registration in their names and proof of their active involvement
- Active and preferential promotion should be accessible to women for house and land purchase and market registration costs on condition of asset and market site registration in their names
- Loans should be accessible to reinforce and strengthen male responsibilities for household wellbeing, including that of wives and daughters (e.g., loans for daughter's education or to purchase a productive asset for unmarried girls)

Mayoux (2005:15) also recognizes areas where gender equality and empowerment can be improved in non-financial programs and services:

Gender Equality

- Integration of gender awareness and women's interests and concerns into all training programs and design of all non-financial services for women and men
- Services for both women and men: services to reduce burden of unpaid domestic work, including childcare

Empowerment

- Gender specific services for women (e.g., training/mutual learning for women to increase organizational as well as business skills and legal support)
- Linking with other services providers (e.g., for legal aid, training, gender research)
- Active networking with other organizations challenging gender inequality, including women's movements and men's movements for change)

The ability for a woman to transform her life through microfinance is dependent on several factors: her individual situation, her abilities, and her environment. In addition, the status of women as a group in certain cultural contexts also plays a part in women's ability to transform their lives through microfinance (Cheston and Kuhn 2002). Access to credit and capital is only one dimension of the complex process of empowerment. However, giving women access to credit does help create a vantage point where consciousness and the potential for change are possible (Kabeer 1999). Microcredit is an effective entry point for empowering women.

6.4 Capacity Building/Capabilities Approach

In the early 1990s, capacity building became a popular component of development schemes. It is defined broadly as the process of developing or acquiring the skills, competencies, tools and resources to achieve success on a sustainable basis (Government of Canada). In other words, capacity building contributes to disempowered individuals realizing their full potential by encouraging power within; that is, increasing self-confidence of individuals to change negative circumstances.

Capacity building is a strategy that largely developed out of the broader capabilities approach to development. Sen (1985) considers capabilities as the marriage of resources and agency (as cited in Kabeer 1999). Capabilities provide the potential for people “living the lives they want, of achieving valued ways of ‘being and doing’” (Kabeer 1999:438). While both approaches exist, the differences between capacity building and the capabilities approach are slight. Capacity building and the capabilities approach both concentrate on realizing human potential. It is important that these approaches focus specifically on gender. Recognizing opportunities for gender equality is fundamental to organizational change and power (James 2001). In a broad sense, capabilities are what link practical and strategic needs together.

Women are disempowered economically in Botswana households. One part of empowering women’s economic power is to have women’s voices heard:

Moving from silence into speech is for the oppressed, the colonized, the exploited, and those who stand and struggle side by side, a gesture of defiance that heals, that makes life and new growth possible. It is that act of speech of “talking back,” that is no mere gesture of empty words, that is the expression of our movement from object to subject - the liberated voice. (hooks 1989:9)

Increasing women’s representation in credit loan schemes will allow women to network,

build solidarity, and link together different issues that pertain to their own objectives. Encouraging and recognizing women's economic contributions are also effective for promoting consciousness-raising. The capabilities approach focuses on what women are actually able to do and to be whether or not oppressed and undereducated women might consider that some capabilities are not for them (Nussbaum 2002:72).

Economically, women can be empowered by increasing their access to resources and assets. In addition to accessibility, the capabilities approach argues that women need the means to carry out their choices. Many women who have the 'choice' to go to school simply cannot because the economic circumstances of their lives make it impossible. By law women in Botswana are allowed to purchase land and are essentially granted economic independence. However, women's decision making power is limited when they lack material assets or access to credit which would allow them to purchase land and achieve economic independence. Nussbaum (2002) argues that liberty is not just a matter of having rights as dictated by law, it requires being in a material position to exercise those rights. This is evident in the case that Botswana women by law are considered heads of households but in practice they are not given the decision making authority to completely fulfill this role. By increasing women's agency as decision-makers and negotiators, Botswana women can be empowered within their society.

Empowering women also means increasing women's choice to enter the labour force under gender-fair circumstances. Women who earn an income for their labour will be able to contribute to household economic security. Dreze and Sen argue that because of the limited access women have to paid work or control over household income and its distribution, their position within the household has been adversely affected (Rai 2002).

The household is not a place where resources are distributed equally. By empowering women through increased capacity to earn an income, women will have more bargaining power within the social relations of the household (Osmani 2007). By training women in different vocations, women will have greater access to employment opportunities. However, part of empowering women involves placing value on women's unpaid domestic work.

Empowerment comes from within the individual as well as from external agencies. Botswana's government and civil society have a responsibility to address the needs of women. With an increasing strain on women's care capacities with growing numbers of AIDS orphans and ill-stricken young adults who require care, a response from the public sector is warranted. By increasing safety nets for women in these positions, poverty is alleviated and women experience more choice in diverting resources to other areas, such as food or education. The government can also help women MSE owners by implementing policies directed towards reducing the risk absorbed by women with customer non-repayment of debt and credit lines. The informal sector is inherently beyond the scope of government control; however, there is a role that the state may play in promoting women's empowerment. A good example of how this is possible can be seen by how positive impacts of government policy aimed at defeating HIV/AIDS indirectly helps women entrepreneurs engage in informal sector activity.

Education is one of the most effective ways of promoting women's control over their environment and encouraging involvement in their own development. Nussbaum argues that women who can seek employment outside the home have more resources for protecting their integrity (2002). Women who are able to stay in school are empowered

because their choices are greater regarding economic liberty and standard of living.

However, women without education can still be self-reliant, as evidenced by women entrepreneurs in this study.

6.5 Conclusion

Chapter Six has discussed the potential for microcredit to be an empowering tool for women. The chapter began with a discussion on the difficulty in defining the term empowerment due to its diverse meanings and applications. However, for the purpose of this research, empowerment incorporates such ideas as women realizing their full potential and women having the right to make their own choices with the ability to act on them. Empowerment is an important component in the development process. It is important for quality of life and human dignity and it inspires change, choice, and power.

Empowering women is of particular significance because women constitute the most disadvantaged, disempowered, and vulnerable population in Botswana. The aim of women's empowerment is not to make men and women the same. However, women have a human right to equality and opportunity and empowerment is required for this to be achieved. Sara Longwe's Women's Empowerment Framework is discussed in considerable depth and applied to the case study of Women's Finance House in Gaborone, Botswana. The framework is designed to measure the extent to which women are empowered in the development process. It is based on five levels of equality: control, participation, conscientisation, access, and welfare.

Adding a third dimension to women and empowerment, microcredit was introduced in section 6.3. Microfinance initiatives are primarily directed towards women based on

evidence of successful repayment and effective loan use. Two competing paradigms pertaining to microcredit were outlined: Feminist Empowerment Paradigm and Poverty Alleviation Paradigm. While providing credit alone does not empower, there is evidence that both practical and strategic gendered needs are met. Women are socially and economically self-reliant, independent, and self-sufficient. They are able to meet material needs such as paying for school fees, paying bills and providing food for the household. In addition, there is significant potential for microcredit to enable women to challenge and change gender inequalities at all levels with a strategic gender focus.

Finally, these sections were brought together for a discussion of capacity building and capabilities as empowering for women involved in microcredit initiatives. It is crucial for microfinance programs to consider the range of support required by women for empowerment and to identify the potential contributions of their services or products. Capacity building involves the process of developing or acquiring the skills, competencies, tools and resources to achieve sustainable success. It provides an opportunity for the disempowered to realize potential by encouraging power within, which in turn challenges negative or discriminatory circumstances. This is where long term structural change occurs. Microcredit facilitates capacity building, which aids in the empowerment of women.

Chapter Seven

Recommendations and Conclusions

7.0 Summary

Microfinance is a development approach widely employed with the intention of empowering women. It is believed that women are empowered through capacity building and increased access to credit. The main objective of this study was to explore opportunities and obstacles to women entrepreneurs' microcredit income generating activities in Gaborone. To achieve this overall objective, several sub-objectives were carried out over the course of the study. It was important to describe the type and character of women's entrepreneurial activities funded by Women's Finance House and to document women's microcredit activity experiences in Gaborone. This led to identifying opportunities for success and/or obstacles that impede the success of women's entrepreneurial activities. In addition, this study identified support mechanisms that can assist women entrepreneurs in mitigating the obstacles to microcredit income generating initiatives. Finally, in order to achieve the primary objective of this study, it was necessary to recognize and measure the role of entrepreneurship in women's empowerment.

This research described characteristics of women's entrepreneurial activities funded in part by Women's Finance House. The organization provided access to loan recipients that were randomly selected for interviews. In addition, women's microcredit enterprise activity experiences were documented. It was also important to identify opportunities for success and/or obstacles that are impeding growth, sustainability, and

success of women's entrepreneurial activities. Gender inequality, inaccessible resources, and the impact of HIV/AIDS on local business were three major obstacles identified. After identifying obstacles that prevent women from meeting specific needs, it was important to identify support mechanisms that may assist women entrepreneurs in mitigating these obstacles. Women's Finance House, other microcredit lending agencies, and women's organizations are important sources of support for women entrepreneurs. Finally, recognizing and measuring the role of entrepreneurship and microfinance in women's empowerment was key to the outcome of this study. It was found that microfinance can be a tool for women's empowerment. Microfinance provides women with opportunity for economic security and poverty reduction. In addition, microcredit is an investment in women's capabilities through promoting gender equality and access to resources.

This study was conducted within the practical and strategic gender needs framework developed by Molyneux (1985) and Moser (1993). It was found that categorizing women's gender needs into practical and strategic groupings is extremely difficult. The distinction between these needs is not black and white. The grey area is where practical needs change into strategic needs and the point at which this occurs is difficult to isolate. This has implications for the analysis of this study. In the onset of data analysis, there was an attempt to distinguish between practical and strategic needs; however, this task proved difficult. Instead of categorizing needs as practical or strategic, the analysis discusses the complexity of this process. Recognizing that isolating practical and strategic needs is problematic gives way to further research needed in this area. The difficulty in isolating practical and strategic needs also has implications for the role of

NGOs like Women's Finance House. NGOs can be of benefit to women when they recognize practical and strategic needs and where these needs shift. Gaining a deeper understanding of the grey area between practical and strategic gender needs will allow development agencies like Women's Finance House to develop relevant and meaningful approaches to meeting women's interests and needs.

In summary, the experiences of women entrepreneurs in Gaborone indicate that microcredit is beneficial. However, women face several obstacles that inhibit their ability to meet practical and strategic needs within their micro-enterprise activities.

Distinguishing between practical and strategic needs to overcome the obstacles that inhibit women meeting these needs are important for ensuring women achieve their potential as entrepreneurs in Gaborone, Botswana.

7.1 Recommendations

Four key recommendations stemming from the analysis presented in Chapters Five and Six have the potential to assist in improving circumstances for women engaging in microcredit initiatives. First, market saturation is currently a detriment to women's successful business opportunities. Finding ways to diversify the economy would allow women to set themselves apart from other entrepreneurs; it would encourage increased economic growth on a micro level in addition to macro business development, and skill sets would be expanded. It would also be more likely that women who diversified their small business practices in the informal sector make an easier transition into the formal economy, lessening the gender disparity. This is one way women entrepreneurs could meet strategic gender needs.

Second, while Women's Finance House is contributing to improving women's access to microcredit for businesses, small loan amounts are reported to be a significant hindrance to business growth and success. To compensate for small loan amounts, it is recommended that loan organizations facilitate seminars teaching best practices for utilizing small loans. In addition, lending agency workers could meet with loan recipients to establish a best plan of action for specific individuals or businesses.

Third, the majority of women interviewed care for dependents, mostly younger siblings, children or grandchildren. Entrepreneurship and utilizing microcredit loans benefits women because it allows for flexibility in time allocation so that women can manage both caregiving and running a business. However, there is room for improvement in lessening the burdens women face in taking on sole responsibility of caregiving. Changing these circumstances for women involves a greater participation on the part of men in caregiving and domestic responsibilities. This requires a shift in thinking within society as a whole to break free from the idea that it is exclusively the duty of women. While this is the ultimate goal, this change will not occur overnight. In the meantime, more attention ought to be paid to balancing family and workplace responsibilities. One of the reasons women's small businesses struggle to expand is because their time is limited due to domestic responsibilities. Microfinance institutions can offer support by helping women develop strategies for meeting family expectations while finding time and energy to run a business as well.

Finally, women's empowerment can be achieved if Women's Finance House assists women to meet practical and strategic gender goals. More generally, women can achieve practical and strategic needs with greater success if these needs are identifiable.

It is recommended that NGOs make it a priority to acknowledge the grey area where practical and strategic needs overlap. Understanding when practical needs change into strategic needs is important for women's empowerment.

7.2 Contributions, Limitations and Opportunities

Academically, this study contributes to the literature on the economic advantages of microcredit for women. In particular, it adds to the little research there is identifying the obstacles women in Botswana face in relation to microcredit initiatives. This study reveals women entrepreneurs' interests and needs in Gaborone and advances the knowledge of local business development in Botswana. In addition, this research highlights the economic significance of women's productive activities and emphasizes the value of women's labour in Botswana.

By attempting to understand women entrepreneurs' circumstances with microcredit, this research has revealed many obstacles to women's economic success. Identifying these obstacles in order to overcome them is relevant to both women business owners and microcredit lending agencies alike. Without this study, these obstacles otherwise may have remained unknown. The recommendations will hopefully add to a deeper understanding and improvement of current microcredit lending organizations. This will directly benefit policy and planning initiatives pertaining to microcredit for women in Botswana.

The findings and observations discussed in this research are accompanied by some constraints and limitations. Nearly all of the case study interviews were conducted with the use of a translator. Translation allows for a potential loss of information or

misinterpretation of comments. In addition, all interview participants came from a different cultural background than the researcher. This may have influenced interpretation of interviewee responses. There is also the possibility that because the researcher was a foreigner to participants, some topics may not have been discussed sufficiently. Some interviewees were reluctant to discuss the topic of HIV and AIDS and this may have been attributed in part to the researcher's foreign status. On the whole, it was generally observed that interviewees were at ease, willing, and enthusiastic about discussing research topics. At times, case study respondents tended to focus on a discussion of funding, regardless of the current topic of discussion. This may suggest that some participants considered the researcher in a position to provide funding or solicit funding from other sources for their businesses.

It is believed these findings are representative of Women's Finance House participants. A random sample of women participating in the organization's loan project were selected and interviewed. Moreover, it is believed that Women's Finance House clients are representative of women micro-entrepreneurs in general within the Gaborone area, because the program is available to the poorest women in pursuit of economic activity. Conclusions can be drawn from this research in part because the sample size is representative of Women's Finance House clients in addition to analysis was largely focused on topics that were discussed by several different respondents.

Several opportunities for future research arise from this study. An important direction for future research is examining which factors have a greater impact on empowering women. Kabeer (1999) suggests several factors contribute to the empowerment process: household and village characteristics, cultural and religious

norms within a society, behavioural differences between respondents and their family members, and the kind of training and awareness programs women have encountered. A deeper understanding of women's empowerment within a microcredit context is necessary for improving the prospects for future women entrepreneurs. This is particularly important in Botswana since the government is pushing for more local business development.

The continuing HIV/AIDS epidemic in Botswana requires constant medical and social research. On-going research into the impacts of HIV/AIDS on Botswana's economy and Botswana's population is recommended as the situation changes, especially to consider the sustainability of the socioeconomic environment. It is particularly important to reveal the impacts on women in Botswana as they are often hit hardest by the impacts of HIV/AIDS.

APPENDIX A: Case Study Interview Questions

I'll be asking you some questions regarding the nature of your business and your experiences as an entrepreneur (business person) in Gaborone.

Let's start off with some basic information about your business:

1. Is your business registered as a formal company or informal name?
2. What are the products/services offered?
3. Do you have a business partner(s)? (name and relationship)
4. What per cent of the business is owed by yourself?
5. Do you have other paid employment? (current or near past?)
6. What year did you start up or become owner?
7. How and why did you come to start your own business?
8. Did you have a previous business(es)?

Now I would like to ask you some questions regarding location:

9. Where is your business located? (plot number, area)
10. What is the tenure type? (Describe area ie: Tribal land, residence, office, commercial. A) Free hold (owned), B) Lease hold, C) Tribal land).
11. How much space are you using for the business (meters squared)?
12. What was the rent or purchase price?
13. Why is your business located here?
14. Why is it a good location?
15. Why is it a bad location?
16. Would you prefer a different location? Why?

Now I would like to ask you some questions regarding WFH & other services you have access to:

17. What is the total amount of WFH financial support you are receiving? When did you receive it? How much do you repay per month? What have you purchased with the funds?

18. What was your experience with the application process? (Did you have a business plan? Who helped, who hindered in the process?)

19. What has been your general experience with WFH? (ie: Approachable organization? How did you learn about WFH? Are you in debt, problems with repayment?)

20. Do you receive financial support from other sources?

21. What are your sources of information, advice, and/or assistance? (Who is in your network? Ie: other women from WFH, family, etc)

I am curious about the kinds of skills you have to help you in your business:

23. What is your education level?

24. Do you have specific business training? (ie: short courses?)

25. What skills have you gained on the job?

26. Do you have employees? (number, male/female, full time/part time) (Who is doing what?)

27. What is the fixed asset value? (what property does the company own? ie: Vehicles, equipment, furniture... not stock)

28. Who are your customers for your product/service?

I would like to ask you some questions about the influence of HIV/AIDS on your business:

29. Is it difficult for you to discuss the topic of HIV/AIDS? Is it hard for people in Botswana to talk about the situation of HIV/AIDS?

30. Do you know someone who has HIV/AIDS?

31. Do you provide care for someone with HIV/AIDS? Or for other sicknesses?

- If so, how do you manage caregiving and working responsibilities?

33. How is HIV/AIDS economically affecting you personally? Is it affecting your income generation? (ie: customers paying, impact on market, employees availability etc)

34. Is HIV/AIDS constraining your work opportunities? (Could you run your business the same if there was zero AIDS or as the AIDS is now?)

35. More generally, how will HIV/AIDS affect local businesses in Botswana? (Will there still be as many local businesses? What will happen to entrepreneurs?)

36. How is HIV/AIDS affecting *your* business? (Do you have issues with time management? How is your cash flow? Does it affect any of your social networks?)

37. Do you think the Government recognizes HIV/AIDS as a problem for business people? If so, how?

38. How do you think the HIV/AIDS issue can be improved for workers?

39. Can the HIV/AIDS situation be improved in Botswana on the whole? How?

Now I would like to finish up with some basic questions:

40. Do you have a spouse? Is he involved in the business? How? Who makes the decisions?

41. Do you have family members who own businesses?

42. Do you have dependents? (Number, ages – children and/or elderly)
43. What is your birth year?
44. How much income to receive from your business per month?
45. What are your total household earnings per month?
46. How long have you lived in Gaborone?
47. When people find out you own your own business, what do they think of you? (ie: brave, crazy, hard working, lazy, risk taker, intelligent)
48. Are you successful? How do you know when you are successful?
49. What are the benefits of owning your own business?
50. What are the challenges of owning your own business?
51. Would you do anything differently if you were to start your business again?
52. Could the government do more to help you further?
53. There is a lot of talk about “entrepreneurial spirit in Botswana” what does this mean?
(What does it mean to have so many entrepreneurs in Botswana?)
54. Are there differences between men’s and women’s businesses in Botswana? What are they? Why are there differences?
55. Anything further? Any questions for me? (Get PO box mailing address)

APPENDIX B: Key Informant Interview Questions

I would like to begin by asking you some basic questions about demographics.

1. What is your full name?
2. What is your birth year?
3. Do you have a spouse?
4. Are you the head of the household?
5. Do you have dependents? (Children or elderly)
6. How long have you lived in Gaborone?

I am curious about the kinds of skills you have to help you in your position.

7. What is your education level?
8. What is your position here?
9. How long have you been employed here? Have you held any other positions with this organization?
10. Did you have previous employment before this position?
11. Do you have specific training particular to this position?
12. What skills have you gained on the job?
13. How is this position important to the organization?
14. What has been your general experience with this organization?
15. Can you explain the importance of your organization?

I am interested to know more about women's entrepreneurship in Gaborone.

15. What skills are necessary to become an entrepreneur?
16. What kinds of women are likely to receive loans? (Based on what criteria?)

17. What are some examples of entrepreneurship activities in Gaborone?
18. Are some entrepreneurial activities more successful than others? (What is considered successful?)
19. How does an entrepreneur know when they are successful?
20. How does the general population perceive entrepreneurs in Gaborone?
21. What are the benefits of owning a business compared to working?
22. What are the challenges of owning a business?
23. There is a lot of talk about “entrepreneurial spirit in Botswana” what does this mean?
24. Are there differences between men’s and women’s businesses in Botswana? What are they? Why are there differences?
25. Are women pivotal to economic development? Why or why not?

I would like to ask you some questions about the impact of HIV/AIDS on local business.

26. Is it difficult for you to discuss the topic of HIV/AIDS?
27. Is it hard for people in Botswana in general to talk about the situation of HIV/AIDS? Why or why not?
28. What can you say about the HIV/AIDS situation in Botswana? (Prevalence rates, degree of the situation)
29. Are people receptive to learning about HIV/AIDS? Are all social groups targeted to be educated?
30. Do you know someone who has HIV/AIDS?
31. Do you provide care for someone with HIV/AIDS? (If so, how to you manage caregiving and working responsibilities?)

Now regarding entrepreneurs...

32. Is HIV/AIDS constraining work opportunities? (Could businesses be run the same if there were zero AIDS compared to the rates now?)

33. How is HIV/AIDS affecting local businesses in Botswana? (Will there still be as many local businesses in the future? What will happen to entrepreneurs?)

34. How does HIV/AIDS affect individual entrepreneurs? (Time management, cash flow, social networks?)

35. Do you think the Government recognizes HIV/AIDS as a problem for business people? What are the indicators?

36. How do you think the HIV/AIDS issue can be improved for workers?

37. Can the HIV/AIDS situation be improved in Botswana on the whole? How?

Is there anything further you would like to add? Any questions for me? (Collect address, PO Box)

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